CITY OF DELRAY BEACH, FL

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR YEAR ENDED SEPTEMBER 30, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF DELRAY BEACH, FLORIDA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by the

Finance Department

CITY OF DELRAY BEACH, FLORIDA

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INTRODUCTORY SECTION

CITY OF DELRAY BEACH

DELRAY BEACH
All-America City

June 30, 2022

Honorable Mayor
City Commission
City Manager
City Staff
Citizens and Friends of Delray Beach, Florida

Ladies and Gentlemen:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Delray Beach, Florida (the City), for the fiscal year ended September 30, 2021. State law requires that every local government entity publish a complete set of audited financial statements within nine months of the close of each fiscal year. This document is published to fulfill that requirement, as well as to provide transparency and accountability to our community, customers, and business partners.

Based upon a comprehensive framework of internal controls, management assumes full responsibility for the completeness and reliability of the information contained in this report. Comparable to any other investment of resources, the cost of an internal control structure should not exceed the anticipated benefits. For this reason, the City's internal control structure is designed to provide reasonable, rather than absolute assurance that the financial statements are free of material misstatement.

Marcum LLP, Certified Public Accountants, have issued an unmodified opinion on the financial statements of the City of Delray Beach for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this document. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

THE CITY OF DELRAY BEACH

Profile The City of Delray Beach is a political subdivision of the State of Florida and is located in the southeastern part of the State in Palm Beach County on the Atlantic shoreline. Delray Beach was settled as an agricultural community in 1895 and first incorporated in 1911. Subsequent incorporation as the City of Delray Beach took place on May 11, 1927. The City's current estimated permanent population is 70,001 with an additional estimated 12,600 seasonal residents.

The City of Delray Beach is a full-service city with a Commission-Manager form of local government. The citizens elect a Mayor at large on a non-partisan basis every three (3) years along with four (4) Commissioners who are elected at large on a non-partisan basis for three (3) year terms in alternating years. The City Commission sets policy, approves legislation, adopts the Annual Budget, and sets rates and fees for City services.

The City Commission appoints the City Manager, who is the chief administrative officer of the City, the City Attorney, who acts on all legal matters pertaining to the City, and the Internal Auditor. The City Manager is charged with overseeing the daily business of the City and is responsible for the supervision of the City departments and employees. Department Heads serve at the pleasure of the City Manager and other employees are covered by union agreements.

Renewal and redevelopment efforts in Delray Beach have resulted in numerous accolades, including the prestigious All-America City Award (1993, 2001 & 2017), and USA Today/Rand McNally's Best of the Road Most Fun Small Town in America (2012). In 2014, the City received the John Nolan Award for outstanding achievements in urban growth and development. Two years later, Delray Beach was honored with the Driehaus Form-Based Codes Award for its achievement in the production and implementation of the Central Business District Code and Architectural Design Guidelines. Delray Beach is also host to exceptional special events. Throughout the year, people from around the world visit the City to enjoy championship tennis, fabulous 4th of July celebrations, and festive holiday events.

The City of Delray Beach is a truly unique city. From its award-winning public beaches and vibrant downtown nightlife to its excellent neighborhoods, bustling economy, and abundance of cultural activities, Delray Beach offers an unparalleled quality of life.

Services Provided The City of Delray Beach provides a full range of community services including police, fire protection, fire inspection, emergency medical, rescue, parks, recreation centers, community activities, beaches, pools, a marina, boat ramps, public works, traffic maintenance, street maintenance, parking facilities, golf courses, tennis courts and a world-class tennis stadium.

The City also provides utility, development and business services including water, sewer, stormwater, engineering, construction services, building permits, building inspections, code enforcement, garbage, trash, community development, general administrative and financial support services.

In addition to the services provided to Delray's residents, the City provides water, fire protection, emergency medical, police dispatch, building permits, building inspections, and limited sewer services to the Town of Gulfstream. Fire protection, emergency medical, and limited water services are also provided to the Town of Highland Beach. The City serves the residents of both towns based on contractual arrangements with each governmental entity.

Reporting Entity This report includes all funds of the primary government (the City of Delray Beach) and all organizations and component units for which the City is financially accountable, including the Delray Beach Community Redevelopment Agency (CRA), the Delray Beach Downtown Development Authority (DDA), and the South Central Regional Wastewater Treatment and Disposal Board (SCRWTDB). The SCRWTDB was established as a joint venture with equity interests between the cities of Delray Beach and Boynton Beach.

Budgetary Control The City maintains a system of budgetary controls within its accounting and financial management systems. The objective of these budgetary controls is to monitor compliance with legal provisions as well as funding limitations embodied in the annual budget appropriated by the City Commission. In accordance with state laws, the final adopted budget is posted on the City's website within thirty (30) days after adoption. The amount available from taxation and other sources, including balances brought forward from prior fiscal years, must equal the total appropriations for expenditures and reserves. Budgetary control, or the level at which expenditures may not exceed appropriations, is established at the departmental and fund levels.

As part of the City's budgetary control system, encumbrances in the form of purchase requisitions are utilized. An encumbrance is a reservation of funds to pay for goods or services which have been approved for purchase. For operating purposes, outstanding encumbrances lapse at fiscal year-end. Blanket requisitions are closed at fiscal year-end and are not reappropriated.

Economic Conditions and Outlook The City of Delray Beach continues to be in healthy financial condition with a diverse and growing population, increasing property values, positive trends in economic activity post-pandemic, sound fiscal controls and appropriate balances maintained in the City's reserve fund. For fiscal year 2021, taxable values increased to $11.8 billion, representing a 6.3% increase over the 2020 taxable values of $11.1 billion. The property tax millage rate for fiscal year 2021 remained unchanged at 6.6611 from fiscal year 2020 and remains the lowest since fiscal year 2010. Furthermore, Standard &Poor's rates the City's outstanding General Obligation bonds as AAA.

MAJOR INITIATIVES

The City has completed the following capital improvement projects in FY 2020-21:

Design Completion

- Osceola Park Neigborhood Improvements – Phase I & Phase II
- Public Right-of-Way Accessibility Improvements – Phase I & Phase II
- SE 8th Court Drainage
- SW 4th Street, SW 3rd Ct., SW. 6th St., SW. 7th Ave. Project
- Street Lighting Design for Osceola Park and SW 4th Ave. Projects
- Atlantic Dunes Park Seawalls
- City Marina
- Island Drive Bridge Rehabilitation

Study Completion

- NW Neighborhood Conceptual Design Report
- Report of Structural Engineering Assessment for Fire Station 111
- Basis of Design Report for Tropic Isle Roadway and Underground Utility Improvements

Construction Completion

- Block 63 and Block 17 alleys
- System 58A & 87 Force Main Replacements
- SW Alleys
- Old School Square 3-phase electrical upgrades
- Palm Trail/George Bush Intersection Drainage Improvements
- NE 2nd Ave. /Seacrest Beautification Phase
- Cormorant Outfall Repair
- Delray Racquet Club Piping Repair
- NW 5th St Structure and Outfall Piping Repair
- City Marina
- Seacrest Phase 3
- Alley Enhancement Project

Economic Development During fiscal year 2021, the City continued its robust pace of office, hotel and commercial redevelopment, despite the lingering impacts of the global pandemic. Some of the dynamic projects taking shape in the downtown area, include: Delray Beach Market ($17,500,000) which opened its doors on April 2021; the Ray Hotel ($19,500,000) that started operations in September 2021; Atlantic Crossings ($300,000,000) a 9 acres project getting ready to transform a critical section of the City; on Linton Boulevard, The Linton, a redevelopment of an existing commercial/retail plaza to incorporate residential component to create a mixed-use development; and to the west, Aura Delray currently being constructed will be adding 276 apartments to an area that has been under-utilized.

LONG-TERM FINANCIAL PLANNING

In 2019, the City discussed and evaluated strategic priorities and goals, setting the direction for the organization over the next two to three years. The following priorities and goal statements were identified:

Priority 1: Improve Infrastructure. Goal Statement: Create strategic appropriately programmed, and fiscally responsible Capital Improvement Program.

Priority 2: Implement Development Plans and Initiatives. Goal Statement: Achieve and maintain a distinctive community appearance that reflects the character and high standards of the community by creating inviting, natural, and built places and spaces for contemplation, play, arts, and connection while celebrating our history and protecting our environment.

Priority 3: Improve Transportation and Mobility. Goal Statement: Increase the variety of available transportation choices and maintain the City's transportation and mobility options and infrastructure (including medians, lighting, sidewalks, transit systems, streets, alleys, streetlights, etc.).

Priority 4: Create a City Organization of Excellence. Goal Statement: Create and build a culture of excellence, communicate with transparency, and ensure all departments and employees have the required tools necessary for success.

Priority 5: Health, Safety, and Quality of Life. Goal Statement: Enhance and maintain our community's health, safety and quality of life through effective community engagement and public safetyprograms.

Priority 6: Economic Vitality and Education. Goal Statement: Promote economic development and redevelopment as well as relocation, expansion and retention of existing businesses to ensure economic vitality while ensuring a ready workforce for today and tomorrow.

FINANCIAL INFORMATION

Internal Accounting Controls In the development and evaluation of the City's accounting and financial reporting systems, consideration is given to the adequacy and accuracy of the internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance that the assets of the City are safeguarded against loss from unauthorized use or disposition and that there are reliable financial records for the preparation of financial statements and for the accountability of those assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations, including the City's, utilize these criteria.

Single Audit As a recipient of Federal, State and County financial assistance, the City is also responsible for ensuring that an adequate system of internal controls is in place to maintain compliance with applicable laws, regulations and guidelines related to those programs. This internal control system is subject to periodic evaluation by management. As a part of the single audit process, tests are made to determine the adequacy of the internal control structure, including the portion related to federal financial assistance programs, and to determine compliance with applicable laws and regulations. The results of theCity's single audit for the fiscal year ended September 30, 2021 disclosed no instances of material weaknesses in the internal control structure and disclosed no significant violation of applicable laws and regulations.

AWARDS AND ACKNOWLEDGMENTS

Financial Statement Award The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Delray Beach, Florida, for its ACFR for the fiscal year ended September 30, 2020. This was the 38th consecutive year the City received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an annual comprehensive financial report which meets or exceeds current requirements and best practices. The report is reviewed by a team of industry experts to ensure that generally accepted accounting principles, best practices and applicable legal requirements are satisfied. We believe our current report meets the Certificate of Achievement Program requirements and we are submitting it for GFOA evaluation and potential award of a 39th certificate.

Budget Award The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City of Delray Beach, Florida, for its Annual Budget for the fiscal year ended September 30, 2021. To receive this award, a government must publish a budget document that meets or exceeds industry standards and best practices as a policy document, a financial plan, an operations guide, and a communications tool. The current award represents the 26th time that the City has received this honor recognizing excellence in governmental budgeting practices.

Acknowledgments An Annual Comprehensive Financial Report of this quality and complexity illustrating the entity-wide results of operations would not have been achieved without the dedication and commitment of the entire Delray Beach team. A special thank you to Ms. Laura Thezine, Assistant Finance Director; Ms. Carmen Aleman, Chief Accounting Officer; and Mr. John Mainville, Accounting Manager, as well as the entire Finance Team. This team's technical expertise and commitment to high quality work product resulted in a report which provides a comprehensive view of the City's financial and economic position. This report clearly illustrates that the City of Delray Beach is in strong financial condition and is poised for continued growth and prosperity. We wish to thank the Mayor, City Commission, City Manager, Department Heads, and the citizens for their continued support and unwavering commitment to fiscal responsibility.

Respectfully submitted,



Hugh B. Dunkley, CPA, CGFO
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Delray Beach
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020



Executive Director/CEO

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Delray Beach
Florida

For the Fiscal Year Beginning

October 01, 2020

Christopher P. Morrill

Executive Director

CITY OF DELRAY BEACH, FLORIDA

LIST OF PRINCIPAL OFFICIALS

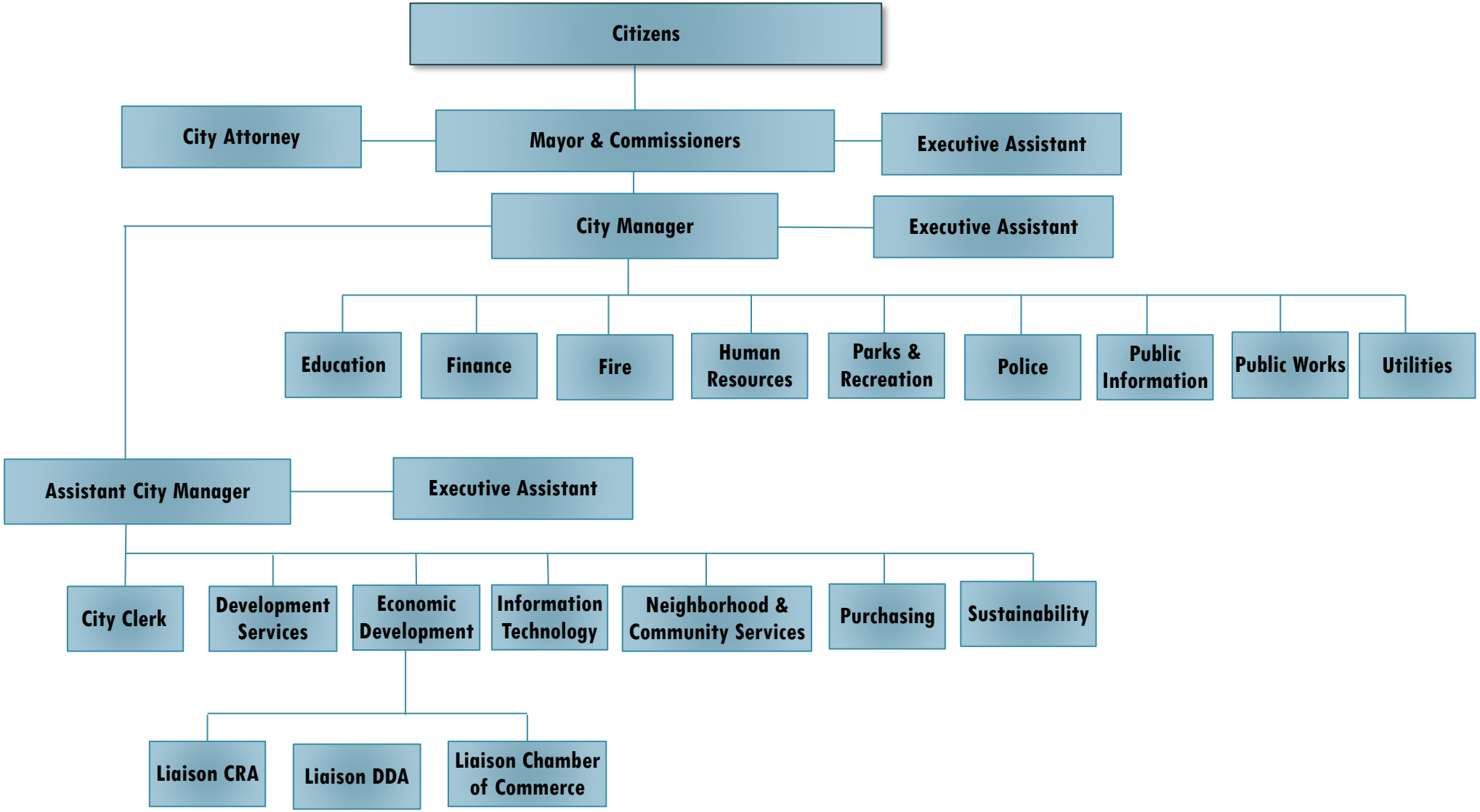
September 30, 2021

CITY COMMISSION

Mayor	**Shelly Petrolia**
Vice-Mayor	**Shirley Ervin Johnson**
Deputy Vice-Mayor	**Adam Frankel**
Commissioner	**Ryan Boylston**
Commissioner	**Juli Casale**

CITY STAFF

City Manager	**Terrence R. Moore**
Assistant City Manager	**Duncan Tavares**
City Attorney	**Lynn Gelin**
City Clerk	**Katerri Johnson**
Communications Director	**Gina Carter**
Neighborhood & Community Services Director	**David Weatherspoon**
Economic Development Director	**Sara Maxfield**
Finance Director	**John Lege**
Fire Chief	**Keith Tomey**
Human Resources Director	**Duane D'Andrea**
Information Technology Director	**Jay Stacy**
Parks and Recreation Director	**Sam Metott**
Development Services Director	**Anthea Gianniotes**
Police Chief	**Javaro Sims**
Public Works Director	**Missie Barletto**
Purchasing Director	**Jennifer Alvarez**
Utilities Director	**Hassan Hadjimiry**



City of Delray Beach Organizational Chart

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Delray Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, 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 Downtown Development Authority (the "DDA"), a discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amount reported for the DDA, are based solely on the report 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 auditor's 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

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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 report 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accepted accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 to 16, the budgetary comparison schedules on pages 108 to 113, the pension information on pages 114 to 126 and the other postemployment benefits information on pages 127 to 129 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 have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 introductory section, the combining and individual fund financial statements and schedules, the other supplementary information and the statistical section listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost*

Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the other supplementary information, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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. In our opinion, the combining and individual fund financial statements and schedules, the other supplementary information, and the schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, 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

West Palm Beach, Florida
June 29, 2022

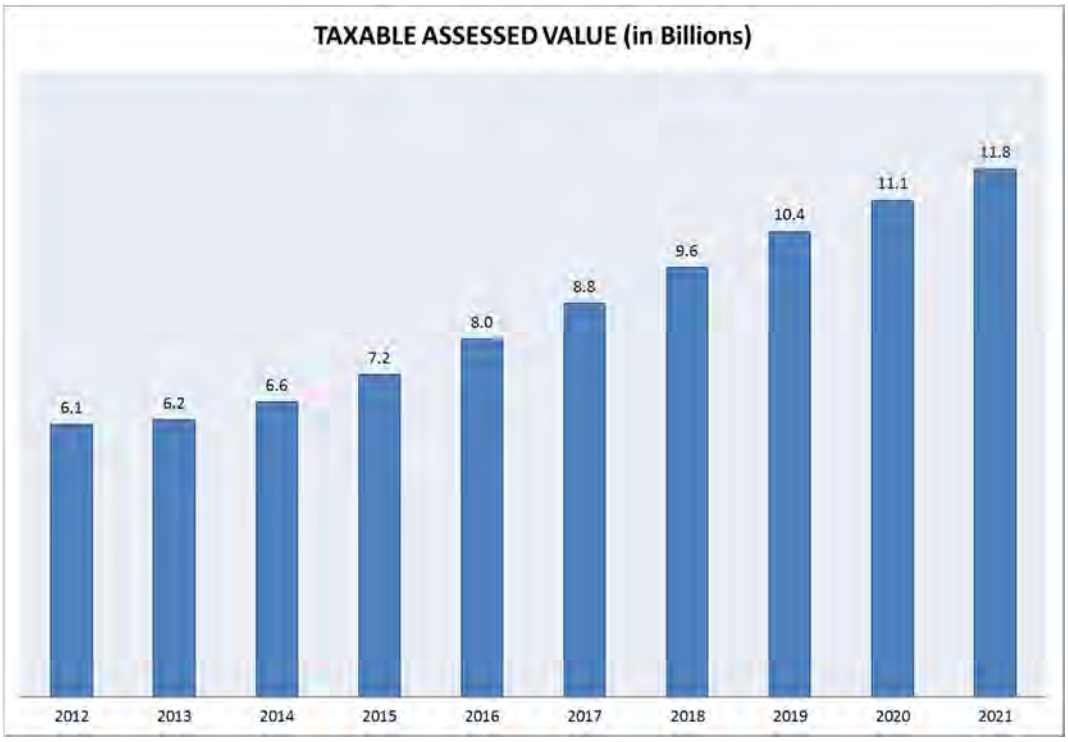
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

This section of the annual comprehensive financial report provides a narrative overview and analysis of the financial activities of the City of Delray Beach, Florida ("City") for the fiscal year ended September 30, 2021. This information is to be considered alongside that in the letter of transmittal and the City's basic financial statements and notes to the financial statements. The financial analysis within the Management's Discussion and Analysis includes the City's primary government operations, the City's blended component unit – the Delray Beach Community Redevelopment Agency (CRA), and the City's joint venture for the South Central Regional Wastewater Treatment and Disposal Board. The operations of the City's discretely presented component unit, the Downtown Development Authority (DDA), are excluded. The joint venture, the DDA, and the CRA issue separate audit reports that are available from each entity.

FINANCIAL HIGHLIGHTS

- The City's single largest source of revenue is from property taxes derived from the taxable assessed value of properties within the City, as summarized below.



- The overall financial condition of the City's General Fund operations is influenced by the real estate market, the current state of the economy and State tax reform legislation. Taxable assessed value increased from $11.1 billion for 2020 to $11.8 billion for 2021, or 6%.
- The assets and deferred outflows of the City (Primary Government) exceeded its liabilities and deferred inflows (Total Net Position) at September 30, 2021, by $342.9 million. Of this amount, $31.1 million (Unrestricted Net Position) may be used to meet the City's ongoing obligations to citizens and creditors.

- In 2021, the net position of governmental activities increased by $33.0 million. The increase in the governmental activities is approximately $27.8 million or 535% more than the prior year increase in net position attributable to operations.
- In 2021, the net position of the business-type activities increased by $1.9 million. The increase in the business-type activities is approximately $2.1 million or 53% less than the prior year increase in net position attributable to operations.
- The unrestricted net position of the governmental activities reflects a deficit of $27.3 million at September 30, 2021 as compared to a deficit of $24.6 million for the prior year.
- At September 30, 2021, the City's governmental funds reported combined ending fund balances of $137.2 million, which increased $8.9 million from the prior year. The increase is primarily attributable to an increase in tax increment revenues in the CRA Fund. A total of $102.4 million (Unassigned Fund Balance and Assigned Fund Balance) or 76% of the combined ending fund balance is available for spending. Of this amount, $48.9 million is in the General Fund, $24.7 million is in the CRA fund, $5.3 million is in Special Revenue and Debt Service Funds and $23.5 million is in Capital Projects Funds.
- At September 30, 2021, Unassigned Fund Balance for the General Fund was $44.3 million or 33.5% of total General Fund expenditures of $136.5 million. This is an increase of $6.3 million or 17% from the prior year. General Fund revenues increased by 11% and expenditures increased by 4% over the prior year. The City does not have a minimum fund balance policy but strives to maintain an Unassigned Fund Balance of 25% of the expenditure budget as a reserve for first quarter cash flow (there are no tax remittances during the first two to three months of each fiscal year) and for unanticipated expenses such as storm damage costs, uninsured legal claims and other unforeseen expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management discussion and analysis report is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information that explains in more detail some of the information in the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances and to report information about the City in a manner similar to those reports issued and used by private sector companies.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the differences presented as *net position*. Over time, increases or decreases in net position may help to serve as a useful indicator of whether the overall financial position of the City 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 future fiscal periods (e.g., uncollected revenues and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include such areas as General Government, Public Safety, Physical Environment, Parks and Recreation and Economic Development. The business-type activities of the City that rely on user fees and charges include areas such as Water and Sewer, Stormwater, Sanitation, Municipal Golf Course, Lakeview Golf Course, City Marina and Cemetery operations.

Both of the government-wide financial statements include not only the City itself (known as the Primary Government), but also the legally separate CRA (a blended component unit) and the DDA for which the City is financially accountable (a discretely presented component unit). The CRA is considered a blended component unit because the City Commission serves as the majority of the CRA's Governing Board and has the ability to control the CRA's operations. Financial information for the CRA is combined with that of the City, while the DDA is reported separately from the financial information presented for the City itself. The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. As a result of this difference in focus, reconciliations are provided between the fund financial statements and government-wide financial statements to understand the long-term impact of short-term financing decisions.

The City maintained 13 individual governmental funds during 2021. Information is presented separately for the General Fund, Neighborhood Services Fund, Community Redevelopment Agency Fund, Capital Improvement Fund, and the One-Cent Sales Tax Fund, which are the City's major governmental funds. Data for the other non-major governmental funds are aggregated into a single presentation. Individual fund data for each of the non-major governmental funds is provided in *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 20 through 23 of this report.

Proprietary Funds

The City utilizes two different types of proprietary funds, enterprise and internal service funds.

Enterprise funds are used to report business-type activities that charge fees to customers for the use of specific goods or services. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility, stormwater utility, sanitation, municipal golf course, Lakeview golf course, marina and cemetery operations.

Internal service funds are used to account for the insurance services and central garage services provided to other departments of the City on a cost-reimbursement basis. Because these services predominantly support governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer utility, Stormwater utility and Sanitation Fund which are the major enterprise funds of the City. Conversely, the remaining enterprise funds are considered non-major enterprise funds and with the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the individual internal service funds are provided in the form of *combining statements* elsewhere in this report. The City's proprietary fund financial statements can be found on pages 24 to 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held in trust for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's operations. The accounting methods used for fiduciary funds are similar to that used for proprietary funds. Individual fund data for each of the fiduciary funds is provided in the form of *combining statements* elsewhere in this report. The City's fiduciary fund financial statements can be found on pages 27 to 28 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information and clarification that are essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 29 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Additionally, the City adopts an annual appropriated budget for its General Fund, Neighborhood Services Fund, and Community Redevelopment Agency Fund. Budgetary comparison schedules have been provided as required supplementary information for these funds to demonstrate compliance with their budget. Required supplementary information can be found on pages 108 through 126 of this report.

The *combining statements* for non-major governmental, non-major proprietary, internal service and the fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 127 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position of the City is presented in detail on page 18 and summarized in Table A-1 below.

Table A-1
Condensed Statements of Net Position ($ in millions)

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other	$ 176.2	$ 161.8	$ 74.2	$ 74.4	$ 250.4	$ 236.2
Capital assets	211.1	201.0	110.6	111.4	321.7	312.4
Net pension asset	19.0	-	5.3	-	24.3	-
Total Assets	406.3	362.8	190.1	185.8	596.4	548.6
Deferred Outflows	27.6	36.9	1.7	2.3	29.3	39.2
Liabilities						
Current liabilities	27.2	19.9	4.3	4.0	31.5	23.9
Noncurrent liabilities	185.3	239.7	6.0	9.2	191.3	248.9
Total Liabilities	212.5	259.6	10.3	13.2	222.8	272.8
Deferred Inflows	54.5	6.2	5.5	0.8	60.0	7.0
Net Position						
Net investment in capital assets	166.8	151.4	108.7	107.6	275.5	259.0
Restricted	27.4	7.1	8.9	3.5	36.3	10.6
Unrestricted (deficit)	(27.3)	(24.6)	58.4	63.0	31.1	38.4
Total Net Position	$ 166.9	$ 133.9	$ 176.0	$ 174.1	$ 342.9	$ 308.0

Net position over time may serve as a useful indicator of the City's financial position. During the current year, the total net position of the City increased by $34.8 million or approximately 11% from $308.0 million to $342.9 million. The increase in net position was a result of a net increase from operations in both the governmental activities ($33.0 million) and the business-type activities ($1.9 million).

A significant portion of the City's net position at September 30, 2021 ($275.5 million or 80% of the Total Net Position) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), net of the related debt that is still outstanding. Although the City'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.

An additional portion of the City's net position (11%) represents resources that are subject to restrictions on how they may be used. The balance in restricted net position reflects an increase of $25.7 million from the prior year.

The unrestricted portion of net position represents resources that may be used to meet the City's ongoing obligations to its citizens and creditors. The 2021 governmental activities unrestricted net position deficit balance decreased approximately $18.1 million. This is primarily due to increases in property tax revenues attributable to increasing property values.

The changes in net position of the City are reported in the Statement of Activities on page 19 and are summarized in Table A-2 below.

Table A-2
Changes in Net Position
Condensed Statement of Activities ($ in millions)

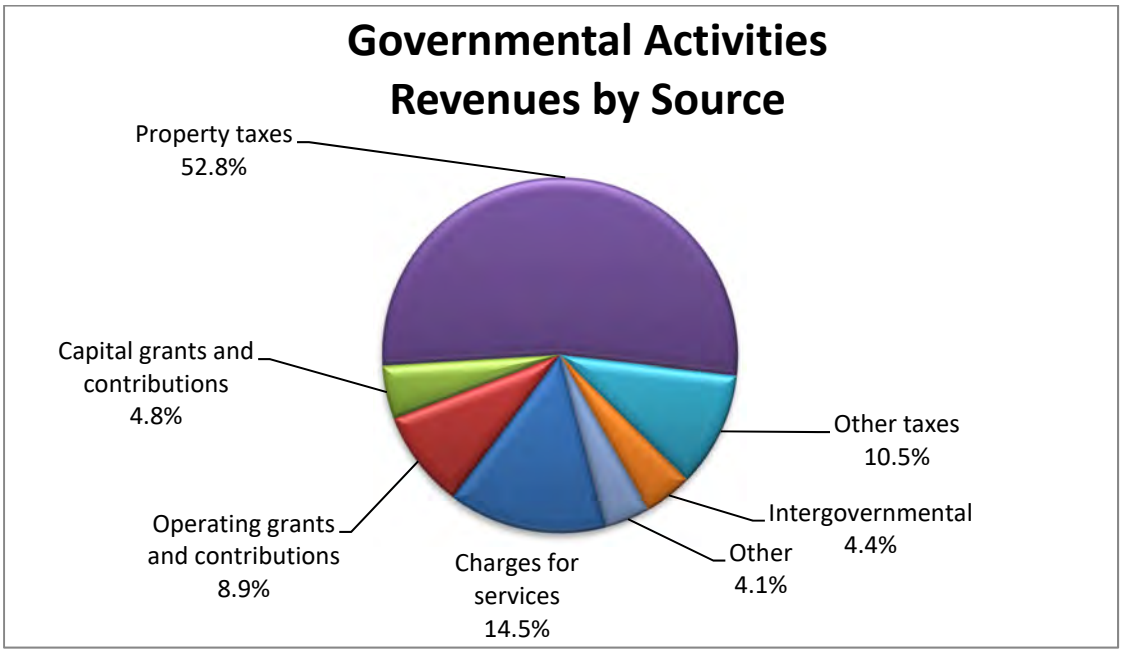
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	$ 28.4	$ 22.9	$ 45.2	$ 43.6	$ 73.6	$ 66.5
Operating grants, contributions	17.4	14.6	1.2	2.3	18.6	16.9
Capital grants, contributions	9.4	11.2	0.6	0.8	10.0	12.0
General revenues:						
Property taxes	103.0	95.1	-	-	103.0	95.1
Other taxes	20.5	19.4	-	-	20.5	19.4
Intergovernmental	8.5	7.6	-	-	8.5	7.6
Other	8.1	8.2	-	1.1	8.1	9.3
Total Revenues	195.3	179.0	47.0	47.8	242.3	226.8
Expenses						
General government	34.4	34.0	-	-	34.4	34.0
Public safety	82.4	88.3	-	-	82.4	88.3
Physical environment	12.3	14.7	-	-	12.3	14.7
Parks and recreation	15.4	18.1	-	-	15.4	18.1
Economic development	20.0	20.3	-	-	20.0	20.3
Interest on long-term debt	2.1	2.3	-	-	2.1	2.3
Water and sewer	-	-	30.8	29.7	30.8	29.7
Stormwater	-	-	1.9	2.2	1.9	2.2
Sanitation	-	-	4.6	4.5	4.6	4.5
Municipal golf course	-	-	2.4	2.5	2.4	2.5
Lakeview golf course	-	-	0.7	0.6	0.7	0.6
City marina	-	-	-	-	-	-
Cemetery	-	-	0.4	0.4	0.4	0.4
Total Expenses	166.6	177.7	40.8	39.9	207.4	217.6
Change in net position before transfers	28.7	1.3	6.2	7.9	34.9	9.2
Transfers	4.3	3.9	(4.3)	(3.9)	-	-
Change in Net Position	33.0	5.2	1.9	4.0	34.9	9.2
Net Position - Beginning	133.9	128.7	174.1	170.1	308.0	298.8
Net Position - Ending	$ 166.9	$ 133.9	$ 176.0	$ 174.1	$ 342.9	$ 308.0

Governmental activities increased the City's net position by $33.0 million, which was primarily due to an increase in property taxes attributable to higher property values. Expenses decreased by

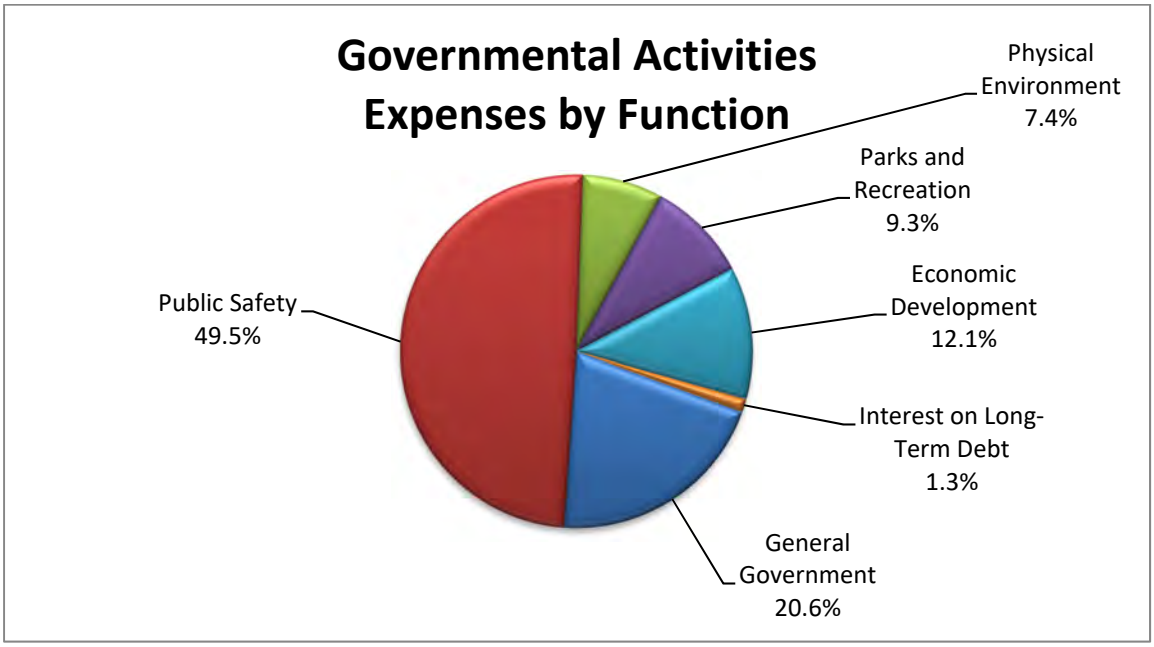
$11.3 million, primarily due to decreases in Public Safety, Physical Environment and Parks and Recreation.

Business-type activities net position increased $1.8 million, which was primarily attributable to water and sewer and sanitation operations. Charges for Services increased approximately $ 1.6 million attributable to the reopening of many of the businesses that had been close during the pandemic, while Operating grants, contributions and Capital grants, contributions decreased approximately $1.1 and $0.2 million.

Governmental Activities revenues by source for 2021 are summarized as follows:



Expenditures by function for 2021 are summarized as follows:



FINANCIAL ANALYSIS OF THE CITY OF DELRAY BEACH MAJOR FUNDS

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 20-23. The operating activities of the major governmental funds are summarized as follows:

Major Fund Information

($ in Millions)

	General Fund		Neighborhood Services Fund		Community Redevelopment Agency Fund		One-Cent Sales Tax Fund		Capital Improvement Fund	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues	$ 146.9	$ 132.9	$ 0.8	$ 1.1	$ 26.9	$ 24.2	$ 6.0	$ 5.7	$ 10.1	$ 11.6
Expenditures	(136.5)	(130.9)	(1.7)	(1.3)	(23.2)	(23.2)	(9.6)	(12.0)	(11.8)	(4.8)
Other financing sources (uses)	(5.5)	(2.5)	0.2	0.2	2.0	-	-	-	4.4	- 0.4
Change in Fund Balance	$ 4.9	$ (0.5)	$ (0.7)	$ -	$ 5.7	$ 1.0	$ (3.6)	$ (6.3)	$ 2.7	$ 7.2

General Fund

The General Fund, which is the primary operating fund of the City and is not supported by user fees, recognized $146.9 million in total revenues offset with $136.5 million in expenditures and $5.5 million in net other financing uses. This resulted in an increase in fund balance of $4.9 million. Total Fund Balance increased from $45.0 million in 2020 to $49.9 million in 2021. Of that amount, $44.3 million is Unassigned Fund Balance which represents 32% of the 2021 expenditure levels as compared to 29% of the 2020 expenditure levels. The City does not have a minimum fund balance policy but strives to maintain 25% of current expenditures in Unassigned Fund Balance for cash flow, uninsured legal claims and other emergency purposes.

Neighborhood Services Fund

The Neighborhood Services Fund is used to account for revenue received from federal, state and local governments under numerous grant programs which are used for various community development and improvement projects within the City. The Neighborhood Services Fund recognized $0.8 million in total revenues, $1.7 million in total expenses and $.2 million in other financing sources offset by $1.3 million in expenditures. This resulted in decrease of $.7 million change in fund balance. Total Fund Balance decreased from $1.6 million in 2020 to $0.9 million in 2021, all of which is restricted for community development projects.

Community Redevelopment Agency Fund

The CRA is accounted for as a blended component unit of the City and is presented as a major fund in the governmental fund financial statements for 2021. The Community Redevelopment Agency Fund is used to account for the economic development activities within the CRA boundaries covering the City's downtown and surrounding area. The Community

Redevelopment Agency Fund recognized $26.9 million in total revenues offset by $23.2 million in expenditures. This resulted in an increase in fund balance of $5.7 million. Total Fund Balance increased from $23.3 million in 2020 to $29.0 million in 2021 primarily due to an increase in tax increment revenues attributable to higher property valuations.

One-Cent Sales Tax Fund

The One-Cent Sales Tax Fund was established in 2017 to account for construction of major infrastructure capital facilities financed by the one-cent local option sales tax approved by County voters in 2016. The One-Cent Sales Tax Fund recognized $5.9 million in total revenues offset by $9.6 million in expenditures. This resulted in a decrease in the fund balance of $3.6 million, primarily attributable to the continued expenditures for capital projects originally financed by long-term debt issued in 2017 and secured by the sales tax. The entire fund balance of $23.5 million is restricted for capital improvement projects at September 30, 2021.

Capital Improvement Fund

The Capital Improvement Fund is used to account for the construction of capital facilities financed by the 2015 Utilities Tax Bonds and projects not accounted for in the City's other capital projects funds. The Capital Improvement Fund recognized $10.1 million in total revenues and $4.4 million in other financing sources offset by $11.8 million in expenditures. This resulted in an increase in the fund balance of $2.7 million, primarily attributable to contributions of $3.4 million from the CRA for neighborhood improvement projects contracted by the City. The entire fund balance of $23.6 million is assigned to capital improvement projects at September 30, 2021.

Proprietary Funds

	($ in Millions)			
	Operating Income (Loss)		Change in Net Position	
	2021	2020	2021	2020
Enterprise Funds				
Water and Sewer	$ 5.3	$ 5.2	$ 1.9	$ 3.0
Stormwater	0.1	(0.1)	(0.4)	(0.1)
Sanitation	0.2	0.3	1.1	1.9
Municipal Golf Course	0.1	(0.1)	0.1	(0.1)
Lakeview Golf Course	0.2	0.1	0.2	0.1
City Marina	-	0.0	-	0.0
Cemetery	(0.2)	(0.2)	(0.3)	(0.2)
Internal Service Funds				
Insurance	(1.2)	(2.8)	0.4	(1.7)
Central Garage	(1.6)	0.2	(1.2)	0.5

Water and Sewer Fund

Operating revenues were approximately $1.8 million higher than 2020 and operating expenses were approximately $1.2 million higher than 2020. Higher nonoperating expenses of $.9 million, lower capital contribution of $0.2 million, and lower net transfers out of approximately $0.08 million resulted in an increase of approximately $3.0 million in net position in 2021.

Other Enterprise Funds

The City has six (6) non-major enterprise funds consisting of the Municipal Golf Course, Lakeview Golf Course, City Marina, and Cemetery.

The **Sanitation Fund** had an operating income this year of approximately $219,000 compared to operating income of $319,000 last year.

The **Stormwater Fund** had an operating income this year of approximately $119,000 compared to operating loss of $68,000 last year.

The **Municipal Golf Course** had an operating income this year of approximately $86,000 compared to operating loss of $44,000 last year.

The **Lakeview Golf Course** had operating income of approximately $203,000 versus $87,000 last fiscal year. This is an executive golf course, which is not as sensitive to the economy as the municipal golf course.

The **City Marina Fund** had an operating income this year of approximately $18,000 compared to operating loss of $34,000 last year.

The **City Cemetery Fund** had an operating loss this year of approximately $231,000 compared to $221,000 last year.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis. The City has two internal service funds; the Insurance Fund is used to account for all personnel insurances (health, life, disability) and property and casualty insurance, and the Central Garage Fund handles all the fueling, maintenance and replacement of city vehicles.

The **Insurance Fund** claims liabilities for property, health and worker's compensation claims were approximately $7.6 million for 2021, an increase of approximately $.2 million from the prior year. All required reserves are determined by outside actuaries. The Insurance Fund has $1.6 million in Unrestricted Net Position.

The **Central Garage Fund** had operating loss of approximately $1.6 million for 2021 compared to an operating income of $222,000 for 2020. This was primarily due to a decrease in other operating revenues of approximately $1.6 million year over year, offset by an increase in charges for services of approximately $0.2 million, and an increase in operating expenses of approximately $0.4 million.

BUDGETARY HIGHLIGHTS

General Fund: The difference between the original and final amended budget for 2021 was an increase of approximately $6.6 million. There was a positive variance between the final adopted budget and actual results of operations of approximately $16.1 million (excluding budgeted prior year surplus of approximately $11,238,000). Actual revenues (excluding prior year budgeted surplus) exceeded the final budget by approximately $5.3 million and actual expenditures and other financing uses were less than final budget by approximately $10.9 million. The excess of current year revenues over budget was primarily attributable to favorable variances of approximately $1.5 million in taxes, $1.9 million in State shared revenue, $2.1 million in fees and permits due to the increased building activity in the city; The largest portion of the favorable budget variances for expenditures related to City Manager Dept. ($0.8 millions), Police Dept. ($1.0 millions), Fire Department ($2.0 million); and Public Works Dept. which includes Parking and Engineering ($1.0 million).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2021, the City had $321.8 million invested in a variety of capital assets, as reflected in Table A-3 below, which represents a net increase of $9.4 million from the previous fiscal year. Additional information can be found in Note 8 Capital Assets beginning on page 58.

Capital asset activity for 2021 is summarized below:

Table A-3
Capital Assets ($ in Millions)

	Beginning Balance 10/1/2020	Increases	Decreases	Ending Balance 9/30/2021
Governmental Activities				
Land	$ 68.6	$ 0.4	$ (0.4)	$ 68.6
Construction in progress	15.5	11.8	-	27.3
Non-Depreciable Assets	84.1	12.2	(0.4)	95.9
Buildings	52.8	-	-	52.8
Improvements other	157.3	3.9	-	161.2
Equipment	60.6	5.7	(4.4)	61.9
Less: accumulated depreciation	(153.8)	(10.9)	4.1	(160.6)
Depreciable Assets, Net	116.9	(1.3)	(0.3)	115.3
Governmental Capital Assets	$ 201.0	$ 10.9	$ (0.7)	$ 211.2

Table A-3
Capital Assets ($ in Millions)
(Continued)

	Beginning Balance 10/1/2020	Increases	Decreases	Ending Balance 9/30/2021
Business-type Activities				
Land	$ 5.6	$ -	$ -	$ 5.6
Construction in progress	4.2	3.8	(2.0)	6.0
Non-Depreciable Assets	9.8	3.8	(2.0)	11.6
Buildings	13.8	-	-	13.8
Improvements other	189.9	2.6	(0.1)	192.4
Equipment	24.0	-	(1.6)	22.4
Less: accumulated depreciation	(126.1)	(5.2)	1.7	(129.6)
Depreciable Assets, Net	101.6	(2.6)	-	99.0
Business-type Capital Assets	$ 111.4	$ 1.2	$ (2.0)	$ 110.6

Infrastructure assets have been included in the category “Improvements Other”.

Major capital asset changes during the fiscal year 2021 were primarily in the Capital improvement Fund and One-Cent Sales Tax Fund for the improvements to roads and parking garages as well as other beautification projects. In addition, there were Improvements in the Water and Sewer Fund primarily for the reclaimed water system project.

Debt Administration

As of September 30, 2021, the City had total debt outstanding of $84.9 million compared to $94.9 million as of September 30, 2020. Of this $84.9 million amount, and gross of any related unamortized premium or discounts:

- $55.8 million is Governmental Activities revenue bond debt which is secured by other specified revenue sources or the promise to budget and appropriate sufficient revenues to pay for the debt service,
- $6.1 million is general obligation bond debt which is debt backed by the full faith and credit of the City,
- $1.9 million is revenue bonds that are backed by a pledge of the water and sewer system net revenues,
- $10.0 million is for compensated absences,
- $7.6 million is for insurance claims liabilities, and
- $1.5 million is for installment agreements that are secured by the promise to budget and appropriate sufficient revenues to pay the debt.

Noncurrent liabilities activity for 2021 is summarized as follows:

Table A-4
Noncurrent Liabilities ($ in Millions)

	Beginning Balance 10/1/2020	Increases	Decreases	Ending Balance 9/30/2021
Governmental Activities				
Revenue bonds	$ 62.1	$ -	$ (6.3)	$ 55.8
General Obligation bonds	8.0	-	(1.9)	6.1
Unamortized Premium	2.2	-	(0.2)	2.0
Total Bonds Payable	72.3	-	(8.4)	63.9
Installment Agreements	1.5	1.0	(1.0)	1.5
Compensated absences	8.8	0.9	(0.6)	9.1
Insurance claims payable	7.4	12.7	(12.5)	7.6
Governmental Activities	90.0	14.6	(22.5)	82.1
Business-type Activities				
Revenue bonds	3.8	-	(1.9)	1.9
Installment agreements	-	-	-	-
Compensated absences	1.1	0.1	(0.3)	0.9
Business-type Activities	4.9	0.1	(2.2)	2.8
Total Debt Outstanding	$ 94.9	$ 14.7	$ (24.7)	$ 84.9

In October 2013, the general obligation bonds of the City were upgraded to a rating of AAA from Standard & Poor's, which is their highest available rating. For more detailed information regarding the City's debt and debt financing activity, refer to Note 11 - Noncurrent Liabilities beginning on page 63.

ECONOMIC FACTORS AND FY 2021-2022 BUDGET AND RATES

- The Florida legislature is considering various proposals which could have a significant impact on local government's revenue and expenditures, as well as the government's ability to maintain or improve services to the residents. The City is monitoring these initiatives and their future impact to the City.

- The City's adopted General Fund budget for 2021-2022 totals $152,384,084 as compared to the prior year's final amended budget of $154,973,908.

- While the City's budget has increased, the current total millage rate decreased 0.14% from 6.8497 mills for 2021 to 6.8403 mills for 2022. The operations portion remained consistent at 6.6611 mills and the debt service portion decreased from 0.1886 mills to 0.1792 mills.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City'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 information should be addressed to the:

Finance Department
100 N. W. 1st Avenue
Delray Beach, FL 33444

BASIC FINANCIAL STATEMENTS

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents	$ 97,236,723	$ 6,587,427	$ 103,824,150	$ 365,923
Investments	60,932,762	42,973,059	103,905,821	--
Receivables:				
Accounts, net	3,068,678	4,117,297	7,185,975	33,200
Unbilled accounts	--	1,055,732	1,055,732	--
Notes receivable	10,199,291	--	10,199,291	--
Interest receivable	88,452	52,837	141,289	--
Due from other governments	2,402,873	--	2,402,873	--
Internal balances	654,773	(654,773)	--	--
Inventories	143,818	190,261	334,079	--
Prepaid expenses	1,432,691	146,364	1,579,055	25,086
Other assets	7,731	--	7,731	--
Deposits	--	--	--	12,390
Restricted assets	--	3,632,248	3,632,248	--
Investment in regional plant (joint venture)	--	16,095,897	16,095,897	--
Capital assets:				
Non-depreciable capital assets	95,961,549	11,654,751	107,616,300	--
Depreciable capital assets, net	115,240,079	98,967,954	214,208,033	8,990
Net pension asset	18,970,137	5,279,048	24,249,185	--
Total Assets	406,339,557	190,098,102	596,437,659	445,589
Deferred Outflows of Resources				
Deferred charges on refundings	1,073,556	--	1,073,556	--
Deferred amount related to OPEB	5,754,798	928,852	6,683,650	--
Deferred amount related to pensions	20,755,100	756,675	21,511,775	--
Total Deferred Outflows of Resources	27,583,454	1,685,527	29,268,981	--
Liabilities				
Accounts payable and accrued expenses	11,750,479	3,050,295	14,800,774	130,781
Contracts payable and retainages	--	133,252	133,252	--
Deposits payable	1,186,070	1,100,276	2,286,346	--
Unearned revenue	13,524,905	12,012	13,536,917	--
Accrued interest on long-term debt	711,283	31,299	742,582	--
Noncurrent liabilities:				
Due within one year				
Bonds and notes payable	8,471,984	1,925,000	10,396,984	--
Installment agreements	529,061	9,772	538,833	--
Compensated absences	782,223	155,553	937,776	8,752
Insurance claims payable	2,701,764	--	2,701,764	--
Due in more than one year				
Bonds and notes payable	55,389,644	--	55,389,644	--
Installment agreements	923,551	--	923,551	--
Compensated absences	8,367,011	720,575	9,087,586	--
Insurance claims payable	4,928,000	--	4,928,000	--
Net OPEB liability	24,704,084	3,189,108	27,893,192	--
Net pension liability	78,542,354	--	78,542,354	--
Total Liabilities	212,512,413	10,327,142	222,839,555	139,533
Deferred Inflows of Resources				
Deferred amount related to OPEB	5,174,471	587,640	5,762,111	--
Deferred amount related to pensions	49,311,029	4,922,828	54,233,857	--
Total Deferred Inflows of Resources	54,485,500	5,510,468	59,995,968	--
Net Position				
Net investment in capital assets	166,850,944	108,687,933	275,538,877	8,990
Restricted for:				
Net pension asset	18,970,137	5,279,048	24,249,185	--
Debt service	1,593,479	1,925,000	3,518,479	--
Law enforcement	1,318,300	--	1,318,300	--
Capital improvements	5,468,318	1,675,949	7,144,267	--
Unrestricted (deficit)	(27,276,080)	58,378,089	31,102,009	297,066
Total Net Position	$ 166,925,098	$ 175,946,019	$ 342,871,117	$ 306,056

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Primary Government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Downtown Development Authority (DDA)
Governmental Activities								
General Government	$ 34,363,721	$ 12,048,045	$ 12,619,025	$ 431,800	$ (9,264,851)	$ --	$ (9,264,851)	$ --
Public Safety	82,397,287	10,640,390	3,814,296	--	(67,942,601)	--	(67,942,601)	--
Physical Environment	12,286,732	3,324,106	--	--	(8,962,626)	--	(8,962,626)	--
Parks and Recreation	15,435,019	2,193,262	847,352	--	(12,394,405)	--	(12,394,405)	--
Economic Development	20,002,537	143,469	89,331	9,001,868	(10,767,869)	--	(10,767,869)	--
Interest on Long-term Debt	2,058,988	--	--	--	(2,058,988)	--	(2,058,988)	--
Total Governmental Activities	166,544,284	28,349,272	17,370,004	9,433,668	(111,391,340)	--	(111,391,340)	--
Business-type Activities								
Water and Sewer	30,768,550	34,888,415	1,936	473,921	--	4,595,722	4,595,722	--
Stormwater	1,928,660	2,017,866	--	120,546	--	209,752	209,752	--
Sanitation	4,551,556	4,700,264	1,079,534	--	--	1,228,242	1,228,242	--
Municipal Golf Course	2,442,025	2,458,442	66,102	--	--	82,519	82,519	--
Lakeview Golf Course	663,202	850,341	5,809	--	--	192,948	192,948	--
City Marina	63,539	78,494	2,440	--	--	17,395	17,395	--
Cemetery	400,292	163,029	--	--	--	(237,263)	(237,263)	--
Total Business-type Activities	40,817,824	45,156,851	1,155,821	594,467	--	6,089,315	6,089,315	--
Total Primary Government	$ 207,362,108	$ 73,506,123	$ 18,525,825	$ 10,028,135	(111,391,340)	6,089,315	(105,302,025)	--
Component Unit								
Downtown Development Authority (DDA)	$ 1,262,234	$ 13,600	$ 95,390	$ --	--	--	--	(1,153,244)
		General Revenues						
		Taxes:						
		Property Taxes			102,996,884	--	102,996,884	1,248,207
		Franchise Fees			5,898,386	--	5,898,386	--
		Utility Service Taxes			10,336,932	--	10,336,932	--
		Sales Taxes			3,447,611	--	3,447,611	--
		Local Business Tax			836,610	--	836,610	--
		Intergovernmental Not Restricted to Specific Programs			8,511,582	--	8,511,582	--
		Investment Earnings			224,418	59,687	284,105	2,173
		Gain on Disposal of Capital Assets			1,538,253	--	1,538,253	--
		Miscellaneous			6,287,108	--	6,287,108	--
		Transfers			4,299,065	(4,299,065)	--	--
		Total General Revenues and Transfers			144,376,849	(4,239,378)	140,137,471	1,250,380
		Change in Net Position			32,985,509	1,849,937	34,835,446	97,136
		Net Position - October 1, 2020			133,939,589	174,096,082	308,035,671	208,920
		Net Position - September 30, 2021			$ 166,925,098	$ 175,946,019	$ 342,871,117	$ 306,056

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

CITY OF DELRAY BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	Major Funds						
	General Fund	Neighborhood Services Fund	Community Redevelopment Agency Fund	One-Cent Sales Tax Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 22,807,202	$ 967,872	$ 29,953,112	$ 20,283,135	$ 17,111,270	$ 6,034,873	$ 97,157,464
Investments	31,358,718	--	--	--	6,721,761	5,602,840	43,683,319
Accounts receivable, net	2,752,659	77	80,015	--	38,960	179,284	3,050,995
Notes receivable	--	5,863,140	4,336,151	--	--	--	10,199,291
Interest receivable	35,549	--	--	--	26,869	6,352	68,770
Due from other governments	917,766	65,223	--	1,252,809	167,075	--	2,402,873
Due from other funds	5,618,950	161,569	--	4,735,198	2,141,371	1,462	12,658,550
Inventories	19,844	--	--	--	--	--	19,844
Prepaid items	469,796	--	5,089	--	68,773	--	543,658
Other assets	--	--	7,731	--	--	--	7,731
Total Assets	$ 63,980,484	$ 7,057,881	$ 34,382,098	$ 26,271,142	$ 26,276,079	$ 11,824,811	$ 169,792,495
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable and accrued items	$ 5,410,958	$ 104,804	$ 1,111,818	$ 1,098,918	$ 1,491,376	$ 227,731	$ 9,445,605
Deposits payable	1,154,934	--	14,509	--	--	16,170	1,185,613
Due to other funds	--	--	4,240,890	1,694,720	--	1,304,635	7,240,245
Total Liabilities	6,565,892	104,804	5,367,217	2,793,638	1,491,376	1,548,536	17,871,463
Deferred Inflows of Resources							
Unavailable revenue	7,472,658	5,993,631	--	--	1,224,418	--	14,690,707
Fund Balances							
Nonspendable:							
Inventories	19,844	--	--	--	--	--	19,844
Prepaid items	469,796	--	5,089	--	68,773	--	543,658
Restricted for:							
Debt service	--	--	--	--	--	1,593,479	1,593,479
Law enforcement	--	--	--	--	--	1,318,300	1,318,300
Capital improvements	5,985	--	--	23,477,504	--	1,874,829	25,358,318
Community development	--	959,446	--	--	--	181,074	1,140,520
Committed for:							
Economic development	500,000	--	4,336,151	--	--	--	4,836,151
Assigned to:							
General government	124,773	--	--	--	--	--	124,773
Public safety	242,913	--	--	--	--	163,782	406,695
Physical environment	367,315	--	--	--		--	367,315
Parks and recreation	61,165	--	--	--	--	899,375	960,540
Capital improvements	--	--	1,993,684	--	23,491,512	4,245,436	29,730,632
Subsequent year's budget	3,840,000	--	22,679,957	--	--	--	26,519,957
Unassigned	44,310,143	--	--	--	--	--	44,310,143
Total Fund Balances	49,941,934	959,446	29,014,881	23,477,504	23,560,285	10,276,275	137,230,325
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 63,980,484	$ 7,057,881	$ 34,382,098	$ 26,271,142	$ 26,276,079	$ 11,824,811	$ 169,792,495

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

CITY OF DELRAY BEACH, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

Total Fund Balances - Governmental Funds		$ 137,230,325
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.		
Capital assets	$ 337,316,903	
Less accumulated depreciation	(138,077,600)	
		199,239,303
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Long-term receivables	81,545	
Net pension asset	18,019,569	
		18,101,114
Deferred outflows and inflows of resources related to defined benefit pension plans and other postemployment benefits are reported in the statement of net position, but are not reported in the governmental funds.		
Deferred outflows related to other postemployment benefits	5,621,196	
Deferred outflows related to pensions	20,618,850	
Deferred inflows related to other postemployment benefits	(5,089,947)	
Deferred inflows related to pensions	(48,424,603)	
		(27,274,504)
Premiums, discounts and gains and losses on refundings are reported as "Other Financing Sources and Uses" in the governmental funds. These items, however, are deferred and amortized over the life of the bonds in the government-wide statements.		
Deferred charges on refundings	1,073,556	
Bond premium	(2,016,897)	
		(943,341)
The long-term note payable to the City by the CRA, a blended component unit, is considered an internal advance and reported as a fund liability of the CRA when the CRA is blended into the funds of the City.		1,084,257
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Accrued interest payable	(711,283)	
Bonds, notes and installment agreements payable	(62,640,319)	
Compensated absences	(8,992,560)	
Other postemployment benefits liability	(24,245,377)	
Net pension liability	(78,542,354)	
		(175,131,893)
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The net position of the internal service funds is included in governmental activities in the statement of net position.		
Net position	13,965,064	
Less amount allocated to business-type activities	654,773	
		14,619,837
Total Net Position - Governmental Activities		$ 166,925,098

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Major Funds						
	General Fund	Neighborhood Services Fund	Community Redevelopment Agency Fund	One-Cent Sales Tax Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 88,949,685	$ --	$ 26,500,852	$ --	$ --	$ 2,167,500	$ 117,618,037
Licenses and permits	16,544,078	--	--	--	--	--	16,544,078
Intergovernmental	13,153,739	590,974	--	5,915,574	1,075,797	19,491	20,755,575
Charges for services	16,146,336	--	143,469	--	--	243,239	16,533,044
Fines and forfeitures	1,082,167	--	--	--	--	88,369	1,170,536
Miscellaneous	11,046,817	267,604	264,481	30,452	9,017,496	274,835	20,901,685
Total Revenues	146,922,822	858,578	26,908,802	5,946,026	10,093,293	2,793,434	193,522,955
Expenditures							
Current:							
General government	30,265,287	1,695,376	1,634,540	128,130	387,388	182,764	34,293,485
Public safety	83,220,971	--	--	--	--	52,012	83,272,983
Physical environment	8,707,996	--	--	--	--	878,048	9,586,044
Parks and recreation	13,935,983	--	--	--	--	510,291	14,446,274
Economic development	--	--	20,002,537	--	--	--	20,002,537
Capital outlay	205,002	--	282,464	5,925,638	10,733,782	218,825	17,365,711
Debt service:							
Principal retirement	143,350	--	1,167,458	3,095,000	644,000	3,945,000	8,994,808
Interest and fiscal charges	14,462	--	157,344	420,175	--	1,619,823	2,211,804
Total Expenditures	136,493,051	1,695,376	23,244,343	9,568,943	11,765,170	7,406,763	190,173,646
Excess of Revenues Over (Under) Expenditures	10,429,771	(836,798)	3,664,459	(3,622,917)	(1,671,877)	(4,613,329)	3,349,309
Other Financing Sources (Uses)							
Installment agreement issued	--	--	--	--	1,011,144	--	1,011,144
Proceeds from the sale of capital assets	1,600	--	2,006,276	--	--	--	2,007,876
Transfers in	4,156,668	183,941	--	--	3,350,000	4,515,537	12,206,146
Transfers out	(9,659,288)	--	--	--	--	--	(9,659,288)
Total Other Financing Sources (Uses)	(5,501,020)	183,941	2,006,276	--	4,361,144	4,515,537	5,565,878
Net Change in Fund Balances	4,928,751	(652,857)	5,670,735	(3,622,917)	2,689,267	(97,792)	8,915,187
Fund Balances - October 1, 2020	45,013,183	1,612,303	23,344,146	27,100,421	20,871,018	10,374,067	128,315,138
Fund Balances - September 30, 2021	$ 49,941,934	$ 959,446	$ 29,014,881	$ 23,477,504	$ 23,560,285	$ 10,276,275	$ 137,230,325

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

CITY OF DELRAY BEACH, FLORIDA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Net Change in Fund Balances - Total Governmental Funds		$ 8,915,187
Amounts reported for *governmental activities* in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation expense and capital outlay in the current period were as follows.		
Capital outlay	$ 17,365,711	
Depreciation expense	(8,063,179)	
		9,302,532
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds the proceeds from the sale increases financial resources. The change in net position differs from the change in fund balance by the net book value of the assets retired.		(1,538,253)
Some revenues reported in the statement of activities do not generate current financial resources and are therefore not reported as revenue by the funds.		
Donations of capital assets	431,800	
Governmental capital assets contributed to Internal Service Fund	(131,547)	
Change in note receivable from component unit	(361,419)	
Change in long-term receivables	(12,235)	
		(73,401)
Some expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.		
Accrued interest on noncurrent liabilities	91,047	
Compensated absences expense	(330,069)	
Pension expense	8,326,526	
Change in other postemployment benefits	(579,697)	
		7,507,807
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effect of premium, discount and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt Issuance		
Installment agreements	(1,011,144)	
Debt Retirement		
Principal paid	8,994,808	
Amortization of debt premiums and deferred charges on refundings	78,595	
		9,073,403
Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.		
Fund statement net income	(833,443)	
Allocation to business type activities	631,677	
		(201,766)
Change in Net Position of Governmental Activities		$ 32,985,509

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities			Governmental Activities
	Major Funds Water and Sewer Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Assets				
Current Assets				
Cash and cash equivalents	$ 4,646,210	$ 1,941,217	$ 6,587,427	$ 79,259
Investments	25,487,020	17,486,039	42,973,059	17,249,443
Accounts receivable, net	3,398,041	719,256	4,117,297	17,683
Unbilled accounts receivable	1,055,732	--	1,055,732	--
Interest receivable	33,014	19,823	52,837	19,682
Due from other funds	9,826,920	--	9,826,920	--
Inventories	98,388	91,873	190,261	123,974
Prepaid expenses	5,749	140,615	146,364	889,033
Restricted assets:				
Cash and cash equivalents	1,956,299	--	1,956,299	--
Investments	1,675,949	--	1,675,949	--
Total Current Assets	48,183,322	20,398,823	68,582,145	18,379,074
Noncurrent Assets				
Property, land and equipment:				
Land	974,755	4,694,069	5,668,824	--
Buildings	9,419,364	4,354,984	13,774,348	88,185
Improvements other than buildings	171,264,199	21,168,841	192,433,040	--
Equipment	19,394,067	3,020,671	22,414,738	34,569,390
Construction in progress	4,925,558	1,060,369	5,985,927	--
Accumulated depreciation	(113,773,097)	(15,881,075)	(129,654,172)	(22,695,250)
Investment in regional plant joint venture	16,095,897	--	16,095,897	--
Net pension asset	4,937,134	341,914	5,279,048	950,568
Total Noncurrent Assets	113,237,877	18,759,773	131,997,650	12,912,893
Total Assets	161,421,199	39,158,596	200,579,795	31,291,967
Deferred Outflows of Resources				
Deferred amount related to OPEB	846,146	82,706	928,852	133,602
Deferred amount related to pensions	707,666	49,009	756,675	136,250
Total Deferred Outflows of Resources	1,553,812	131,715	1,685,527	269,852
Liabilities				
Current Liabilities				
Accounts payable and accrued expenses	2,039,647	1,010,648	3,050,295	2,304,874
Contracts payable and retainages	133,252	--	133,252	--
Unearned revenue	9,435	2,577	12,012	--
Current maturities of installment agreements	--	9,772	9,772	213,773
Current portion of compensated absences	149,771	5,782	155,553	19,719
Current portion of insurance claims payable	--	--	--	2,701,764
Due to other funds	--	9,826,920	9,826,920	5,418,305
Refundable deposits payable	991,982	108,294	1,100,276	457
	3,324,087	10,963,993	14,288,080	10,658,892
Current Liabilities Payable from Restricted Assets				
Accrued interest on long-term debt	31,299	--	31,299	--
Current maturities of revenue bonds	1,925,000	--	1,925,000	--
	1,956,299	--	1,956,299	--
Total Current Liabilities	5,280,386	10,963,993	16,244,379	10,658,892
Noncurrent Liabilities				
Installment agreements	--	--	--	443,251
Compensated absences payable	638,616	81,959	720,575	136,955
Insurance claims payable	--	--	--	4,928,000
Net OPEB liability	2,905,146	283,962	3,189,108	458,707
Total Noncurrent Liabilities	3,543,762	365,921	3,909,683	5,966,913
Total Liabilities	8,824,148	11,329,914	20,154,062	16,625,805
Deferred Inflows of Resources				
Deferred amount related to OPEB	535,316	52,324	587,640	84,524
Deferred amount related to pensions	4,603,986	318,842	4,922,828	886,426
Total Deferred Outflows of Resources	5,139,302	371,166	5,510,468	970,950
Net Position				
Net investment in capital assets	90,279,846	18,408,087	108,687,933	11,305,301
Restricted for:				
Net pension asset	4,937,134	341,914	5,279,048	950,568
Debt service	1,925,000	--	1,925,000	--
Renewal and replacement	1,675,949	--	1,675,949	--
Unrestricted	50,193,632	8,839,230	59,032,862	1,709,195
Total Net Position	$ 149,011,561	$ 27,589,231	176,600,792	$ 13,965,064
Adjustment for the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds.				
Cumulative prior year adjustments			(23,096)	
Current year adjustment			(631,677)	
Net Position of Business-Type Activities, Statement of Net Position			$ 175,946,019	

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities			Governmental Activities
	Major Funds	Non-Major	Total	Internal
	Water and Sewer Fund	Enterprise Funds	Enterprise Funds	Service Funds
Operating Revenues				
Charges for services				
Water sales	$ 15,519,760	$ ---	$ 15,519,760	$ ---
Sewer and stormwater fees	19,368,655	2,017,866	21,386,521	--
Golf fees	--	3,308,783	3,308,783	--
Marina fees	--	78,494	78,494	--
Sanitation fees	--	4,700,264	4,700,264	--
Cemetery fees	--	163,029	163,029	--
Risk management	--	--	--	17,889,262
Fleet management	--	--	--	2,466,647
Other operating revenue	1,936	39,563	41,499	2,115,992
Total Operating Revenues	34,890,351	10,307,999	45,198,350	22,471,901
Operating Expenses				
Personal services	8,317,265	645,882	8,963,147	1,449,742
Other operating expenses	16,811,310	8,457,680	25,268,990	20,995,532
Depreciation	4,425,101	789,209	5,214,310	2,895,858
Total Operating Expenses	29,553,676	9,892,771	39,446,447	25,341,132
Operating Income (Loss)	5,336,675	415,228	5,751,903	(2,869,231)
Nonoperating Revenues (Expenses)				
Investment earnings	37,215	22,472	59,687	22,043
Intergovernmental	--	916,710	916,710	--
Rent revenue	--	197,612	197,612	--
Share of regional plant joint venture net loss	(647,572)	--	(647,572)	--
Interest expense	(47,928)	(874)	(48,802)	(16,826)
Gain (loss) on disposal of equipment	(20,918)	(8,387)	(29,305)	202,174
Investment expense	(14,021)	--	(14,021)	--
Total Nonoperating Revenues (Expenses)	(693,224)	1,127,533	434,309	207,391
Income (Loss) Before Capital Contributions and Transfers	4,643,451	1,542,761	6,186,212	(2,661,840)
Capital contributions	473,921	120,546	594,467	76,190
Transfers in	115,384	--	115,384	1,752,207
Transfers out	(3,321,854)	(1,092,595)	(4,414,449)	--
Change In Net Position	1,910,902	570,712	2,481,614	(833,443)
Net Position - Beginning of Year	147,100,659	27,018,519	--	14,798,507
Net Position - End of Year	$ 149,011,561	$ 27,589,231	--	$ 13,965,064

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	(631,677)
Change In Net Position as reported on the Statement of Activities for Business-type Activities	$ 1,849,937

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities			Governmental Activities
	Major Funds Water and Sewer Fund	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers and users	$ 30,369,740	$ 10,301,497	$ 40,671,237	$ 27,911,088
Receipts from others	--	4,333,253	4,333,253	--
Payments to suppliers	(16,597,174)	(8,697,262)	(25,294,436)	(20,143,525)
Payments to employees	(9,469,155)	(676,096)	(10,145,251)	(1,658,812)
Net Cash Provided by Operating Activities	4,303,411	5,261,392	9,564,803	6,108,751
Cash Flows from Noncapital Financing Activities				
Grants	40,001	2,437,640	2,477,641	--
Transfers from other funds	115,384	--	115,384	1,538,810
Transfers to other funds	(3,264,674)	(1,092,595)	(4,357,269)	--
Net Cash Provided by (Used in) Noncapital Financing Activities	(3,109,289)	1,345,045	(1,764,244)	1,538,810
Cash Flows from Capital and Related Financing Activities				
Acquisition and construction of capital assets	(3,566,355)	(479,109)	(4,045,464)	(3,778,946)
Proceeds from the sale of capital assets	--	--	--	238,553
Capital contributions	217,614	--	217,614	--
Principal paid on capital debt	(1,880,000)	(38,395)	(1,918,395)	(208,698)
Interest paid on capital debt	(71,329)	(874)	(72,203)	(16,826)
Net Cash Used in Capital and Related Financing Activities	(5,300,070)	(518,378)	(5,818,448)	(3,765,917)
Cash Flows from Investing Activities				
Purchases of investments	(9,139,563)	(6,664,005)	(15,803,568)	(6,573,832)
Interest on investments	252,448	160,126	412,574	157,835
Net Cash Used in Investing Activities	(8,887,115)	(6,503,879)	(15,390,994)	(6,415,997)
Net Increase (Decrease) in Cash and Cash Equivalents	(12,993,063)	(415,820)	(13,408,883)	(2,534,353)
Cash and Cash Equivalents - Beginning	19,595,572	2,357,037	21,952,609	2,613,612
Cash and Cash Equivalents - Ending	$ 6,602,509	$ 1,941,217	$ 8,543,726	$ 79,259
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:				
Unrestricted cash and cash equivalents	$ 4,646,210	$ 1,941,217	$ 6,587,427	$ 79,259
Restricted cash and cash equivalents	1,956,299	--	1,956,299	--
Cash and Cash Equivalents - End of Year	$ 6,602,509	$ 1,941,217	$ 8,543,726	$ 79,259
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	$ 5,336,675	$ 415,228	$ 5,751,903	$ (2,869,231)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	4,425,101	789,209	5,214,310	2,895,858
Provision for doubtful accounts	79,608	--	79,608	--
Rent revenue	--	197,612	197,612	--
Change in assets, deferred outflows/inflows and liabilities:				
Accounts receivable	(608,938)	(41,680)	(650,618)	20,854
Due from other funds	(3,983,395)	--	(3,983,395)	--
Inventories	5,022	(13,197)	(8,175)	(50,265)
Prepaid expenses	(5,749)	(16,085)	(21,834)	(889,033)
Deferred amount related to OPEB	618,029	52,402	670,431	100,353
Deferred amount related to pensions	4,377,523	304,443	4,681,966	818,369
Accounts payable and accrued expenses	214,863	(31,251)	183,612	1,565,518
Due to other funds	--	3,943,395	3,943,395	5,418,305
Refundable deposits payable	(7,886)	48,375	40,489	28
Compensated absences payable	(165,293)	13,129	(152,164)	(11,381)
Insurance claims payable	--	--	--	225,787
Total OPEB liability	(474,230)	(17,221)	(491,451)	(84,954)
Net pension asset	(5,507,919)	(382,967)	(5,890,886)	(1,031,457)
Total adjustments	(1,033,264)	4,846,164	3,812,900	8,977,982
Net Cash Provided by Operating Activities	$ 4,303,411	$ 5,261,392	$ 9,564,803	$ 6,108,751
Non-Cash Capital and Related Financing and Investing Activities				
Contributions of capital assets	$ 256,307	$ 120,546	$ 376,853	$ 76,190
Equipment transferred from enterprise fund capital assets	$ (57,180)	$ --	$ (57,180)	$ 213,397
Realized and unrealized gain on investments	$ (214,867)	$ (129,015)	$ (343,882)	$ (127,269)

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS

SEPTEMBER 30, 2021

	Pension Trust Funds
Assets	
Cash	$ 70,018
Investments:	
Money market mutual funds	10,948,217
U.S. Government securities	18,786,466
U.S. Government Agency securities	13,303,774
Domestic corporate bonds	9,893,431
Fixed income mutual fund	44,368,955
Global asset allocation investment fund	3,772,417
Domestic equity securities	124,274,087
Domestic equity mutual funds	18,965,350
Domestic equity index funds	35,940,823
Pooled domestic equity index funds	89,901,457
International equity mutual funds	57,669,180
Foreign stocks	8,230,363
Timber investment funds	1,705,500
Real estate investment funds	15,000,478
Fixed income alternative investment fund	3,151,919
Interest and dividends receivable	206,418
Pending trades receivable	661,882
Employee contributions receivable	100,925
Miscellaneous receivable	6,995
Total Assets	456,958,655
Liabilities	
Accounts payable	430,765
Pending trades payable	3,234,752
Total Liabilities	3,665,517
Net Position	
Restricted for pension benefits	$ 453,293,138

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 18,954,649
State	2,035,683
Plan members	3,535,466
Total contributions	24,525,798
Investment earnings	
Net appreciation in fair value of investments	82,964,785
Interest, dividends and investment fund income	7,712,954
Other investment income	24,629
	90,702,368
Less investment expenses	(1,517,000)
Net investment earnings	89,185,368
Total Additions	113,711,166
Deductions	
Benefits	26,424,651
Refunds of contributions	139,680
Administrative expenses	412,487
Total Deductions	26,976,818
Change In Plan Net Position	86,734,348
Net Position Restricted for Pension Benefits - Beginning of Year	366,558,790
Net Position Restricted for Pension Benefits - End of Year	$ 453,293,138

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY

In conformance with the pronouncements of the Governmental Accounting Standards Board ("GASB"), the financial reporting entity of the City of Delray Beach, Florida (the "City"), includes the primary government and all organizations for which the primary government is financially accountable. The City was established in 1927 pursuant to Section 12677, Laws of Florida, and is governed by an elected Mayor and four City Commissioners who appoint a City Manager to administer the operations of the City. The City provides a full range of community services including police, fire, emergency medical rescue, parks and recreation facilities, water, wastewater, garbage and trash collection, building and code inspections/enforcement, and general administration functions. Financial accountability was determined based on the City's ability to impose its will on an organization or the potential of the organization to provide specific financial benefits to or impose specific financial burdens on the City.

COMPONENT UNITS

As defined by U.S. generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Two dependent special districts of the City, created pursuant to Florida Statutes, have been included in the reporting entity as component units.

The *Delray Beach Community Redevelopment Agency* (the "CRA") is a dependent special district established by the City under authority granted by Florida Statute 163, Section III. The CRA is a legally separate entity established by Ordinance number 46-85 of the Delray Beach City Commission on June 18, 1985. The purpose of the CRA is to promote and guide the physical and economic redevelopment of approximately 1,900 acres in the center of the City. The CRA is governed by a seven member Board of Commissioners. On April 3, 2018, the City Commission adopted Resolution No. 53-18 declaring the City Commission as the governing Board of the Delray Beach Community Redevelopment Agency pursuant to Florida Statutes Section 163.357. The Mayor and Vice-Mayor of the City serve as the Chair and Vice-Chair, respectively, of the CRA Governing Board. In addition to the five members of the City Commission, two additional members of the CRA governing Board are appointed by the City Commission. The City Commission also approves the CRA's annual budget and all debt obligations of the CRA. Accordingly, the CRA is reported as a blended component unit of the City.

NOTE 1 – FINANCIAL REPORTING ENTITY (CONTINUED)

COMPONENT UNITS (CONTINUED)

The *Delray Beach Downtown Development Authority* (the "DDA") was created after the City petitioned the State of Florida for its creation and a Special Act of the State Legislature establishing the DDA became law on March 22, 1971. The original boundary of the DDA was established in 1971 by Section 3, Chapter 71-604 Laws of Florida. The expanded boundary was established by Chapter 94-476 Laws of Florida effective May 13, 1994. The purpose of the DDA is to promote and guide the economic development and improvement of the downtown area of the City. The governing body of the DDA is appointed by the Delray Beach City Commission, which may remove board members at will. In addition, the City Commission approves the DDA's annual budget. The DDA is considered a discretely presented component unit of the City.

Separate audited financial statements of the CRA and the DDA can be obtained directly from the respective entities.

JOINT VENTURE

The South Central Regional Wastewater Treatment and Disposal Board (the "Board") is reported as a joint venture accounted for using the equity method as discussed in Note 9. The Board is an independent special district created by the Cities of Delray Beach and Boynton Beach, whose City Commissions comprise the Board's governing body. Control and oversight are exercised equally by both cities represented on the Board. The separate audited financial statements of the Board can be obtained directly from the finance department of the Board.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The City maintains its accounting records in accordance with U.S. generally accepted accounting principles ("GAAP") applicable to governmental units as set forth by the Government Accounting Standards Board ("GASB").

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *General revenues*. The City does not allocate indirect costs; however, an administrative service fee is charged by the General Fund to other operating funds that is eliminated like a reimbursement (reducing revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (such as finance, legal, human resources, information systems, etc.).

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 and enterprise funds are reported as separate columns in the fund financial statements.

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 and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all time and purpose restrictions imposed by the provider have been met. The proprietary fund financial statements distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering services. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administration, and depreciation. Other revenues and expenses are considered nonoperating revenues and expenses. Proprietary fund revenues are recognized as earned when the services are provided. For purposes of measuring the net pension asset/liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the City's defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Ad valorem taxes and charges for services are susceptible to accrual when collected in the current year or within 60 days subsequent to year end. Intergovernmental revenue and utility service taxes are recorded in accordance with their legal or contractual requirements if collected in the current period or within 60 days after year end, except for grant revenue, which is recorded when the related expenditures/expenses are incurred and the time and purpose restrictions have been met. Interest is recorded when earned. Other material revenues which are susceptible to accrual include franchise fees, utility service taxes and state shared revenue. Revenues which are not both available and measurable and are thus not susceptible to accrual include licenses and permits, fines and forfeitures, emergency medical transport services and miscellaneous revenue which are recorded as revenue when received in cash, because they are generally not measurable until actually received. Business taxes collected in advance of periods to which they relate are recorded as unavailable revenues, a deferred inflow of resources. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except that principal and interest on long-term obligations are reported only when due in conformity with GAAP. 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.

The City reports the following major governmental funds:

General Fund – This fund is the general operating fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Neighborhood Services Fund – This special revenue fund accounts for revenue received from federal, state and local governments under numerous grant programs which are used for various community development and improvement projects within the City.

Community Redevelopment Agency Fund – This special revenue fund accounts for the general fund operations and economic development activities of the Delray Beach Community Redevelopment Agency, a blended component unit of the City.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

One-Cent Sales Tax Fund – This capital projects fund accounts for the City's allocation of the One-Cent Local Infrastructure Sales Surtax to be used for infrastructure capital improvement projects and debt service on the City's 2017 Capital Improvement Revenue Bonds issued for infrastructure projects. The sales surtax was approved by Palm Beach County voters in 2016 for a period of 10 years beginning January 1, 2017.

Capital Improvement Fund – This capital projects fund is used to account for the construction of capital facilities financed by the 2015 Utilities Tax Bonds and projects not accounted for in the City's other capital projects funds.

The City reports the following major proprietary funds:

Water and Sewer Fund - This fund is used to account for water and sewer services provided by the City to residents and other users.

Additionally, the City reports the following fund types:

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis, including insurance services and operations of the central garage.

Pension Trust Funds - These funds account for the accumulation of resources to be used for the retirement benefits for the City's general employees, police officers and firefighters.

CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments consist of restricted and unrestricted cash, deposits with financial institutions, investments in money market mutual funds, Florida intergovernmental investment pools and legally authorized securities and investment funds. Investment securities and funds are reported at fair value. Money market mutual funds and Florida intergovernmental investment pools are reported at amortized cost, which approximates fair value. Investment purchases and sales are recorded on the trade date.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Realized and unrealized gains and losses on investments are reflected in current operating results as investment earnings. Cash balances from all funds are combined, and the requirements of all funds are considered in determining the amount to be invested. Earnings are allocated to each fund based on respective month-end balances. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

ACCOUNTS RECEIVABLE

Accounts receivable represent amounts due for various City services and utilities, provided primarily to local businesses and residents. Accounts receivable are reported net of an allowance for doubtful accounts determined based on the age of the individual receivable and historical collection trends. Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. An allowance for doubtful accounts has been provided for those accounts where collectability appears to be doubtful. The City does not require collateral from its customers, except for the Water and Sewer Fund, which requires deposits for services. The City maintains an allowance for doubtful accounts at a level which management believes is sufficient to cover potential credit losses.

UNBILLED SERVICE RECEIVABLES

Within the enterprise funds, the Water and Sewer Fund recognizes revenue on the basis of monthly cycle billings to customers for services provided. As a result of this cycle billing method, there are unbilled receivables at the end of each fiscal year with respect to services provided, but not billed at such date. It is the policy of the City to accrue these amounts at year-end. The other enterprise funds do not have unbilled receivables at year-end.

INVENTORIES

Inventories consist of materials, supplies and goods held for sale or use by the City and are carried at cost on the average cost basis. General Fund inventories are accounted for using the consumption method whereby inventories are recorded as expenditures in the period when used.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PREPAID ITEMS/EXPENSES

Payments for insurance premiums and other administrative expenditures/expenses extending over more than one accounting period are accounted for as prepaid items/expenses and allocated between accounting periods when consumed rather than when purchased.

INTRA-ENTITY TRANSACTIONS

Intra-entity transactions consist of transactions and balances among City funds and between the City and its discretely presented component unit, the DDA. Balances due between the City and the DDA are reported separately from interfund transactions as due to and due from the primary government and component unit. There were no interfund balances between the City and the DDA at September 30, 2021. Transactions between the City and the DDA are recorded as revenues or expenditures/expenses as if they were conducted with external organizations. Transactions between the City and the CRA are reported as *Interfund Transactions*.

Interfund Transactions include balances and transactions among the funds during the year reported as follows:

Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for the residual amounts, which are presented as internal balances.

Interfund services provided and used - Transactions which are revenues to the recipient fund and expenditures/expenses to the disbursing fund. These are transactions which would otherwise be recorded as revenues or expenditures/expenses if they were conducted with organizations external to the City.

Reimbursements - These transactions are reimbursements of a fund for the disbursement of monies initially made from it, which are properly applicable to another fund. Such reimbursements are recorded as an expenditure or expense in the reimbursing fund and as reductions of the interfund receivable in the fund that is reimbursed.

Transfers - Transfers which, because of budgetary or legal restrictions, must be expended by funds other than the fund initially receiving the revenue. These transfers are recorded as transfers in (out).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS

Capital asset acquisitions are recorded as expenditures in the governmental fund financial statements and capitalized at historical cost in the proprietary fund financial statements. Such assets are capitalized at historical cost in the government-wide financial statements for both governmental activities and business-type activities. In the case of gifts or contributions, such assets are recorded at the date of receipt at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the date of acquisition. Capital costs which materially extend the useful life of existing properties are capitalized. Capital assets are defined as assets with an initial, individual cost of more than $5,000 ($50,000 for software) and an estimated useful life in excess of one year. Infrastructure assets (such as roads, bridges, curbs and gutters, streets and sidewalks, lighting and drainage systems and similar assets that are immovable and of value only to the City) are capitalized and reported in the Improvements Other Than Buildings category.

Depreciation of capital assets is provided on the straight-line basis over the assets' estimated useful lives. Amortization of assets recorded under capital leases (installment agreements) is recorded with depreciation expense. Estimated useful lives assigned to various categories of assets are as follows:

Buildings	20 – 40 years
Improvements other than buildings	10 – 30 years
Machinery and equipment	4 – 15 years
Automotive equipment	4 – 8 years
Office equipment	5 years
Water meters	30 years
Pumping equipment	15 – 20 years
Wells and springs	10 years
Sewer system	60 years
Water distribution system	50 years

UNAVAILABLE / UNEARNED REVENUE

Unearned revenue in the Governmental Activities and unavailable revenue in the Governmental Funds includes amounts received in advance for business licenses, grants and long-term receivables for various housing assistance programs provided by the City. Unearned revenue in the Business-type Activities and Proprietary Funds is composed of advance utility payments from customers and other amounts received in advance of the related services being provided by the City.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

The City accrues compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences,* and has elected the termination payment method of accounting for sick leave. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. The City's policy regarding the accumulation of compensated absences is summarized as follows:

Vacation Leave - Employees become eligible to use accrued vacation after one year of continuous service and may then use vacation as it is earned. The maximum vacation days allowed to be accumulated is 18, 24-hour days for fire department personnel and 36, 8-hour days for all other full-time personnel. Upon termination in good standing, employees are compensated for all accrued vacation leave at their pay rate on the date of termination.

Sick Leave - Employees earn hours of sick leave per month based on their scheduled work hours; 8 hours per month for 40-hour work week employees and 9.6 hours per month for 48-hour work week employees. If an employee retires with 20 years or more of service, sick leave is paid up to a maximum of 1,120 hours for general employees and police officers or 1,344 hours for 48-hour work week firefighter employees. Upon retirement with less than 20 years of service or resignation, employees are compensated for unused sick leave at their pay rate on the date of termination, up to 560 hours (70 days) for general employees and police officers and 672 hours (84 days) for firefighters according to the following vesting schedule:

Years of Continuous Service	Percent Vested
0 – 5 years	0%
5 – 10 years	25
10 – 15 years	50
15 – 20 years	75

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NONCURRENT OBLIGATIONS

In the government-wide financial statements and proprietary funds financial statements, long-term debt and other noncurrent obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt discounts, premiums and deferred charges on refunding, are deferred and amortized over the term of the related financing using a method that approximates the effective interest method. Long-term debt is reported net of applicable premium or discount. Issuance costs are reported as a period expense.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt 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 on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets and liabilities, the government-wide and proprietary funds statements of net position and the governmental funds balance sheet report a separate section for deferred outflows and/or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until that time.

The City's deferred outflows of resources in the government-wide and proprietary funds statements of net position consist of deferred charges on refundings, deferred amounts related to other postemployment benefits ("OPEB") and deferred amounts related to pensions. The deferred charges on refundings are losses resulting from the difference in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflow of resources related to OPEB and pensions results from differences between expected and actual experience, or changes in assumptions or other inputs. These amounts are deferred and included in OPEB and pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB and pension plans (active employees and inactive employees).

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES (CONTINUED)

The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City's deferred inflow of resources on the government-wide and proprietary funds statements of net position consist of deferred amounts related to OPEB and pensions. The deferred inflow of resources related to OPEB and pensions results from differences between expected and actual experience which are deferred and included in OPEB and pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB and pension plans (active employees and inactive employees). The City also has unavailable revenues, which arises only under the modified accrual basis of accounting and is reported as a deferred inflow of resources on the governmental funds balance sheet. The unavailable revenues include amounts received in advance for business licenses, grants and long-term receivables for various housing assistance programs provided by the City. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

FUND BALANCE/NET POSITION

Fund Balance

Nature and Purpose of Fund Equity Classifications - In the fund financial statements, governmental funds report fund equity classifications that comprise a hierarchy based primarily on the extent to which the City is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

Nonspendable - Nonspendable fund balances include amounts that cannot be spent because they are either 1) not in spendable form; or, 2) legally or contractually required to be maintained intact.

Restricted - Restricted fund balances include amounts that are restricted to specific purposes either by 1) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or, 2) imposed by law through constitutional provisions or enabling legislation.

Committed - Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance and remains in place until action is taken by the City Commission to remove or revise the limitation.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE/NET POSITION (CONTINUED)

Fund Balance (continued)

Assigned - Assigned fund balances include amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Commission assigns fund balance by adopting a resolution giving direction to the City Manager or through the City's annual budget. Assignments are generally temporary and do not require action by the City Commission for removal.

Unassigned - Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the General Fund.

The City considers restricted fund balances to be spent when an expenditure is incurred for the restricted purpose. The City considers committed, assigned or unassigned fund balances to be spent when an expenditure is incurred for purposes for which amounts in any of those fund balance classifications could be used.

Minimum Fund Balance Policy - The City Commission has not established a minimum fund balance policy but seeks to maintain an unassigned General Fund balance of at least 25% of General Fund expenditures.

Net Position

The government-wide and proprietary funds financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. This amount is offset by any unspent debt proceeds that are outstanding at fiscal year-end.

Restricted – This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports governmental activities net position of $18,970,137 restricted for net pension asset, $1,593,479 restricted for debt service, $1,318,300 restricted for law enforcement and $5,468,318 restricted for capital improvements. The business-type activities net position reports $5,279,048 restricted for pension asset, $1,675,949 restricted for capital improvements and $1,925,000 restricted for debt service.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND BALANCE/NET POSITION (CONTINUED)

Net Position (continued)

Unrestricted – This component of net position consists of net position that does not meet the definition of *Net Investment in Capital Assets* or *Restricted Net Position.*

PROPERTY TAXES

Ad valorem property taxes are assessed on property valuations as of January 1 and levied the following October. Property taxes are due March 31 and become delinquent April 1. Ad valorem property taxes are collected by Palm Beach County and remitted to the City. Revenue is recognized at the time monies are received from Palm Beach County when the amount is both measurable and available and, accordingly, unpaid delinquent taxes are not recorded by the City as receivable. Delinquent property taxes must be advertised within 45 days after delinquency, and after May 1, delinquent tax certificates are sold by the County Tax Collector and become a lien on the property on June 1. State Statutes permit municipalities to levy property taxes at a maximum rate of 10 mills ($10.00 for each $1,000 of assessed valuation).

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. The maximum tax levy allowed by a majority vote of the governing body is generally based on a percentage change applied to the prior year (2019/2020) property tax revenue.

The percentage change is calculated based on the compound annual growth rate in the per capita property taxes levied for five preceding fiscal years. State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the adjusted current year roll back millage rate plus 10%; or, 3) any millage rate approved by unanimous vote or voter referendum. For the fiscal year ended September 30, 2021, the City adopted an operating millage rate of 6.6611 and a debt service millage of 0.1886, resulting in a net tax levy of $60,252,612 for 2021. Property tax growth is generally limited to the annual growth rate of per capita personal income plus the value of new construction.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund. Encumbrances outstanding at year-end, if any, are reported as assigned fund balance in the General Fund. For budgetary purposes, current year encumbrances are treated as expenditures and any unencumbered balances lapse at year-end.

ON-BEHALF PAYMENTS

The City receives on-behalf payments from the State of Florida to be used for Police Officer and Firefighter pension benefits. The on-behalf payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP basis government-wide and General Fund financial statements, but are not budgeted and therefore are not included in the General Fund budgetary basis financial statements. On-behalf payments to the City totaled $2,035,683 for the fiscal year ended September 30, 2021.

IMPLEMENTATION OF GASB STATEMENTS

The following GASB Statements were effective for the City for the fiscal year ended September 30, 2021.

- GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria 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 benefits arrangements that are fiduciary activities.
- GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*, defines a majority equity interest and specifies the basis for measurement of a majority equity interest in a legally separate organization.
- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPLEMENTATION OF GASB STATEMENTS (CONTINUED)

- GASB Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term *annual comprehensive financial report* and its acronym ACFR. That new term and acronym replaced instances of *comprehensive annual financial report* and its acronym in GAAP for state and local governments.

ESTIMATES

Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, deferred outflows and inflows of resources, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses/expenditures. Actual results could vary from the estimates that were used.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments of the City and its pension trust funds at September 30, 2021, including unrestricted and restricted assets, are summarized as follows:

	City Primary Government	Fiduciary Funds Pension Trust	Total
Deposits with financial institutions and cash on hand	$ 70,687,850	$ 70,018	$ 70,757,868
Cash equivalents and investments	140,674,369	455,912,417	596,586,786
Total Cash, Cash Equivalents and Investment	$ 211,362,219	$ 455,982,435	$ 667,344,654
Reported in the Financial Statements			
Cash and cash equivalents	$ 103,824,150	$ 70,018	$ 103,894,168
Investments	103,905,821	455,912,417	559,818,238
Restricted cash and cash equivalents	1,956,299	--	1,956,299
Restricted investments	1,675,949	--	1,675,949
Total Cash, Cash Equivalents and Investments	$ 211,362,219	$ 455,982,435	$ 667,344,654

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

DEPOSITS WITH FINANCIAL INSTITUTIONS

At September 30, 2021, the City's cash and cash equivalents included deposits with financial institutions of $70,660,652 and petty cash of $27,198 and the pension trust funds had deposits in brokerage accounts of $70,018. Deposits with financial institutions were entirely covered by federal deposit insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as *qualified public depositories* by the State Treasurer of Florida. Qualified public depositories are required to pledge collateral to the State Treasurer with a market value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories participating in the collateral pool.

Discretely Presented Component Unit: The DDA's cash balance at September 30, 2021, includes deposits with financial institutions with a bank balance of $368,772 and a book balance of $365,923. The DDA's deposits were with financial institutions that were qualified public depositories under Florida law and are considered to be fully insured.

INVESTMENTS

Florida Statutes and City policy authorize the City and its pension trust funds to invest in Florida PRIME (a State administered investment pool) and other approved Florida governmental investment pools; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under Federal or Florida laws; money market mutual funds limited to U.S. Government securities; obligations of the Federal Farm Credit Banks, Fannie Mae, Freddie Mac, the Federal Home Loan Bank or its district banks; obligations guaranteed by the Government National Mortgage Association; and any additional investments authorized by the City's Investment Policy or the Board of each pension plan. The City's investment policy also authorizes the City to invest, with certain limitations, in repurchase agreements, commercial paper, bankers acceptances, corporate notes and obligations, mortgage and asset-backed securities, supranationals, state and local government tax exempt debt and registered investment companies.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The City's pension trust funds may also invest in tax sale certificates of the State of Florida or any of its political subdivisions, preferred and common stocks of certain domestic and international corporations, debt securities of certain domestic and international corporations, mutual funds (including exchange traded funds), and alternative investments, including private investment funds consisting of equity and fixed income investments, real estate, timberlands, and similar investments that are not publicly traded.

The following summarizes the cash equivalents and investments of the City and its pension trust funds reported on the statement of net position and statement of fiduciary net position at September 30, 2021:

	City Primary Government	Fiduciary Funds Pension Trust	Total
Cash Equivalents			
Florida governmental investment pools	$ 25,028,956	$ --	$ 25,028,956
Investments			
Temporary cash pending investment	19,734	--	19,734
Money market mutual funds	8,137,148	10,948,217	19,085,365
U.S. Government securities	56,969,342	18,786,466	75,755,808
U.S. Government Agency securities	16,804,902	13,303,774	30,108,676
Supranational Agency notes	5,238,261	--	5,238,261
Mortgage and asset-backed securities	11,473,004	--	11,473,004
Collateralized mortgage obligations	6,390,183	--	6,390,183
Domestic and international corporate bonds & notes	10,612,839	9,893,431	20,506,270
Fixed income mutual funds	--	20,363,667	20,363,667
Global fixed income investment funds	--	24,005,288	24,005,288
Global asset allocation investment funds	--	3,772,417	3,772,417
Domestic and foreign equity securities	--	132,504,450	132,504,450
Domestic and international equity mutual funds	--	76,634,530	76,634,530
Domestic equity index funds	--	35,940,823	35,940,823
Pooled domestic equity index funds	--	89,901,457	89,901,457
Timber investment funds	--	1,705,500	1,705,500
Real estate investment funds	--	15,000,478	15,000,478
Fixed income investment fund	--	3,151,919	3,151,919
Total Investments	115,645,413	455,912,417	571,557,830
Total Cash Equivalents and Investments	$ 140,674,369	$ 455,912,417	$ 596,586,786

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The Florida governmental investment pools consist of Florida Cooperative Liquid Assets Securities System (FL CLASS) and Florida Public Assets for Liquidity Management (FL PALM). The investment pools are organized by Florida public agencies under Florida Statutes Section 163, the Florida Interlocal Cooperation Act, for the purpose of operating an independent investment pool for local governments in Florida and are administered by a Board of Trustees elected by the participants in the investment pool. FL CLASS and FL PALM are operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost, rather than fair value, to report net position used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the investment pools is considered to be the same as the City's account balance (amortized cost) in the pool.

Fair Value of Investments: The City and Pension Plans follow the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City and Pension Plans have the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the entity's perceived risk of that investment.

Valuation Methodologies: The following valuation methods and assumptions were used by the City and Pension Plans to estimate the fair value of financial instruments measured at fair value on a recurring basis under GASB Statement No. 72:

U.S. Government and Agency securities, Supranational Agency securities, mortgage and asset-backed securities, collateralized mortgage obligations, and domestic and international corporate bonds and notes: Valued at the closing price reported on the active exchange on which the individual securities are actively traded. Securities that are not actively traded are valued by the investment manager or broker using a matrix pricing technique based on the securities' relationship to quoted benchmark prices.

Equity securities and foreign stocks: Valued at the closing price reported on the active exchange on which the individual securities are actively traded.

Fixed income mutual fund, global fixed income investment fund, global asset allocation investment funds, equity mutual funds and equity index funds: Valued at the closing net asset value reported on the active exchange on which the individual investment funds are actively traded.

Investments measured at net asset value (NAV): Pooled domestic equity index funds and alternative investment funds investing in timber, real estate and fixed income are valued at the unadjusted NAV per share at September 30, 2021, calculated in a manner consistent with the practical expedient method under U.S. GAAP using the fair value of the fund's underlying investments, as determined by the fund manager, if available, or by valuations of a fund's underlying assets provided by the investment manager. Timber and real estate values are based upon periodic independent appraisals performed for assets

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

held by the funds. The fair value of timber and real estate is the price that would be received if the asset was sold to a market participant assuming the highest and best use of each asset at the measurement date. The fixed income investment fund and pooled domestic equity index funds are not publicly traded and invest in various types of fixed income and equity securities. These investment funds may hold certain investments valued by a single market maker and while the fund managers use their best judgment in estimating the fair value of the underlying assets, there are inherent limitations in any estimation technique. Accordingly, the fair value of these investment funds has been estimated by the management of the pension funds and their investment advisors in the absence of readily ascertainable or quoted fair values.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the City and Pension Plans believe its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the year ended September 30, 2021.

Fair Value of Investments: The financial assets measured at fair value on a recurring basis include the City's and Pension Plans' investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2021. Investments in money market mutual funds and Florida intergovernmental investment pools are reported at amortized cost, which approximates fair value, and accordingly, are not included in the fair value hierarchy. The fair value of investments at September 30, 2021 is summarized as follows:

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

	Fair Value at September 30, 2021			
	Level 1	Level 2	Level 3	Total
Fixed Income Securities				
U.S. Government securities	$ --	$ 75,755,808	$ --	$ 75,755,808
U.S. Government Agencies securities	--	30,108,676	--	30,108,676
Supranational Agency notes	--	5,238,261	--	5,238,261
Mortgage and asset-backed securities	--	11,473,004	--	11,473,004
Collateralized mortgage obligations	--	6,390,183	--	6,390,183
Domestic and international corporate bonds & notes	--	20,506,270	--	20,506,270
Fixed income mutual funds	20,363,667	--	--	20,363,667
Global fixed income investment fund	24,005,288	--	--	24,005,288
Global asset allocation investment funds	3,772,417	--	--	3,772,417
Total Fixed Income Securities	48,141,372	149,472,202	--	197,613,574
Equity Investments				
Domestic and foreign equity securities	132,504,450	--	--	132,504,450
Domestic and international equity mutual funds	76,634,530	--		76,634,530
Domestic equity index funds	35,940,823	--	--	35,940,823
Total Equity Securities	245,079,803	--	--	245,079,803
Total Investments at Fair Value	$ 293,221,175	$ 149,472,202	$ --	442,693,377
Investment Measured at NAV				
Alternative investment funds:				
Pooled equity index funds				89,901,457
Timber investment funds				1,705,500
Real estate investment funds				15,000,478
Fixed income investment fund				3,151,919
Total Investments at NAV				109,759,354
Total Investments at Fair Value				$ 552,452,731

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

At September 30, 2021, certain alternative investment funds had future funding commitments of approximately $1,023,000. No withdrawals are permitted during the term of certain alternative investment funds which range from 2022 to 2026.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the City and Pension Plans may not recover cash and investments held by another party in the event of financial failure. The City's investment policy requires cash and investment securities to be fully insured or collateralized, or held in independent custodial safekeeping accounts in the name of the City. At September 30, 2021 all direct investments in securities were held in independent custodial safekeeping accounts. Investments in money market mutual funds, mutual funds and alternative investments, were considered *unclassified* investments pursuant to GASB Standards.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy requires diversification of investments to minimize potential losses on individual securities. In the City pension funds, securities of a single issuer are limited to no more than 5% of the plan's net position invested in common stocks and debt securities. Investments in mutual funds and investment pools are excluded from the concentration of credit risk disclosure requirement.

Credit Risk: Credit risk is the risk that a debt issuer will not fulfill its obligations. The City's investment policy addresses credit risk by limiting investments to the safest types of securities, which are generally those receiving the highest credit ratings from a Nationally Recognized Statistical Rating Organization ("NRSRO"). The City utilizes ratings from Standard & Poor's and Moody's Investor Services for its investments. At September 30, 2021, the ratings for the City's investment portfolio ranged from BBB to AAA. Pension investments in debt securities must be rated investment grade by a NRSRO at the date of purchase.

The NRSRO ratings for the fixed income investment securities and pools of the primary government and pension funds are summarized as follows at September 30, 2021.

	NRSRO Rating	Fair Value
Primary Government		
Money market mutual funds	AAAm	$ 8,137,148
Florida governmental investment pools	AAAm	25,028,956
U.S. Government securities	AAA	56,969,342
U.S. Government Agency securities	AAA	16,804,902

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

	NRSRO Rating	Fair Value
Primary Government (continued)		
Supranational Agency notes	AAA	$ 5,238,261
Mortgage and asset backed securities	AAA	6,352,830
Mortgage and asset backed securities	Unrated	5,120,174
Collateralized mortgage obligations	AA	6,390,183
Domestic and international corporate bonds and notes	A-BBB	10,612,839
Pension Trust Funds		
Money market mutual funds	AAAm	10,948,217
U.S. Government securities	AAA	18,786,466
U.S. Government Agency securities	AAA	13,303,774
Domestic and international corporate bonds & notes	AA-BBB	9,893,431
Fixed income mutual fund	Unrated	20,363,667
Global fixed income investment funds	Unrated	24,005,288
Global asset allocation investment funds	Unrated	3,772,417
Fixed income investment fund	Unrated	3,151,919

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The City's investment policy requires the investment of operating funds in shorter term securities and structuring of the investment portfolio so that securities mature to meet cash requirements. The policy further limits investments to securities maturing in five years or less, except in certain limited situations requiring approval by the City Commission. The Pension Funds have no specific limits on investment maturities. The table below summarizes the average effective duration in years of the fixed income investments with maturities in excess of 90 days.

	Average Duration (in years)	Fair Value
Primary Government		
U.S. Government securities	1.9	$56,969,342
U.S. Government Agency securities	1.9	16,804,902
Supranational Agency notes	2.2	5,238,261
Mortgage and asset backed securities	1.4	11,473,004
Collateralized mortgage obligations	1.5	6,390,183
Corporate obligations	2.1	10,612,839

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

	Average Duration (in years)	Fair Value
Pension Trust Funds		
U.S. Government securities	4.3	18,786,466
U.S. Government Agency securities	3.3	13,303,774
Domestic and international corporate obligations	4.8	9,893,431
Fixed income mutual funds and Global fixed income investment funds	5.8	44,368,995
Global asset allocation investment funds	2.5	3,772,417
Fixed income alternative investment fund	Not available	3,151,919

Foreign Currency Risk: Foreign currency risk includes the risk of revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized and unrealized gains, and their price may be more volatile than those of comparable securities in U.S. companies. All investments were in U.S. Dollar denominated securities and funds at September 30, 2021.

Risks and Uncertainties: Due to the various risks associated with investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements. The value, liquidity, and related income of securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations, commercial mortgage backed securities and real estate funds or investment funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

NOTE 4 – ACCOUNTS RECEIVABLE

Current accounts receivable and the related allowance for doubtful accounts were as follows at September 30, 2021:

	Governmental Activities	Business-type Activities
Accounts Receivable		
General Fund - Intergovernmental	$ 5,508,349	$ --
Neighborhood Services Fund	77	--
Community Redevelopment Agency Fund	80,015	--
Capital Improvement Fund	38,960	
Water and Sewer Fund	--	5,799,756
Non-Major Funds	179,284	719,256
Internal Services Funds	17,683	--
Allowance for doubtful accounts	(2,755,690)	(1,345,983)
Total Accounts Receivable	$ 3,068,678	$ 5,173,029

NOTE 5 – NOTES RECEIVABLE

Notes receivable consist of the following at September 30, 2021:

Governmental Activities

Non-interest bearing notes receivable from individual property owners for rehabilitation, enhancement and preservation of affordable housing properties. Principal payments are amortized over 5-20 years. Repayment of the loans is contingent upon the sale of real estate prior to the required time frame or release date. Loan repayments are restricted under terms of federal and state grant programs to reinvestment in affordable housing properties.	$ 5,863,140
CRA notes receivable	4,336,151
Total Governmental Activities	$ 10,199,291

NOTE 5 – NOTES RECEIVABLE (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

The CRA's outstanding notes receivable at September 30, 2021 consist of the following:

Notes Receivable from Delray Beach Community Land Trust

The CRA provides advances to the Delray Beach Community Land Trust, Inc. (CLT) to finance the construction of affordable housing units by the CLT. The construction advances are to be repaid by the CLT from the proceeds of the sale of the homes. These advances are non-interest bearing mortgages on the property and have no fixed repayment date, although the advances are generally not expected to be repaid within one year. In the event that the proceeds from the sale of a home are not sufficient to repay the CRA's mortgage for the construction advance, the balance of the unpaid mortgage is forgiven by the CRA and the uncollectible amount is charged to expenses/expenditures. At September 30, 2021, the total advances receivable from the CLT were $585,663 all of which is considered collectible by the CRA.

Note Receivable from Delray Beach Chamber of Commerce

In February 2013, the CRA entered into an agreement with The Greater Delray Beach Chamber of Commerce, Inc. (the "Chamber") to provide funding for the relocation of the Chamber's offices to the Old School Square Parking Garage retail office space in order to facilitate redevelopment by the CRA of the property then occupied by the Chamber (the "Chamber Property"). The agreement provided that the CRA would fund up to $459,675 of the cost to build out the Chamber's new office space, of which the Chamber agreed to repay $250,000 to the CRA over 15 years. The Chamber executed a promissory note to the CRA for $250,000 payable in 180 equal monthly installments of $1,849, including interest at 4.0%, beginning April 1, 2014, through maturity. The Chamber also executed a release and termination of its existing lease on the Chamber Property, thereby allowing the CRA to redevelop the property. The agreement was amended in October 2020, and no payments of principal or interest are due for the months of June 2020 through December 2021, with payments resuming January 1, 2022, and with a revised maturity date that was extended to October 1, 2030. Interest is waived through November 30, 2021 and begins accruing on December 1, 2021. At September 30, 2021, the balance of the note receivable from the Chamber was $164,854.

NOTE 5 – NOTES RECEIVABLE (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)

Note Receivable from Village Square Elderly, Ltd.

On July 17, 2014, the CRA entered into a funding agreement with Village Square Elderly, Ltd. for $2.7 million, with a 20 year term loan for the redevelopment of the former Carver Estates public housing project and construction of an 84-unit low income senior apartment complex, a 144-unit low income housing rental apartment complex, approximately 40 single family homes and a clubhouse (the "Property"). In accordance with the promissory note, the loan is non-interest bearing during the construction period and for the first ten years, and for years eleven through twenty, the loan will accrue interest at 3.0%. Payments of principal only commenced on the first anniversary date of the closing date of the loan (March 2020) and are due annually thereafter until the 10th anniversary of the loan. Commencing on the tenth anniversary date and annually thereafter, principal and interest will be payable annually on the outstanding principal. Payments due are equal to the remaining cash flow from the Property after the required payments on the Property's first mortgage and payment of the deferred developer fee, but not less than $25,000 per year. The loan is collateralized by a second mortgage lien and security interest in the Property and all improvements, fixtures and appurtenances thereto. The loan matures 20 years from the closing date (July 16, 2034) at which time all outstanding principal and accrued interest will be due to the CRA. The total receivable at September 30, 2021 was $2,650,000.

Second Mortgage Loans Receivable

The CRA provides home mortgage loan assistance to eligible low income individuals who qualify under the CLT or CRA home subsidy program for the purchase of a home or the rehabilitation of an existing home within the City. The home purchase or rehabilitation subsidy provided by the CRA is secured by a second mortgage on the property. The second mortgage is non-interest bearing and requires no principal payments to the CRA until the occurrence of a specified event, generally related to the sale of the property, a default on the first mortgage on the property or a default on the obligations of the second mortgage to maintain the property, provide insurance, pay all taxes and generally not permit any impairment or deterioration of the property. The CRA expects the full amount of the mortgage to be recoverable at some future, undetermined date when the property is sold or transferred to a new owner. At September 30, 2021, the amount of the individual second mortgages originated in 2008 through 2021, ranged from $15,000 to $85,000 and all borrowers were in compliance with the terms of the second mortgage. The loans receivable totaled $935,634 as of September 30, 2021.

NOTE 5 – NOTES RECEIVABLE (CONTINUED)

CITY NOTE RECEIVABLE FROM THE DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA)

The City has an outstanding note receivable from the Delray Beach Community Redevelopment Agency (CRA) at September 30, 2021, which is presented as an internal advance receivable (due from other funds) in the City's General Fund and an advance payable (due to other funds) in the Community Redevelopment Agency Fund. The note payable is summarized as follows:

US Highway One Improvements

The CRA entered into an interlocal agreement with the City in October 2011 to provide a portion of the funding for the US Highway One improvements planned by the City. The agreement was subsequently amended in January 2013 based on a final project cost of approximately $14.0 million, of which the CRA agreed to fund $3,614,190, plus financing costs. The City initially financed the project with a line of credit and planned to obtain permanent financing after the project was completed. The CRA agreed to pay the City interest only on the CRA share of the amount financed by the City through May 31, 2014. Thereafter, the CRA pays the City an amount equal to the principal and interest on the City's debt for the project based on the CRA's share of the project funding for a period of twelve years. Principal on the loan is payable by the CRA semi-annually on period of twelve years. Principal on the loan is payable by the CRA semi-annually on June 1st and December 1st in the amount of $180,709. Interest is payable semi-annually on June 1st and December 1st at 3.25% on the outstanding principal balance. The note payable from the CRA was $1,084,257, and is included in due from other funds in the General Fund at September 30, 2021.

NOTE 6 – DUE FROM OTHER GOVERNMENTS

The total amount due from other governments of $2,402,873 at September 30, 2021, represents the amount due from federal, state and local sources for intergovernmental revenues and grant reimbursements in the General Fund, Neighborhood Services Fund, One-Cent Sales Tax Fund, and Beach Restoration Fund for Governmental Activities and the Water and Sewer Fund and Sanitation Fund for Business-type Activities.

NOTE 7 – RESTRICTED ASSETS

Restricted assets in the Enterprise Funds result from revenue bond requirements to fund the current portions of principal and interest and a renewal and replacement reserve in the Water and Sewer Fund. The restricted asset balances and reserve requirements at September 30, 2021 have been met for outstanding bond issues. The City's policy is to first apply restricted resources when expenses are incurred for purposes for which both restricted and unrestricted net position is available. Net position of the Water and Sewer Fund is restricted to the extent that restricted assets exceed liabilities payable from restricted assets at September 30, 2021. Restricted assets, liabilities payable from restricted assets and restricted net position of the Water and Sewer Fund are summarized as follows at September 30, 2021:

	Debt Service	Renewal and Replacement	Total
Restricted Assets			
Water and Sewer Fund			
Cash and cash equivalents	$ 1,956,299	$ --	$ 1,956,299
Investments	--	1,675,949	1,675,949
Total Restricted Assets	1,956,299	1,675,949	3,632,248
Liabilities Payable from Restricted Assets			
Water and Sewer Fund			
Accrued interest on long-term debt	31,299	--	31,299
Current maturities of revenue bonds	1,925,000	--	1,925,000
Total Liabilities Payable from Restricted Assets	1,956,299	--	1,956,299
Restricted Net Position	$ --	$ 1,675,949	$ 1,675,949

NOTE 8 – CAPITAL ASSETS

The major components of capital assets for the City are summarized as follows at September 30, 2021:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 68,638,462	$ 439,065	$ (394,306)	$ 68,683,221
Construction in progress	15,502,156	11,776,172	--	27,278,328
Total Capital Assets Not Being Depreciated	84,140,618	12,215,237	(394,306)	95,961,549
Capital Assets Being Depreciated				
Buildings	52,823,574	18,911	--	52,842,485
Improvements Other Than Buildings	157,324,645	3,939,950	--	161,264,595
Equipment	60,598,900	5,701,946	(4,394,997)	61,905,849
Total Capital Assets Being Depreciated	270,747,119	9,660,807	(4,394,997)	276,012,929
Less: Accumulated Depreciation for				
Buildings	(27,646,205)	(1,384,311)	--	(29,030,516)
Improvements Other Than Buildings	(87,934,086)	(4,688,110)	--	(92,622,196)
Equipment	(38,294,924)	(4,886,616)	4,061,402	(39,120,138)
Total Accumulated Depreciation	(153,875,215)	(10,959,037)	4,061,402	(160,772,850)
Depreciable capital assets, net of accumulated depreciation	116,871,904	(1,298,230)	(333,595)	115,240,079
Total Capital Assets, Net	$ 201,012,522	$ 10,917,007	$ (727,901)	$ 211,201,628

NOTE 8 – CAPITAL ASSETS (CONTINUED)

	Beginning Balances	Additions	Deletions	Ending Balances
Business-Type Activities				
Capital Assets Not Being Depreciated				
Land	$ 5,668,824	$ --	$ --	$ 5,668,824
Construction in progress	4,180,423	3,823,208	(2,017,704)	5,985,927
Total Capital Assets Not Being Depreciated	9,849,247	3,823,208	(2,017,704)	11,654,751
Capital Assets Being Depreciated				
Building	13,774,348	--	--	13,774,348
Improvements Other Than Buildings	189,964,444	2,593,547	(124,951)	192,433,040
Machinery and equipment	24,016,130	37,119	(1,638,511)	22,414,738
Total Capital Assets Being Depreciated	227,754,922	2,630,666	(1,763,462)	228,622,126
Less: Accumulated Depreciation for				
Buildings	(10,582,951)	(261,170)	--	(10,844,121)
Improvements Other Than Buildings	(103,658,231)	(3,607,530)	--	(107,265,761)
Equipment	(11,932,836)	(1,345,610)	1,734,156	(11,544,290)
Total Accumulated Depreciation	(126,174,018)	(5,214,310)	1,734,156	(129,654,172)
Depreciable capital assets, net of accumulated depreciation	101,580,904	(2,583,644)	(29,306)	98,967,954
Total Capital Assets, Net	$ 111,430,151	$ 1,239,564	$ (2,047,010)	$ 110,622,705

Depreciation expense for the fiscal year ended September 30, 2021, was charged to functions/programs of the primary government as follows:

Governmental Activities	
General Government	$ 1,337,487
Public Safety	1,047,297
Physical Environment	3,584,539
Parks and Recreation	2,093,856
Internal Services Funds	2,895,858
Total Depreciation Expense - Governmental Activities	$ 10,959,037

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Business-type Activities	
Water and Sewer	$ 4,425,101
Stormwater	584,573
Municipal Golf Course	161,758
Lakeview Golf Course	39,159
City Marina	3,719
Total Depreciation Expense - Business-type Activities	$ 5,214,310

NOTE 9 – INVESTMENT IN REGIONAL PLANT JOINT VENTURE

In 1974, the City of Delray Beach joined with the City of Boynton Beach (Boynton Beach) to form a separate legal entity, the South Central Regional Wastewater Treatment and Disposal Board, (the "Board"). The Board, which is governed by a body composed of the commission members from each city, oversees the operation of the regional wastewater treatment and disposal plant which services both cities and surrounding areas. The interlocal agreement between the City and Boynton Beach specifies that the Board has the authority to accept and disburse funds, transact business and enter into contracts for budgeted items. In addition, the Board has the authority, subject to approval by a majority vote of each city commission before becoming effective, to adopt an annual budget, establish rates and charges for operations, maintenance, expansions and construction, enter into contracts for non-budgeted items and authorize the return of any surplus funds or levy additional charges for deficits of the Board to the respective cities.

Ownership of the regional wastewater treatment and disposal plant is vested proportionately with the cities in accordance with the capital investments of each city, which to date is approximately 50% each. The Board charges each city for its share of the Board's operating expenses based on the percentage of flow of wastewater from each city. At September 30, 2021, accounts payable of the Water and Sewer Fund and business-type activities included $234,568 due to the Board. For the year ended September 30, 2021, the City paid $3,823,765 to the Board for operating expenses, repair and replacement and capital charges. Each individual city is responsible for setting the rates and collecting charges for wastewater disposal from customers within its jurisdiction. The City accounts for its investment in the Board as a joint venture recorded on the equity method of accounting. At September 30, 2021, the City's 50% equity interest in the net position of the Board totaled $16,095,897 and has been reported as "Investment in regional plant (joint venture)" in the City's financial statements.

NOTE 9 – INVESTMENT IN REGIONAL PLANT JOINT VENTURE (CONTINUED)

The Board issues separate financial statements audited by other accountants. Those financial statements may be obtained from the Board at 1801 N. Congress Avenue, Delray Beach, FL 33445. Summarized financial information (rounded) of the Board as of and for the year ended September 30, 2021, is as follows:

Net Position	
Current and other assets	$ 12,318,000
Capital assets, net	34,771,000
Total Assets	47,089,000
Current liabilities	3,395,000
Noncurrent liabilities	11,503,000
Total Liabilities	14,898,000
Net Position	$ 32,191,000

Change in Net Position	
Charges for services	$ 8,422,000
Capital grants and contributions	2,053,000
Total Program Revenues	10,475,000
Program expenses	10,517,000
Net Program Expenses	(42,000)
Investment income	2,000
Miscellaneous	121,000
Return of excess charges to joint venture participants	(1,375,000)
Change in Net Position	$ (1,294,000)

NOTE 10 – INTERFUND TRANSACTIONS AND BALANCES

Total interfund receivables/payables and transfers were as follows as of and for the year ended September 30, 2021:

	Due From Other Funds	Due To Other Funds	Transfers In	Transfers Out
Major Governmental Funds				
General Fund	$ 5,618,950	$ --	$ 4,156,668	$ 9,659,288
Neighborhood Services	161,569	--	183,941	--
Community Redevelopment Agency	--	4,240,890	--	--
One-Cent Sales Tax	4,735,198	1,694,720	--	--
Capital Improvement	2,141,371	--	3,350,000	--
Non-major Governmental Funds				
Special Revenue Fund:				
Beautification	1,462	--	935,190	--
Special Projects	--	1,304,635	--	--
Debt Service Fund:				
Utilities tax	--	--	3,425,900	--
Capital Projects Fund:				
Beach Restoration	--	--	154,447	--
Total Governmental Funds	$ 12,658,550	$ 7,240,245	$ 12,206,146	$ 9,659,288
Major Proprietary Funds				
Water and Sewer	$ 9,826,920	$ --	$ 115,384	$ 3,321,854
Non-major Proprietary Funds				
Stormwater	--	8,217,970	--	207,170
Sanitation	--	874,350	--	685,507
Municipal Golf Course	--	--	--	34,078
Lakeview Golf Course	--	--	--	20,623
City Marina	--	560,330	--	65,190
Cemetery	--	174,270	--	80,027
Internal Service Fund:				
Insurance	--	1,210,987	1,615,000	--
Central Garage	--	4,207,318	137,207	--
Total Proprietary Funds	9,826,920	15,245,225	1,867,591	4,414,449
Total Primary Government	$ 22,485,470	$ 22,485,470	$ 14,073,737	$ 14,073,737

NOTE 10 – INTERFUND TRANSACTIONS AND BALANCES (CONTINUED)

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital loans made to various funds that the General Fund expects to collect in the subsequent year and the note receivable/payable between the City and the CRA as discussed in Note 5.

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted General Fund revenues to finance various programs that the City must account for in another fund in accordance with budgetary authorizations, including amounts for capital projects and amounts provided as contributions or matching funds for beautification, community development and other grant programs.

NOTE 11 – NONCURRENT LIABILITIES

The changes in noncurrent liabilities of the City for the fiscal year ended September 30, 2021 were as follows:

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Governmental Activities					
Revenue bonds	$ 62,117,189	$ --	$ (6,327,458)	$ 55,789,731	$ 6,526,984
General obligation bonds	7,935,000	--	(1,880,000)	6,055,000	1,945,000
Unamortized bond premium	2,208,983	--	(192,086)	2,016,897	--
Total Bonds Payable, Net	72,261,172	--	(8,399,544)	63,861,628	8,471,984
Installment agreements	1,460,380	988,279	(996,047)	1,452,612	529,061
Compensated absences	8,830,547	924,657	(605,970)	9,149,234	782,223
Insurance claims payable	7,403,977	12,699,508	(12,473,721)	7,629,764	2,701,764
Total Governmental Activities	$ 89,956,076	$ 14,612,444	$ (22,475,282)	$ 82,093,238	$ 12,485,032

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

	Balances	Additions	Reductions	Balances	One Year
Business-type Activities					
Revenue bonds	$ 3,805,000	$ --	$ (1,880,000)	$ 1,925,000	$ 1,925,000
Installment agreements	48,168	--	(38,396)	9,772	9,772
Compensated absences	1,028,292	73,021	(225,185)	876,128	155,553
Total Business-type Activities	$ 4,881,460	$ 73,021	$ (2,143,581)	$ 2,810,900	$ 2,090,325

Debt service on capital improvement revenue bonds and installment agreements are payable from available non-ad valorem revenues. Debt service on tax increment revenue bonds is payable from the CRA's tax increment revenues. Debt service on utilities tax bonds is payable from utilities tax revenues. General obligation bonds are payable from ad valorem taxes. Water and sewer revenue bonds are payable from the pledged revenues of the Water and Sewer Fund. Compensated absences, OPEB and pension liabilities are generally liquidated by the General Fund for governmental activities and by net revenues of the applicable proprietary funds for business-type activities.

Noncurrent liabilities, including current maturities, consisted of the following at September 30, 2021:

Revenue Bonds	Governmental Activities	Business-Type Activities
$2,350,000 Water and Sewer Revenue Bonds issued November 17, 2006 (Series 2006B), with principal amount of $205,000 due October 1, 2021, with semi-annual interest payments at 4.84%, due October 1 and April 1, through October 1, 2021. The bonds were issued to finance the City's share of the Reclaimed Water Treatment Project at the South Central Regional Wastewater Treatment Facility.	$ --	$ 205,000
$5,430,000 Water and Sewer Refunding Revenue Bonds issued September 29, 2011 (Series 2011A), with principal amount of $600,000 due through October 1, 2021, with semi-annual interest payments at 2.21%, due October 1 and April 1, through October 1, 2021. The bonds were issued to currently refund the Series 2006A Water and Sewer Revenue Bonds. The Series 2011A Bonds contain a provision that in the event of nonpayment on due dates, the amounts due shall bear interest at a Default Rate equal to the interest rate on the bonds plus 2% per annum.	--	600,000
Subtotal (Forward)	$ --	$ 805,000

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

Revenue Bonds (continued)	Governmental Activities	Business-Type Activities
Subtotal (Forward)	$ --	$ 805,000
$8,160,000 Water and Sewer Revenue Refunding Bonds issued October 18, 2011 (Series 2011B), with principal amount of $1,120,000 due through October 1, 2021, with semi-annual interest payments at 2.21%, due October 1 and April 1, through October 1, 2021. The bonds were issued to currently refund the Series 2007 Water and Sewer Revenue Bonds. The Series 2011B Bonds contain a provision that in the event of nonpayment on due dates, the amounts due shall bear interest at a Default Rate equal to the interest rate on the bonds plus 2% per annum.	--	1,120,000
$4,000,000 Delray Beach Community Redevelopment Agency Tax Increment Redevelopment Revenue Improvement Bonds (Series 2012), due in principal amounts of $415,647 to $811,071 with semi-annual interest payments at 2.878% due April 1 and October 1, through October 1, 2023. The bond was issued as a draw-down bond to a financial institution, such that the financial institution will advance the purchase price of the bond pursuant to each draw request submitted by the CRA, provided that the maximum amount of the bond outstanding at any one time shall not exceed an aggregate principal amount of $4,000,000. The bond was issued for the purpose of financing the costs of acquisition and construction of certain redevelopment projects. The Series 2012 Bond contains a provision that in the event of default, the amounts due shall bear interest at a Default Rate equal to the interest rate on the Bond plus 200 basis points.	2,020,183	--
$2,000,000 Delray Beach Community Redevelopment Agency Tax Increment Redevelopment Revenue Bonds (Series 2015), due in principal amounts of $202,723 to $416,663 with semi-annual interest payments at 2.78% due April 1 and October 1, through October 1, 2023. The bond was issued as a draw-down bond to a financial institution, such that the financial institution will advance the purchase price of the 2015 Series Bond pursuant to each draw request submitted by the CRA, provided that the maximum amount of the Series 2015 Bond outstanding at any one time shall not exceed an aggregate principal amount of $2,000,000. The Series 2015 Bond was issued for the purpose of financing the costs of acquisition and construction of certain redevelopment projects. The Series 2015 Bond contains a provision that in the event of default, the amounts due shall bear interest at a Default Rate equal to the interest rate on the Bond plus 200 basis points.	1,024,548	--
Subtotal (Forward)	$3,044,731	$1,925,000

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

Revenue Bonds (continued)	Governmental Activities	Business-Type Activities
Subtotal (Forward)	$ 3,044,731	$1,925,000
$39,020,000 Utilities Tax Revenue Refunding and Improvement Bonds, issued April 1, 2015 (Series 2015), due in principal amounts of $930,000 to $3,225,000 through June 1, 2035, with semi-annual interest payments at 3% to 5%, due June 1 and December 1, through June 1, 2035. The Bonds were issued to refund a portion of the Utility Tax Revenue Bonds, Series 2007; to pay a portion of the Bond Anticipation Revenue Improvement Note, Series 2013; and, to finance the costs of rebuilding Fire Station No. 3 and certain beach amenity projects.	32,855,000	--
$31,500,000 Capital Improvement Revenue Bonds, issued June 23, 2017 (Series 2017), due in principal amounts of $3,155,000 to $3,480,000 through October 1, 2026, with semi-annual interest payments at 1.96%, due April 1 and October 1, through October 1, 2026. The Bonds were issued to finance certain infrastructure capital projects. The Series 2017 Bonds contain a provision that in the event of default, the amounts due shall bear interest at a Default Rate equal to the interest rate on the Bonds plus 6%.	19,890,000	--
Total Revenue Bonds	55,789,731	1,925,000
Unamortized Bond Premium	2,016,897	--
Total Revenue Bonds, Net	$57,806,628	$1,925,000

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

General Obligation Bonds	Governmental Activities	Business-Type Activities
$10,000,000 General Obligation Bonds issued August 26, 2005 (Series 2005), due in annual principal installments of $1,030,000 to $1,135,000 through February 1, 2024, with semi-annual interest payments at 5.04%, due February 1 and August 1, through February 1, 2024. The bonds were issued for the acquisition of land, equipping of new parks, recreation centers, parking garage and library.	$3,245,000	$ --
$8,810,000 General Obligation Bonds issued November 21, 2013 (Series 2013), due in annual principal installments of $915,000 to $960,000 through February 1, 2024, with semi-annual interest payments at 2.17%, due February 1 and August 1, through February 1, 2024. The bonds were issued for the purpose of defeasing the Series 2004 GO Bonds which were used for the acquisition of land, equipping of new parks and recreation centers.	2,810,000	--
Total General Obligation Bonds	6,055,000	--
Installment agreements for equipment, 2.43% to 2.85% interest, maturing in 2024	1,452,612	9,772
Compensated absences payable	9,149,234	876,128
Insurance claims payable (see Note 14)	7,629,764	--
Total Noncurrent Liabilities, including Current Portion	$82,093,238	$2,810,900

GOVERNMENTAL ACTIVITIES

The provisions of the various bond resolutions differ in some respects, but generally provide for:

1. Establishment and maintenance of certain cash reserves for the revenue bonds. The maximum deposit requirement is usually set at the highest future annual principal and interest payment. In lieu of funding the reserve, the City has purchased surety bonds for this amount.
2. Annual debt service funding by monthly transfers to a cash reserve account for the revenue bonds.
3. Early redemption of outstanding bonds at call rates varying between 101% and 103% of the instrument's face value, depending on the bonds and call date.
4. Investing of cash reserves in time deposits or direct obligations of the U.S. Government.

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Pledged Governmental Revenues: The City has pledged the future utilities service tax revenues of the City to repay the outstanding Utility Tax Revenue Bonds, Series 2015 issued to finance various capital improvements and repay outstanding debt. The utility tax bonds are payable solely from the utilities service tax revenues received by the City and are payable through 2035. Annual principal and interest payments on the bonds are expected to require less than 30 percent of utilities service tax revenues. Total principal and interest remaining to be paid on the utility tax revenue bonds which is allocated to governmental activities/funds, was $40,836,200 at September 30, 2021. Principal and interest paid during the current year was $2,065,000 and $1,360,900, respectively.

The City has also pledged the future non ad-valorem revenues of the City to repay the outstanding Series 2017 Capital Improvement Revenue Bonds issued to finance various capital improvements. The revenue bonds are payable solely from the non-ad valorem revenues received by the City and are payable through 2027. Annual principal and interest payments on the bonds are expected to require less than 10 percent of non-ad valorem revenues. Total principal and interest remaining to be paid on the Series 2017 Capital Improvement Bonds was $21,081,680 at September 30, 2021. Non-ad valorem revenues received for the current year were approximately $79.4 million. Principal and interest paid for the current year was $3,095,000 and $420,175, respectively.

The CRA has pledged a portion of its future tax increment revenues to repay the outstanding revenue bonds issued in 2012 and 2015 to finance various redevelopment projects. The CRA revenue bonds are payable solely from the tax increment revenues generated by increased property values in the redevelopment district and investment earnings thereon. Tax increment revenues were projected to produce more than 650 percent of the debt service requirements over the life of the revenue bonds. Total principal and interest remaining on the bonds at September 30, 2021, was $4,419,911, payable through October 1, 2023. For the current year, principal and interest paid and the total tax increment revenues were $1,266,072 and $26,500,852, respectively.

Debt Extinguishment: On April 1, 2015, the City issued $39,020,000 of Utilities Tax Revenue Refunding and Improvement Bonds, Series 2015, to advance refund $24,330,000 of the outstanding balance of the Utility Tax Revenue Bonds, Series 2007. A portion of the Bonds were not defeased and a principal balance of $70,000 was paid on October 1, 2016. Net proceeds of $26,555,031 were deposited in an irrevocable trust with an escrow agent to provide for all future payments on the Series 2007 Bonds. Accordingly, the Series 2007

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

Bonds were considered defeased and the liability for the outstanding bonds was removed from the City's financial statements. The refunding reduced the City's debt service payments by $3,190,280 and resulted in an economic gain of $2,502,129. The difference between the reacquisition price and net carrying amount of the Series 2007 Bonds of $2,101,067 was reported as a deferred outflow of resources on the statement of net position and is being amortized to operations over 17 years. The defeased Series 2007 bonds were called and fully paid on June 1, 2017.

Legal Debt Margin: The City has no legal debt margin limit but has established policy guidelines for the management of debt. The City strives to maintain gross, bonded general obligation principal debt at a level not to exceed 2% of the assessed value of taxable property within the City. The City also strives to ensure that its net bonded debt per capita does not exceed $700 per capita and that the combined total of its direct net bonded debt and its share of overlapping debt issued by Palm Beach County does not exceed $2,000 per capita.

Interest Expense: Total interest costs incurred and paid on governmental activities debt for the year ended September 30, 2021 were $2,058,988 and $2,071,793, respectively, all of which was expensed.

Debt Maturities: The annual requirements to pay principal and interest to maturity on the governmental activities bonds outstanding are as follows as of September 30, 2021:

Fiscal Year Ending September 30,	Revenue Bonds		General Obligation Bonds		
	Principal	Interest	Principal	Interest	Total
2022	$ 6,526,984	$ 1,684,958	$ 1,945,000	$ 188,746	$ 10,345,688
2023	6,727,733	1,483,689	2,015,000	115,461	10,341,883
2024	6,300,014	1,275,661	2,095,000	39,041	9,709,716
2025	5,865,000	1,082,725	--	--	6,947,725
2026	6,050,000	890,526	--	--	6,940,526
2027-2030	18,215,000	2,456,666	--	--	20,671,666
2031-2035	6,105,000	403,388	--	--	6,508,388
Total	$ 55,789,731	$ 9,277,613	$ 6,055,000	$ 343,248	$ 71,465,592

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

BUSINESS-TYPE ACTIVITIES

The provisions of the various bond resolutions differ in some respects, but generally provide for:

1. Annual debt service funding by monthly transfers of cash to a reserve account.
2. Maintenance of a renewal and replacement cash reserve set at 5% of the previous year's gross revenue.
3. Establishment of certain cash reserves for the Water and Sewer and Utility Tax Revenue Bonds. The maximum deposit required is usually set at the highest future annual principal and interest payment. The City purchased sureties equal to the requirements.
4. Early redemption of outstanding bonds at call rates ranging from 101% to 102% of the instrument's face value depending on the bonds and call date. Bonds are subject to a penalty for early redemption.
5. Investing cash reserves in time deposits, direct obligations of the U.S. Government and other authorized investments with varying maturity restrictions.
6. The use of cash is generally restricted to the following priority: operation and maintenance, debt service, reserves, renewal and replacement, and any other lawful purpose.

Pledged Utility Revenues: The City has pledged the future net revenues (generally customer revenues, net of operating expenses other than depreciation) of the water and sewer utility to repay the outstanding water and sewer revenue bonds issued from 2006 through 2011 to finance improvements to the system. The water and sewer revenue bonds are payable solely from the utility net revenues and are payable through 2022. Annual principal and interest payments on the bonds are expected to require less than 25 percent of utility net revenues. Total principal and interest remaining to be paid on the water and sewer utility revenue bonds is $1,948,965. Principal and interest paid and utility net revenues available for debt service for the current year were $2,536,329 and $8,690,130, respectively.

Debt Extinguishment: On October 18, 2011, the City issued $8,160,000 of Water and Sewer Refunding Revenue Bonds, Series 2011B, the proceeds of which, together with $47,056 from the City's debt service accounts, was deposited with an escrow agent to currently refund the outstanding balance of the $9,000,000 Water and Sewer Revenue Bonds, Series 2007. Accordingly, the Series 2007 Bonds were fully paid at September 30, 2012. The refunding reduced the City's debt service payments by $1,290,485 and resulted in an economic gain of $1,105,443. There was no accounting gain or loss on the refunding.

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

BUSINESS-TYPE ACTIVITIES (CONTINUED)

Debt Maturities: The annual requirements to pay principal and interest to maturity on the business-type activities bonds outstanding as of September 30, 2021, are as follows:

Year Ending September 30	Principal	Interest	Total
2022	$ 1,925,000	$ 23,965	$ 1,948,965
Total	$ 1,925,000	$ 23,965	$ 1,948,965

Interest Expense: Total interest costs incurred and paid on business-type activities debt for the year ended September 30, 2021, were $48,802 and $72,203, respectively, all of which was expensed.

INSTALLMENT AGREEMENTS

The installment agreements financed the purchase of equipment. At September 30, 2021, the cost of the equipment held under these agreements was approximately $4,603,000 and the accumulated amortization was approximately $2,802,000. Amortization expense related to equipment purchased under the installment agreements is included in depreciation expense in the accompanying financial statements. The installment agreements call for termination of the agreements and forfeiture of the equipment in the event the payments are not budgeted or made. Future payments through maturity for the City's installment agreements as of September 30, 2021, are as follows:

Year Ending September 30	Amount
2022	$ 580,956
2023	571,137
2024	387,547
Total minimum payments	1,539,640
Less amount representing interest	(77,256)
Outstanding Balance at September 30, 2021	$ 1,462,384

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

Loan Payable to the City of Delray Beach: The outstanding loan payable to the City by the CRA at September 30, 2021 for US Highway One improvements is presented as an internal advance receivable (due from other funds) in the City's General Fund and an advance payable (due to other funds) in the Community Redevelopment Agency Fund (see Note 5 – Notes Receivable).

The annual debt service requirements on the loan payable to the City from the CRA are summarized as follows:

Year Ending September 30	Principal	Interest	Total
2022	$ 361,419	$ 58,730	$ 420,149
2023	361,419	58,730	420,149
2024	361,419	58,730	420,149
Total	$ 1,084,257	$ 176,190	$ 1,260,447

NOTE 12 – EMPLOYEE RETIREMENT PLANS

DESCRIPTION OF THE PLANS

The City contributes to three single-employer defined benefit pension plans covering substantially all full-time City employees. The General Employees' Pension Plan is for employees who have completed one year of credited service, excluding the City Commission, City Manager (and assistants), City Attorney (and assistants) and department heads if they elect not to participate, and firefighters and police officers covered under separate pension plans. The Delray Beach Firefighters' Retirement System covers all firefighters and the Delray Beach Police Officers' Retirement System covers all police officers. Each plan is administered by an independent Board and is accounted for by the City as a separate fund. The costs of administering the plans are financed by the plans' respective investment earnings. Actuarial reports are prepared annually for each plan.

General Employees' Pension Plan - The benefit provisions and all other requirements of the General Employees' Pension Plan are established by City Ordinance and are summarized as follows:

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

The City's Code of Ordinances provides, in general, that funds are to be accumulated from employee contributions, City contributions and income from investment of accumulated funds. The operations of the fund are administered and managed by the General Employees' Pension Fund Board, which consists of a chairperson and four additional members, all of whom are appointed by the City Commission.

Vesting - Benefits vest 50% after five years of service plus 10% each additional year up to 100% at 10 years.

Eligibility for Retirement - Ordinance No. 33-10 effective October 5, 2010, changed normal retirement eligibility from the earlier of age 60 with ten years of service or 30 years of service regardless of age to the earlier of age 62 with ten years of service or 30 years of service regardless of age. This change did not apply to members who were within ten years of normal retirement eligibility as of October 5, 2010. Normal retirement eligibility for members hired after October 5, 2010, is age 65 with ten years of service.

Annual Retirement Benefit - 2.5% of average monthly compensation times years of service with a maximum benefit of 75% of average monthly compensation. Effective October 5, 2010, the normal form of benefit changed from a 60% joint and survivor annuity to a life annuity. This change did not apply to members who were within ten years of normal retirement eligibility as of October 5, 2010. Effective July 2005, participants have the option of a 3% multiplier with a maximum benefit of 90%. Employees selecting this option will contribute an additional 3.45% of earnings. There is also the option to purchase all or a portion of prior service at the increased multiplier.

Deferred Retirement Option Plan ("DROP") - Employees with 10 years of credited service and eligible for normal retirement have the option of entering DROP. When entering DROP, the employee continues employment with the City, but will cease accruing a pension benefit, and the monthly benefit under the plan as of the DROP election date will be directed to the employee's self-administered 401(a) Plan. After a maximum of 60 months, the employee must terminate employment with the City. The balance of amounts held pursuant to DROP was $5,401,299 at September 30, 2021.

Other Benefits - The system also provides for optional retirement benefits, early retirement, extended retirement, disability retirement, and death benefits.

Employee Contributions - The employee contribution is 3.05% of the employee's base annual compensation. If the employee chooses the 3% multiplier, there is an additional contribution of 3.45% for a total of 6.5%. If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions are refunded with interest to the employee or the designated beneficiary.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

City Contributions - City contributions are based upon actuarially determined amounts, which together with earnings and employee contributions, are sufficient to fund the plan.

Police and Firefighters' Retirement System – The City of Delray Beach Police and Firefighters' Retirement System (the "Legacy Plan") was originally established in 1974 by the City of Delray Beach to provide pension benefits to all full-time City police officers and firefighters. Effective October 1, 2016, the City Commission adopted City Ordinance No. 17-16, which provided for the establishment of separate retirement systems for the City's police officers and firefighters, a new Board for each retirement system, changes in the allocation and use of Chapter 175 and 185 premium tax revenues, and changes to the retirement benefits of police officers and firefighters. Accordingly, during the year ended September 30, 2017, the assets of the Legacy Plan were allocated to the new Delray Beach Police Officers' Retirement System and Delray Beach Firefighters' Retirement System based on an actuarial impact statement dated September 6, 2016 that utilized the ratio of the present value of accrued benefits for each of the police officer and firefighter members (and beneficiaries of such members, if applicable) to the total present value of accrued benefits. The allocation method resulted in an allocation of 47.431% of the Legacy Plan assets to the new Police Officers' Retirement System and 52.569% of the Legacy Plan assets to the new Firefighters' Retirement System. The allocation percentages were not applied to the Excess State Monies Reserves and DROP that were allocated to the new plans based on the actual reserves and balances held for the respective groups. At September 30, 2017, all Legacy Plan assets were fully allocated and operation of the Legacy Plan as a City retirement plan was discontinued.

Police Officers' Retirement System - The benefit provisions and all other requirements of the Police Officers' Retirement System are established by City Ordinance and are summarized as follows:

The City's Code of Ordinances provides, in general, that funds are to be accumulated from employee contributions, City contributions, state appropriations and income from investment of accumulated funds. Florida Statutes provide that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds or from any revenues which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The operations of the System are administered and managed by the Police Officers' Retirement System Board, consisting of two outside members appointed by the City Commission, two full-time City police officers elected by active members and a fifth member chosen by a majority of the other four members.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

Vesting - Benefits fully vest after 10 years of service.

Eligibility for Normal Retirement - For police officers hired on or before July 7, 2015, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 20 years of service regardless of age.

For police officers hired after July 7, 2015, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 25 years of service regardless of age.

Annual Retirement Benefit - The annual retirement benefit for police officers is based on the date of hire as follows:

A) Police Officers hired on or before July 7, 2015 with 20 or more years of service on July 7, 2015, receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the police officers' average final compensation for all credited service (subject to a maximum benefit equal to 87.5% of average final compensation).

B) Police officers hired on or before July 7, 2015, and retiring with:

1) more than 20 years of service receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the police officer's average final compensation for all credited service prior to July 7, 2015 plus 3.0% times the police officer's average final compensation times all credited service after July 6, 2015.

2) less than 20 years of service receive 2.5% times the police officer's average final compensation times all years of credited service prior to July 7, 2015 plus 3.0% times the police officer's average final compensation times all years of credited service after July 6, 2015 (subject to a maximum annual benefit of $108,000 but in no event less than 2.0% times average final compensation for each year of service).

C) Police officers hired after July 7, 2015 receive 2.75% times the police officer's average final compensation times all years of credited service (subject to a maximum annual benefit of $108,000 and further subject to a maximum of 68.75% of their average final compensation (but in no event less than 2% times average final compensation for each year of service).

D) Police Officers hired after April 9, 2013 may not elect the enhanced multiplier.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

Deferred Retirement Option Plan ("DROP") – Police officers who have met normal retirement eligibility have the option of entering the DROP. When entering the DROP, the police officer continues employment with the City, but will cease accruing a pension benefit under the plan, and the monthly benefit as of the DROP election date will be directed to the police officer's self-administered 401(a) plan. After a maximum of 60 months, the police officer must terminate employment with the City. The balance of amounts held pursuant to DROP was $10,879,380 at September 30, 2021.

Other Benefits - The plan also provides for optional retirement benefits, early retirement, disability retirement, and death benefits.

Employee Contributions - Police officers are required to contribute 9.0% of annual compensation. If a police officer leaves employment or dies prior to vesting, contributions are refunded to the police officer or designated beneficiary with interest.

State of Florida Contributions - Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on properties within the City is collected by the State and remitted to the City annually as an on-behalf payment for the Police Officers' Retirement System. Chapter 185 tax monies up to $606,595 annually will be used to offset the City's contributions.

City Contributions - City contributions are based upon actuarially determined amounts which, together with earnings, employee and State contributions, are sufficient to fund the plan.

Firefighters' Retirement System - The benefit provisions and all other requirements of the Firefighters' Retirement System are established by City Ordinance and are summarized as follows:

The City's Code of Ordinances provides, in general, that funds are to be accumulated from employee contributions, City contributions, state appropriations and income from investment of accumulated funds. Florida Statutes provide that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds or from any revenues which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The operations of the System are administered and managed by the Firefighters' Retirement System Board, consisting of two outside members appointed by the City Commission, two full-time City firefighters elected by the active members of the Plan, and a fifth member chosen by the majority of the other four members.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

Vesting - Benefits fully vest after 10 years of service.

Eligibility for Normal Retirement - For firefighters hired on or before October 4, 2016, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 20 years of service regardless of age. For firefighters hired after October 4, 2016, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 25 years of service regardless of age.

Annual Retirement Benefit - The annual retirement benefit for firefighters is based on the date of hire as follows:

A) Firefighters hired on or before October 4, 2016 with 20 or more years of service on October 4, 2016, receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the firefighter's average final compensation for all credited service (subject to a maximum benefit equal to 87.5% of average final compensation).

B) Firefighters hired on or before October 4, 2016 with less than 20 years of service on October 4, 2016, and retiring with:

1) more than 20 years of service at retirement receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the firefighter's average final compensation for all credited service prior to October 4, 2016 plus 3.0% times the firefighter's average final compensation times all years of credited service after October 4, 2016 (subject to a maximum annual benefit of $100,000, but not less than 2.0% times average final compensation for each year of credited service).

2) less than 20 years of service at retirement receive 2.5% times the firefighter's average final compensation times all years of credited service prior to October 4, 2016 plus 3.0% times the firefighter's average final compensation times all years of credited service after October 4, 2016 (subject to a maximum annual benefit of $100,000, but not less than 2.0% times average final compensation for each year of credited service).

C) Firefighters hired after October 4, 2016 receive 2.75% times the firefighter's average final compensation times all years of credited service (subject to a maximum annual benefit of $100,000, but not less than 2.0% times average final compensation for each year of credited service).

D) Firefighters hired after April 9, 2013 may not elect the enhanced multiplier.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

Deferred Retirement Option Plan ("DROP") - Firefighters who have met normal retirement eligibility have the option of entering the DROP. When entering the DROP, the firefighter continues employment with the City, but will cease accruing a pension benefit under the plan, and the monthly benefit as of the DROP election date will be directed to the firefighter's self-administered 401(a) plan. After a maximum of 60 months, the firefighter must terminate employment with the City. The balance of amounts held pursuant to DROP was $14,946,377 at September 30, 2021.

Other Benefits - The plan also provides for optional retirement benefits, early retirement, disability retirement, and death benefits.

Employee Contributions - Firefighters are required to contribute 9.0% of annual compensation. If an employee leaves employment or dies prior to vesting, contributions are refunded to the firefighter or designated beneficiary with interest.

State of Florida Contributions - Pursuant to Chapter 175 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on properties within the City is collected by the State and remitted to the City annually as an on-behalf payment for the Firefighters' Retirement System Fund. Chapter 175 tax monies up to $1,206,994 annually will be used to offset the City's contributions.

City Contributions - City contributions are based upon actuarially determined amounts which, together with earnings, employee and State contributions, are sufficient to fund the plan.

The net pension liability, deferred outflows/inflows of resources related to pensions and pension expense related to the City's three defined benefit retirement plans are summarized as follows at September 30, 2021:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
Net pension asset	$ (24,249,185)	$ --	$ --	$ (24,249,185)
Net pension liability	$ --	$ 41,375,439	$ 37,166,915	$ 78,542,354
Deferred outflows of resources	$ 3,475,768	$ 7,644,486	$ 10,391,521	$ 21,511,775
Deferred inflows of resources	$ 22,612,899	$ 13,821,460	$ 17,799,498	$ 54,233,857
Pension expense (income)	$ (2,465,689)	$ 8,613,559	$ 5,093,928	$ 11,241,798

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

MEMBERSHIP

Membership data of the City's pension plans as of October 1, 2020, the date of the most recent actuarial valuations, is summarized as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Inactive plan members and beneficiaries receiving benefits	356	146	139
Terminated employees entitled to benefits but not receiving them	80	7	1
Active members	419	149	149
Total	855	302	289

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of each Plan are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are managed by third party money managers. The City's independent custodians and money managers determine the fair value of securities, which is generally based upon quoted prices on a national or international stock exchange or for securities not listed, the mean of the most recent bid and ask prices of each instrument using various third party pricing sources. The net appreciation/ (depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. Investment earnings are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

INVESTMENTS

Investment Policy: The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of each pension plan. It is the policy of each pension plan Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of each pension plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The asset allocation policy adopted by each pension plans' Board at September 30, 2021 was as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Asset Class			
Domestic equity	61.5%	49.0%	52.5%
International equity	10.0%	16.0%	15.0%
Fixed income	21.0%	20.0%	17.5%
Real estate	--	10.0%	10.0%
Alternative	7.5%	5.0%	5.0%
Total	100.0%	100.0%	100.0%

Rate of Return: The annual money-weighted rate of return on pension investments, net of pension investment expense, for the General Employees' Pension Plan, the Police Officers' Retirement System and Firefighters' Retirement System, was 25.68%, 21.71% and 23.40%, respectively, for the year ended September 30, 2021. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

NET PENSION LIABILITY (ASSET)

The components of the net pension liability (asset) for the City's pension plans as of September 30, 2021, the measurement date, were as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Total pension liability	$148,453,386	$173,655,122	$185,477,799
Plan fiduciary net position	172,702,571	132,279,683	148,310,884
Net pension liability (asset)	(24,249,185)	41,375,439	37,166,915
Plan fiduciary net position as a percentage of the total pension liability	116.3%	76.2%	80.0%

Actuarial Assumptions: The total pension liability for the City's pension plans was determined by actuarial valuations as of October 1, 2020, based on the following actuarial assumptions:

	General Employees Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Measurement date	September 30, 2021	September 30, 2021	September 30, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Post-retirement benefit increases	None	Annual increase of 1% plus available State revenue	Annual increase of 1% plus available State revenue
Amortization method	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	25 years	20 years	20 years
Asset valuation	5 year Smoothed Market	4 year Smoothed Market	5 year Smoothed Market

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

NET PENSION LIABILITY (ASSET) (CONTINUED)

Actuarial assumptions:			
Investment rate of return	6.75%	6.75%	6.625%
Projected salary increases	3.75%-6.75% based on service	4.5%-8.25% based on service	5.25%-6.75% based on service
Cost of living increases	None	1.0% per year	1.0% per year
Mortality	PUB-2010 Headcount Weighted Below Median Employee Male Table and Female Table using Scale MP-2018	PUB-2010 Headcount Weighted Below Median Employee Male Table and Female Table using Scale MP-2018	PUB-2010 Headcount Weighted Below Median Employee Male Table and Female Table using Scale MP-2018
* Includes inflation rate	2.50%	2.50%	2.50%

The long-term expected rate of return on investments of the pension plans was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target allocation as of September 30, 2021 (see the discussion of each pension plan's investment policy) are summarized in the following table:

	Long-term Expected Rate of Return		
	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Asset Class			
Domestic equity	7.5%	7.5%	7.5%
International equity	8.5	8.5	8.5
Fixed income	2.5	2.5	2.5
Real estate	4.5	4.5	4.5
Alternatives	6.2	6.2	6.2

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

NET PENSION LIABILITY (ASSET) (CONTINUED)

Discount Rate: The discount rates used to measure the total pension liability was 6.75%, 6.75% and 6.625%, respectively, for the General Employees' Pension Plan, Police Officers' and Firefighters' Retirement Systems. The discount rates were based on the expected rate of return on investments of each pension plan. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of the pension plans was applied to all periods of projected benefit payments to determine the projected total pension liability.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY (ASSET)

The changes in the net pension liability of the General Employees' Pension Plan, Police Officers' Retirement System and the Firefighters' Retirement System were as follows for the year ended September 30, 2021:

	Increase (Decrease)		
General Employees' Pension Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at October 1, 2020	$ 143,498,233	$ 140,457,288	$ 3,040,945
Changes for the current year:			
Service cost	3,031,558	--	3,031,558
Interest	9,619,263	--	9,619,263
Difference between actual and expected experience	348,704	--	348,704
Contributions - City	--	3,123,630	(3,123,630)
Contributions - employee	--	1,229,630	(1,229,630)
Net investment income	--	36,056,257	(36,056,257)
Benefit payments, including refunds of employee contributions	(9,312,130)	(9,312,130)	--
Administration expenses	--	(119,862)	119,862
Net Changes	3,687,395	30,977,525	(27,290,130)
Balances at September 30, 2021	$ 147,185,628	$ 171,434,813	$ (24,249,185)

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY (ASSET)(CONTINUED)

	Increase (Decrease)		
Police Officers' Retirement System	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at October 1, 2020	$ 166,543,519	$ 107,487,424	$ 59,056,095
Changes for the current year:			
Service cost	3,302,977	--	3,302,977
Interest	11,150,354	--	11,150,354
Difference between actual and expected experience	1,970,402	--	1,970,402
Contributions - City	--	8,033,015	(8,033,015)
Contributions - State of Florida	--	834,187	(834,187)
Contributions - employee	--	1,063,696	(1,063,696)
Net investment income	--	24,325,114	(24,325,114)
Benefit payments, including refunds of employee contributions	(9,312,130)	(9,312,130)	--
Administration expenses	--	(151,623)	151,623
Net Changes	7,111,603	24,792,259	(17,680,656)
Balances at September 30, 2021	$ 173,655,122	$ 132,279,683	$ 41,375,439

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY (ASSET)(CONTINUED)

	Increase (Decrease)		
Firefighters' Retirement System	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at October 1, 2020	$ 176,540,850	$ 118,614,078	$ 57,926,772
Changes for the current year:			
Service cost	3,992,364	--	3,992,364
Interest	11,875,228	--	11,875,228
Change of benefit terms	(1,504,875)		(1,504,875)
Difference between actual and expected experience	1,280,770	--	1,280,770
Change of assumptions	2,501,291	--	2,501,291
Contributions - City	--	7,798,004	(7,798,004)
Contributions - State of Florida	--	1,201,496	(1,201,496)
Contributions - employee	--	1,242,141	(1,242,141)
Net investment income	--	28,803,996	(28,803,996)
Benefit payments, including refunds of employee contributions	(9,207,829)	(9,207,829)	--
Administration expenses	--	(141,002)	141,002
Net Changes	8,936,949	29,696,806	(20,759,857)
Balances at September 30, 2021	$ 185,477,799	$ 148,310,884	$ 37,166,915

Investment rate of return: Effective October 1, 2020, the investment return assumption was lowered from 6.75% to 6.625% for the Police Officers' Retirement System and the Firefighters' Retirement System. Effective October 1, 2020, the rates of salary increases were changed for the Police Officers' Retirement System and the Firefighters' Retirement System.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY (ASSET) (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the net pension liability (asset) of the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, calculated using the current discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
One percentage point lower than current discount rate	$ (6,792,111)	$ 63,868,902	$ 56,115,660
Current discount rate	$ (24,249,185)	$ 41,375,439	$ 37,166,915
One percentage point higher than current discount rate	$ (38,651,020)	$ 22,905,463	$ 16,146,832

PENSION EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended September 30, 2021, the City recognized pension expense (income) of ($2,465,689), $8,613,559 and $5,093,928 for the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, respectively. At September 30, 2021, the City reported deferred inflows/outflows of resources related to the General Employees' Pension Plan, the Police Officers' Retirement System and Firefighters' Retirement System from the following sources:

General Employees' Pension Plan	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	$ --	$ 1,470,529
Changes in assumptions	1,280,316	2,005,239
Net difference between projected and actual investment earnings on pension plan investments	21,332,583	--
Total	$ 22,612,899	$ 3,475,768

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)

Police Officers' Retirement System	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	$ 136,772	$ 4,714,636
Changes in assumptions	--	2,929,850
Net difference between projected and actual investment earnings on pension plan investments	13,684,688	--
Total	$ 13,821,460	$ 7,644,486

Firefighters' Retirement System	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	$ 675,981	$ 2,863,005
Changes in assumptions	491,098	7,528,516
Net difference between projected and actual investment earnings on pension plan investments	16,632,419	--
Total	$ 17,799,498	$ 10,391,521

Amounts reported as deferred inflows/outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
2022	$ (3,663,886)	$ 1,016,055	$ (319,376)
2023	(4,399,544)	(1,120,327)	(1,167,189)
2024	(5,770,589)	(2,841,037)	(2,841,812)
2025	(5,303,112)	(3,231,665)	(3,484,821)
2026	--	--	405,221
Total	$ (19,137,131)	$ (6,176,974)	$ (7,407,977)

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS FIDUCIARY NET POSITION

The financial statements for the General Employees' Pension Plan, the Police Officers' Retirement System and Firefighters' Retirement System Fund as of and for the year ended September 30, 2021, are as follows:

Statements of Fiduciary Net Position

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Assets			
Cash	$ 29,430	$ 15,931	$ 24,657
Investments:			
Money market mutual funds	4,159,040	3,400,584	3,388,593
U.S. Government securities	11,999,150	6,787,316	--
U.S. Government Agency securities	8,496,964	4,806,810	--
Domestic corporate bonds	5,753,664	4,139,767	--
Fixed income mutual funds	13,537,565	6,826,102	24,005,288
Global asset allocation investment fund	--	3,772,417	--
Domestic equity securities	36,323,248	38,143,081	49,807,758
Domestic equity mutual funds	--	13,722,446	5,242,904
Domestic equity index funds	--	14,026,975	21,913,848
Pooled domestic equity index funds	73,010,475	11,683,920	5,207,062
International equity mutual funds	17,441,271	16,614,645	23,613,264
Foreign stocks	3,291,833	1,114,930	3,823,600
Timber investment funds	--	808,936	896,564
Real estate investment funds	--	5,801,490	9,198,988
Fixed income alternative investment fund	--	1,494,987	1,656,932
Interest and dividends receivable	99,329	82,853	24,236
Pending trades receivable	128,110	252,042	281,730
Employee contributions receivable	--	45,257	55,668
Miscellaneous receivable	--	6,995	--
Total Assets	174,270,079	133,547,484	149,141,092
Liabilities			
Accounts payable	237,936	78,005	114,824
Pending trades payable	1,329,572	1,189,796	715,384
Total Liabilities	1,567,508	1,267,801	830,208
Fiduciary Net Position - Restricted for Pension Benefits	$ 172,702,571	$ 132,279,683	$ 148,310,884

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS FIDUCIARY NET POSITION (CONTINUED)

Statements of Changes in Fiduciary Net Position

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Additions			
Contributions:			
Employer	$ 3,123,630	$ 8,033,015	$ 7,798,004
State of Florida	--	834,187	1,201,496
Plan members	1,229,630	1,063,695	1,242,141
Total contributions	4,353,260	9,930,897	10,241,641
Investment earnings:			
Net appreciation in fair value of investments	33,376,970	22,486,417	27,101,398
Interest, dividends and investment fund income	2,974,499	2,383,915	2,354,540
Other investment income	24,436	91	102
	36,375,905	24,870,423	29,456,040
Less: investment expenses	(319,648)	(545,308)	(652,044)
Net investment earnings	36,056,257	24,325,115	28,803,996
Total Additions	40,409,517	34,256,012	39,045,637
Deductions			
Benefits	7,950,686	9,289,177	9,184,788
Refunds of contributions	93,686	22,953	23,041
Administrative expenses	119,862	151,623	141,002
Total Deductions	8,164,234	9,463,753	9,348,831
Change in Fiduciary Net Position	32,245,283	24,792,259	29,696,806
Net Position Restricted for Pension Benefits at October 1, 2020	140,457,288	107,487,424	118,614,078
Net Position Restricted for Pension Benefits at September 30, 2021	$ 172,702,571	$ 132,279,683	$ 148,310,884

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS FIDUCIARY NET POSITION (CONTINUED)

The Police Officers' Retirement System and Firefighters' Retirement System issue separate publicly available financial reports that include financial statements and required supplementary information. These reports are not posted on the internet, but may be obtained by writing to the City of Delray Beach, 100 NW 1st Avenue, Delray Beach, FL 33444 or by calling (561) 243-7012. The General Employees' Pension Fund does not issue a separate publicly available financial report.

PAYABLES TO THE PENSION PLANS

There were no amounts payable by the City to the General Employees' Pension Plan, Police Officers' Retirement System or the Firefighters' Retirement System at September 30, 2021.

OTHER EMPLOYEE BENEFIT PLANS

The City sponsors a 457 deferred compensation plan and a 401(a) defined contribution retirement plan for department heads and certain eligible management and key employees not covered by one of the City's defined benefit pension plans. The plans allow participants to contribute up to 3% of their base salary to an ICMA Deferred

Compensation Plan or 3% of their base salary to the ICMA 401(a) Plan with the City matching the contribution. Employees who were eligible to participate in the 401(a) Plan could exceed the 3% contribution with after tax dollars. All contributions are in accordance with Internal Revenue Service regulations.

The 401(a) pension plan is a separate defined contribution pension plan with participant directed investment accounts, over which the City has no fiduciary control or access and the plan is not considered part of the City's financial reporting entity. Activity in the 401(a) Plan for the year ended September 30, 2021, is summarized as follows:

Balance at October 1, 2020	$ 1,045,728
Employer contributions	41,050
Employee contributions	41,050
Investment gain, net of expenses	182,245
Distributions	(82,073)
Balance at September 30, 2021	$ 1,228,000

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

DESCRIPTION OF THE PLANS

The City administers two other postemployment benefit (OPEB) plans as follows:

City OPEB Plan - The City administers a single-employer defined benefit plan (the "City OPEB Plan") that provides medical and life insurance benefits to eligible retired employees and their beneficiaries. The City Commission has the authority to establish and amend premiums for and the benefit provisions of the City OPEB Plan. The City OPEB Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The City OPEB Plan does not issue a publicly available financial report.

Florida Statute 112.0801 requires the City to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the City OPEB Plan from separately rating retirees and active employees. Therefore, both groups (active and retired) are charged an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires actuarial calculations of OPEB liabilities using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. City OPEB Plan members receiving benefits contribute 100% of the monthly premiums ranging from a minimum of $329 for single coverage to a maximum of $1,858 for family coverage.

Delray Beach Police, Firefighters & Paramedics Retiree Benefit Fund - The Delray Beach Police, Firefighters & Paramedics Retiree Benefit Fund (the "Retiree Benefit Fund") is a single-employer defined benefit plan established for the purpose of providing full or partial reimbursement for health insurance premiums or other qualified benefits permitted under Section 501(c)(9) of the Internal Revenue Code. The Retiree Benefit Fund was established pursuant to collective bargaining agreements between the City and the Professional Firefighters & Paramedics of Delray Beach, Local 1842, IAFF and the Police Benevolent Association (PBA). A Trust was created on May 14, 2002 and is administered by a separate Board of Trustees consisting of seven individuals, including the President of the Local 1842, IAFF, five union representatives (three PBA, two Local 1842, IAFF) and a non-bargaining unit active firefighter elected by non-bargaining unit participants. The City is neither the trustee nor the administrator of the Retiree Benefit Fund. Since the City does not control, have access to or hold any assets of the Trust and has no reversionary rights in the assets of the Trust, the Retiree Benefit Fund is not reported as a fiduciary fund of the City. The Retiree Benefit Fund does not issue a publicly available financial report.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

Participants in the Retiree Benefit Fund include persons employed by the City of Delray Beach Fire Rescue Department as certified firefighters or paramedics on or after October 1, 2001; persons employed by the City of Delray Beach Police Department as certified law enforcement officers on or after October 1, 2004; and, certain Police and Fire Rescue department employees for whom contributions were made for each year since October 1, 2001, regardless of the employee's certification as a firefighter, paramedic or law enforcement officer. Participants are eligible for benefits on or after the first day of the month following the date of their retirement from the City. The Retiree Benefit Fund currently does not require contributions from participants. The obligation of the City to fund the Retiree Benefit Fund is established by the applicable collective bargaining agreements in effect between the City and the unions. The Retiree Benefit Fund provides for a minimum annual benefit of $3,900 for covered employees that are not certified as firefighters, paramedics or law enforcement officers. For certified firefighters, paramedics and law enforcement officers, the Retiree Benefit Fund provides for an annual benefit of $5,200 reduced 3% per year for service less than 25 years, and increased 3% per year for service greater than 25 years.

PLAN MEMBERSHIP

The membership in the City's OPEB Plan and the Retiree Benefit Fund as of October 1, 2020 and September 30, 2021, respectively, which are the dates of the most recent actuarial valuations, is summarized as follows:

	City OPEB Plan	Retiree Benefit Plan
Inactive employees or beneficiaries receiving benefit payments	91	169
Inactive employees entitled to but not yet receiving benefit payments	--	--
Active employees	839	319
Total Members	930	488

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

TOTAL OPEB LIABILITY

The City's total OPEB liability, deferred outflows/inflows of resources related to OPEB and OPEB expense for both OPEB plans are summarized as follows at September 30, 2021:

	City OPEB Plan	Retiree Benefit Fund	Total
Net OPEB liability	$ 21,843,200	$ 6,049,992	$ 27,893,192
Deferred outflows of resources	$ 6,362,001	$ 321,649	$ 6,683,650
Deferred inflows of resources	$ 4,024,932	$ 1,737,179	$ 5,762,111
OPEB expense	$ 1,645,925	$ 670,770	$ 2,316,695

The City's total OPEB liability of $34,026,223 was measured as of September 30, 2021 for the City OPEB Plan and the Retiree Benefit Plan as determined by actuarial valuations as of October 1, 2020 and September 30, 2021, respectively.

Actuarial Methods and Significant Assumptions: The actuarial methods and significant assumptions used to determine the City's total OPEB liability for the current year are summarized as follows:

	City OPEB Plan	Retiree Benefit Fund
Valuation date	October 1, 2020	September 30, 2021
Measurement date	September 30, 2021	September 30, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Post-retirement benefit increases	None	None
Health care cost trend rates	7% per year initially, reduced annually by 0.25% to an ultimate rate of 4.5% in 2032	N/A – Benefits are a fixed amount and do not adjust for changes in health care costs
Amortization method	Level Percent of Projected Salary – Closed	Level Percent of Projected Salary – Closed
Remaining amortization period	12 years	23 years
Asset valuation method	N/A[(1)]	Market Value of Assets

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

	City OPEB Plan	Retiree Benefit Fund
Actuarial assumptions:		
Discount rate	2.29%(2)	7.5% net of investment related expenses
Projected salary increases*	4%	4.5-8.25%
* Includes inflation rate	0%	2.75%
Mortality	Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality using Scale MP-2021	PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvements projection scale

(1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation.

(2) Since there are currently no invested plan assets held in trust to finance the OPEB liability, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the average of three 20-year bond indices (e.g., *Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index* and *Fidelity GA AA 20 Years).*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. In addition, projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and accordingly, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

INVESTMENTS

Investment Policy: The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of the Retiree Benefit Fund. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of each pension plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

INVESTMENTS (CONTINUED)

The long-term expected rate of return on investments of the Retiree Benefit Fund was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset allocation policy adopted by the Board and best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of September 30, 2021 are summarized in the following table:

	Asset Allocation	Long-term Expected Rate of Return
Asset Class		
Domestic equity	52.5%	7.5%
International equity	15.0	8.5
Fixed income	17.5	2.5
Real estate	10.0	4.5
Alternatives	5.0	6.2

CHANGES IN THE TOTAL OPEB LIABILITY

The changes in the City's total OPEB liability for the City OPEB Plan and Retiree Benefit Fund for the year ended September 30, 2021 were as follows:

	City OPEB Plan	Retiree Benefit Fund	Total
Total OPEB Liability			
Total OPEB liability at September 30, 2020	$ 25,523,990	$ 15,062,761	$ 40,586,751
Changes in the total OPEB liability for the year:			
Service cost	472,583	221,129	693,712
Interest	577,077	1,118,888	1,695,965
Changes in expected and actual experience		(416,557)	(416,557)
Changes of assumptions and other inputs	(4,082,217)	(874,102)	(4,956,319)
Benefit payments	(648,233)	(744,226)	(1,392,459)
Change in total OPEB liability	(3,680,790)	(694,868)	(4,375,658)
Total OPEB Liability at September 30, 2021	$ 21,843,200	$ 14,367,893	$ 36,211,093

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

	City OPEB Plan	Retiree Benefit Plan	Total
Fiduciary Net Position			
Balances at October 1, 2020	$ --	$ 6,560,528	$ 6,560,528
Changes in fiduciary net position for the current year:			
Employer contributions	648,233	894,387	1,542,620
Net investment income	--	1,632,929	1,632,929
Benefit payments	(648,233)	(744,226)	(1,392,459)
Administrative expenses	--	(25,717)	(25,717)
Changes in fiduciary net position	--	1,757,373	1,757,373
Total Fiduciary Net Position at September 30, 2021	--	8,317,901	8,317,901
Net OPEB Liability balances at September 30, 2021	$ 21,843,200	$ 6,049,992	$ 27,893,192

Changes of Assumptions: Effective October 1, 2020, the discount rate for the City OPEB Plan was increased from 2.26% to 2.29%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following table presents the total OPEB liability of the City OPEB Plan and the Retiree Benefit Fund, respectively, calculated using the current discount rates, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	City OPEB Plan	Retiree Benefit Fund
One percentage point lower than current discount rate	$ 27,639,328	$ 7,579,853
Current discount rate	$ 21,843,200	$ 6,049,992
One percentage point higher than current discount rate	$ 17,710,870	$ 4,751,246

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the total OPEB liability of the City OPEB Plan and the Retiree Benefit Fund, respectively, calculated using the current healthcare cost trend rates of 7.0% decreasing to 4.5%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	City OPEB Plan	Retiree Benefit Fund
One percentage point lower than current trend rate	$17,422,822	N/A
Current healthcare cost trend rate	$21,843,200	N/A
One percentage point higher than current trend rate	$28,106,423	N/A

OPEB EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $1,645,925 and $670,770 for the City OPEB Plan and the Retiree Benefit Fund, respectively. At September 30, 2021, the City reported deferred inflows/outflows of resources related to the City OPEB Plan and the Retiree Benefit Fund from the following sources:

	Deferred Inflows	Deferred Outflows
City OPEB Plan		
Changes in assumptions and other inputs	$ 4,024,932	$ 6,362,001
Retiree Benefit Fund		
Differences between projected and actual experience	353,442	162,960
Net difference between projected and actual earnings	741,662	158,689
Changes in assumptions and other inputs	642,075	--
Total	$ 1,737,179	$ 321,649

NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

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

Year Ending September 30	City OPEB Plan	Retiree Benefit Fund
2022	$ 596,265	$ (169,212)
2023	596,265	(210,571)
2024	700,072	(337,653)
2025	726,024	(385,210)
2026	726,024	(195,555)
Thereafter	(1,007,581)	(117,329)
Total	$ 2,337,069	$ (1,415,530)

NOTE 14 – 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; and natural disasters. The City is also subject to risk of loss arising in the ordinary course of business, including, but not limited to, claims for damages for personal injuries, employment-related claims, and breach of contract. Commercial insurance is purchased for certain specialized insurance coverages, including, but not limited to, flood insurance, railroad crossing liability and environmental liabilities. The City uses the Insurance Internal Service Fund to account for and finance all commercial insurance and retained risks of loss.

The City has a Managed Retention, Protected Self-Insurance Program whereby the City is substantially self-insured for general and auto liability coverage. Workers' compensation, fidelity and property coverage are insured with large deductible self-insured retentions. There were no significant changes in insurance coverage from the prior year and the amounts of settlements did not exceed insurance coverage for any of the past three years. A maximum loss fund of $1,950,000 applies per year over which an aggregate coverage of $1,000,000 of commercial insurance would apply should the loss fund be exhausted in a given year. The City also maintains a self-insured health plan with United Healthcare as the third-party administrator. The City is self-insured up to a stop loss of $200,000 per claim and has purchased excess insurance for claims exceeding the stop loss for individual and aggregate claims.

NOTE 14 – RISK MANAGEMENT (CONTINUED)

The City's internal service Insurance Fund is funded by charges to the City's other funds based on the contributing funds' claims experience and as needed to meet the estimated payments resulting from purchased and self-insurance programs, and operating expenses. For the year ended September 30, 2021, charges of $17,889,262 were made by the Insurance Fund to other funds and are reflected as interfund charges for services in the accompanying financial statements. The City has recorded a claims liability of $7,629,764 ($2,701,764 current and $4,928,000 noncurrent) at September 30, 2021, which is an increase of approximately $226,000 from the prior year. The increase reflects claims development for all lines of insurance and an accrual for legal claims. The liability falls within the actuarially determined range, from an actuarial valuation for all claims based upon the date the loss was incurred and includes a provision for claims incurred but not yet reported (IBNR).

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, such as those from salvage or subrogation, are also considered in the claims liability estimate.

The following summarizes the claims liability activity for the current and prior year:

Balance at September 30, 2019	$ 6,628,658
Claims incurred	12,049,204
Claims paid	(11,273,885)
Balance at September 30, 2020	7,403,977
Claims incurred	12,699,508
Claims paid	(12,473,721)
Balance at September 30, 2021	$ 7,629,764

NOTE 14 – RISK MANAGEMENT (CONTINUED)

The claims liability at September 30, 2021 and 2020, is summarized as follows:

	2021	2020
Current	$ 2,701,764	$ 2,208,977
Noncurrent	4,928,000	5,195,000
Total	$ 7,629,764	$ 7,403,977

As a political subdivision of the State of Florida, the City has sovereign immunity under the Florida Constitution for tort actions. Therefore, in accordance with Chapter 768.28 Laws of Florida, the City is not liable to pay a claim or judgment, or any portions thereof, which when totaled with all other claims or judgments paid by the State or its agencies or subdivisions arising out of the same incident or occurrence, exceeds the aggregate sum of $300,000. Chapter 768.28 also provides that judgments may be claimed or rendered in excess of these limits; however, these amounts must be reported to and approved by the Florida Legislature. Chapter 2010-26, Laws of Florida, established the limits of sovereign immunity at $200,000 per claim and $300,000 in the aggregate, effective for claims arising on or after October 1, 2011. Sovereign immunity limits were considered in the actuarial development of claims liabilities.

NOTE 15 – RELATED PARTY TRANSACTIONS

The CRA is a component unit of the City of Delray Beach, Florida. For the year ended September 30, 2021, the CRA's tax increment revenues include $15,432,083 received from the City. CRA expenditures for the year ended September 30, 2021, include charges of $3,4165,772 for contractual services provided by the City to the CRA in connection with various administrative and redevelopment activities, $3,340,725 for construction services related to redevelopment projects, and $905,000 for sponsorship of City tennis tournaments.

At September 30, 2021, the City had a receivable from the CRA of $3,156,633 for various administrative services and notes receivable from the CRA of $1,084,257 (see Note 5 - Notes Receivable and Note 11 – Noncurrent Liabilities). The CRA contracts with the City for various administrative services each fiscal year and budgeted approximately $3.5 million for those services for the year ending September 30, 2021.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

CONTRACT COMMITMENTS

The City has various long-term contractual obligations for construction projects on which work has not been completed. The remaining commitments on these obligations at September 30, 2021, were as follows:

Capital Projects Funds	$ 19,287,931
Water and Sewer Fund	7,258,272
Stormwater Fund	826,158
Community Redevelopment Agency Fud	215,709
Total Contract Commitments	$ 27,588,070

Payments from the Water and Sewer Fund and Stormwater Fund for work in progress have been capitalized as construction in progress in the respective fund. The projects financed by the special revenue funds and capital projects funds have been capitalized in the government-wide financial statements as construction in progress.

GRANTS

The grant revenues received by the City are subject to audit and adjustment by the grantor agencies, principally the Federal government and the State of Florida. If expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement would be a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant and applicable federal and state laws and regulations.

LITIGATION, CLAIMS AND ASSESSMENTS

The City is involved in certain lawsuits and other legal matters occurring in the normal course of operations. Although the ultimate outcome of the lawsuits and other matters cannot be determined at the present time, the management of the City in consultation with legal counsel, believes that all significant claims are fully accrued, covered by insurance or limited under sovereign immunity and does not expect the outcome of any pending lawsuits or claims to materially affect the City's financial condition.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

CRA Contract Commitments: The CRA has entered into an interlocal agreement with the City of Delray Beach to provide funding for certain construction projects and related professional services totaling $9,825,000 for the year ending September 30, 2021. As of September 30, 2021, approximately $862,000 of the commitment was still outstanding.

CRA Lease Commitments: The CRA had the following lease commitments as lessor at September 30, 2021:

Delray Beach Housing Group, Inc. - On September 11, 2011 the CRA entered into a ground lease and property management agreement with the Delray Beach Housing Group, Inc. (a Florida not-for-profit organization) to lease, manage, maintain and operate the existing rental units owned by the CRA known as the Carolyn Quince Court and La France Apartments. The CRA also entered into a similar ground lease and property management agreement with the CLT on September 22, 2011 for the Palm Manor apartments and on June 27, 2013 for the SW 12th Avenue Duplexes. Each agreement provides for an annual rental payment to the CRA of $1 and that the lessees will pay all taxes, fees, assessments, utilities, insurance and other charges incurred by the CRA for the properties. The term of each agreement is for five years with one renewal option for an additional five year period. The original three leases were renewed through September 22, 2021 and the SW 12th Avenue Duplexes lease was renewed through June 27, 2023. The properties were purchased by the CRA to provide affordable housing for City residents and had a total carrying value of approximately $4,681,000 at September 30, 2021.

Prime Delray Hotel, LLC - On April 2, 2012, the CRA entered into a Ground Lease Agreement with Prime Delray Hotel, LLC (the "Company") for a 40 year term. The Company will develop, construct and operate a 4-story business class hotel on the property. The lease agreement provides for the Company to pay the CRA an annual base rent of $1 for years 1 through 5 and thereafter a contingent rental of 2% of gross room sales for years 6 through 10 and increasing by 1% for each five year period thereafter until reaching 5% for years 21 to 40. Rental income was approximately $53,000 for the year ended September 30, 2021. For years 5 through 25, the Company has the right to purchase the property from the CRA at a price based on the average of two independent appraisals; one obtained by the CRA and the second by the Company. The carrying value of the leased property at September 30, 2021 was approximately $2,417,627.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)

Hatcher Construction & Development, Inc. - On July 18, 2019, the CRA entered into a Ground Lease Agreement with Hatcher Construction & Development, Inc. ("Hatcher") for a 40 year term. Hatcher intends to develop the property, occupy 2,000 square feet, and utilize the remaining 4,000 square feet as rental space. The lease agreement provides for an annual base rent of $1 for years 1 through 5, $26,000 per year for years 6-10, $39,000 for year 11, with the base rent increasing annually by 2.5% for years 12 through 15, and $52,000 for year 16, increasing annually by 2.5% through year 40. Hatcher may purchase the property for $200,000 during the first seven years. On the eighth anniversary of the agreement the purchase price increases to $650,000. The first amendment to the agreement executed in November 2020 extends the site analysis period to July 18, 2021, during which time Hatcher may ascertain whether the property is acceptable and obtain all necessary approvals, permits and licenses for development of the property in substantial conformance with the conceptual plan. If the property is determined to be unacceptable, Hatcher can provide a written termination notice and neither party shall have any further rights or obligations. The carrying value of the property at September 30, 2021 was approximately $365,000.

The CRA also has lease commitments with other entities for properties in the economic development area. The lease terms on these properties vary from one year to three year terms and expire at various dates through September 2025 with monthly base rent totaling approximately $5,000. The carrying value of these leased properties at September 30, 2021 is approximately $640,000.

The total carrying value of the CRA's leased properties was approximately $8.1 million at September 30, 2021. Depreciation expense is not recorded on the redevelopment properties that are currently held for sale. All the leased properties were held for sale at September 30, 2021, except for the property leased to the Delray Beach Housing Group.

The CRA also leases space in the Arts Warehouse at 313 NW 3rd Street to various artists with monthly base rents of $379 which are month-to-month leases. The net carrying value of leased property at September 30, 2021 was $1,893,557 (cost of $2,065,699 less accumulated depreciation of $172,142). Rental income for all leased properties for 2021 totaled $157,533. Future annual minimum rental income is as follows: 2022 - $71,503; 2023 - $14,292; 2024 - $41,154; 2025 - $42,063; 2026 - $26,004; thereafter - $2,033,041.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)

Loan Commitment: On September 9, 2020, the CRA entered into an agreement to loan the Delray Beach Community Land Trust, Inc. $2,454,350 for the development and disposition of properties in the SW Neighborhood for a workforce housing project known as Corey Isle. The project includes construction of ten single family homes. The loan is secured by mortgages encumbering the properties. Completed homes, evidenced by a certificate of occupancy issued to the borrower by the City of Delray Beach, can be released from the mortgage upon payment of a release price in the amount of $215,163 for a one story single family house and $272,961 for a two story single family house. The release price will be applied to pay down the outstanding principal of the construction loan. The release price is due at closing on each of the ten single family homes with any remaining outstanding principal due with the sale of the final home.

Tax Increment Incentive Agreements: The CRA reimbursed $195,555 to qualified private for-profit organizations under the CRA's Development Infrastructure Assistance Program, pursuant to State statutory authority for public-private partnerships to rehabilitate and develop properties within a Community Redevelopment Area. The Development Infrastructure Assistance Program is a CRA incentive program in which the CRA reimburses 50% of the costs of eligible site improvements for an eligible commercial project, up to an amount not to exceed 50% of the projected Tax Increment Funds generated by the improvements over a 5 year period following project completion. The projects must be located in CRA Sub-Areas #3, #4, #5, #6, #7, or #8 and the final incentive agreement must be approved by the CRA Board.

The following tax increment incentive agreements were in effect as of September 30, 2021:

Prime Delray Hotel, LLC - Development Infrastructure Grant for the development and construction of a 4-story business class hotel on Atlantic Avenue. The grant is for an amount not to exceed $332,349 and will be paid in five equal annual payments, not to exceed 50% of the actual tax increment revenues attributed to the project for any such year. Payments of $66,470 were made each year under the grant for the years ended September 30, 2017 through 2021. At September 30, 2021, the outstanding amount under this grant agreement was $66,469.

KCMCL Pineapple Grove, LLC - Development Infrastructure Grant for the development and construction of a 134-room limited service Hyatt Place Hotel in the Pineapple Grove Arts District. The grant is for eligible project costs up to $431,619. The CRA will reimburse the developer in equal annual installments over a ten year period, provided that the annual payment shall not exceed 50% of the actual tax increment revenues

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)

attributable to the project for that year. Payments will be made by the CRA on February 1st of each year. Payments of $43,162 were made each year under the grant for the years ended September 30, 2014 through 2021. At September 30, 2021, the outstanding amount under this grant agreement was $86,324.

Contracts for Sale of Properties: At September 30, 2021, the CRA entered into contracts for the sale of properties with total sales prices of $2,006,276 and total carrying values of $394,306.

Job Creation Bonus Program Grant: A Job Creation Bonus Program grant was awarded to International Materials, Inc. for relocation of thirty-six program incentive eligible employment positions to the CRA's area with eight of the relocated employment positions eligible for the Delray-based local hiring bonus. Grant funds to be paid by the CRA will not exceed $75,000 and will be disbursed in two payments of $37,500 each. The first payment will be made within 90 days after the jobs have been relocated and are in place in the CRA's area, job verification documents are provided to the CRA and a site visit by CRA staff has been conducted. The second payment will be made twelve months following the initial payment in the same manner after the relocated jobs have been maintained within the CRA's area, the job verification documents are provided to the CRA and a site visit by CRA staff has been conducted. The relocated jobs must be maintained and located in the CRA's area for a period of two years from the date of relocation.

Grant Funding Commitments: The CRA also entered into agreements with the following organizations to provide funding for their operations during the year ending September 30, 2021:

EPOCH dba Spady Cultural	$ 106,000
Delray Beach Community Land Trust, Inc.	192,815
Creative City Collaborative / Arts Garage	343,750
Delray Beach Public Library	553,750
Delray Beach Historical Society	93,750
Delray Beach Chamber of Commerce	50,000
Old School Square Center for the Arts	562,500
Total Grant Commitments	$ 1,902,565

NOTE 17 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The City's expenditures exceeded appropriations by $12,437 for nondepartmental for the year ended September 30, 2021. For the CRA, expenditures exceeded appropriations by $19,627 for the General Government cost center.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELRAY BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 87,379,943	$ 87,379,943	$ 88,949,685	$ 1,569,742
Fees and permits	14,527,850	14,527,850	16,544,078	2,016,228
Intergovernmental	9,181,621	9,206,871	11,118,056	1,911,185
Charges for services	15,337,716	15,920,716	16,146,336	225,620
Fines and forfeitures	1,426,998	1,426,998	1,082,167	(344,831)
Miscellaneous	11,489,234	11,504,556	11,048,417	(456,139)
Transfers in	3,769,342	3,769,342	4,156,668	387,326
Prior year surplus	5,235,823	11,237,632	--	(11,237,632)
Total Revenues	148,348,527	154,973,908	149,045,407	(5,928,501)
Expenditures				
General government				
City commission	524,679	524,679	342,253	182,426
City manager	1,968,469	1,983,791	1,545,221	438,570
Economic development	578,427	578,427	300,441	277,986
Human resources	926,151	926,151	922,084	4,067
City clerk	745,367	802,956	740,591	62,365
Finance	2,033,150	2,046,650	1,998,523	48,127
Information technology	5,183,132	5,246,059	5,082,702	163,357
City attorney	1,350,158	1,350,158	1,324,297	25,861
Purchasing	716,009	716,009	586,571	129,438
Nondepartmental	2,405,960	6,040,288	2,212,725	3,827,563
Transfers to component units	15,469,560	15,469,560	15,432,083	37,477
Public safety				
Police	39,090,060	39,121,865	38,145,700	976,165
Fire	38,359,630	38,373,085	36,402,312	1,970,773
Development services	4,529,650	4,617,866	4,189,174	428,692
Neighborhood & community services	2,847,425	2,847,425	2,453,865	393,560
Physical environment				
Public works	9,376,996	9,755,900	8,574,224	1,181,676
Parks and recreation	13,811,851	14,526,186	14,012,636	513,550
Debt service	387,565	387,565	157,812	229,753
Transfers out	8,044,288	9,659,288	9,659,288	--
Total Expenditures	148,348,527	154,973,908	144,082,502	10,891,406
Excess of Revenues Over (Under) Expenditures	$ --	$ --	4,962,905	$ 4,962,905
Fund Balance - October 1, 2020			45,013,183	
Difference between GAAP and budgetary basis			(34,154)	
Fund Balance - September 30, 2021			$ 49,941,934	

See notes to budgetary comparison schedules.

CITY OF DELRAY BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD SERVICES FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 1,247,598	$ 3,094,447	$ 590,974	$ (2,503,473)
Miscellaneous	200,942	1,392,470	267,604	(1,124,866)
Transfers in	183,941	183,941	183,941	--
Total Revenues	1,632,481	4,670,858	1,042,519	(3,628,339)
Expenditures				
General government				
Personal services	442,230	442,221	422,599	19,622
Operating	861,739	2,258,728	440,559	1,818,169
Grants and aid	79,670	1,864,079	799,490	1,064,589
Contingency	28,338	28,338	--	28,338
Capital outlay	--	175,292	--	175,292
SHIP	221,196	113,082	32,728	80,354
Total Expenditures	1,633,173	4,881,740	1,695,376	3,186,364
Excess of Revenues Over (Under) Expenditures	(692)	(210,882)	(652,857)	(441,975)
Other Financing Sources (Uses)				
Appropriated fund balance	692	210,882	--	210,882
Total other financing sources	692	210,882	--	210,882
Net Change in Fund Balance	$ --	$ --	(652,857)	$ (652,857)
Fund Balance - October 1, 2020			1,612,303	
Fund Balance - September 30, 2021			$ 959,446	

See notes to budgetary comparison schedules.

CITY OF DELRAY BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
COMMUNITY REDEVELOPMENT AGENCY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Tax increment revenue				
City of Delray Beach	$ 15,383,675	$ 15,432,083	$ 15,432,083	$ --
Palm Beach County	11,042,777	11,068,769	11,068,769	--
Total Tax Increment Revenue	26,426,452	26,500,852	26,500,852	--
Charges for services				
Green Market	25,000	52,310	52,310	--
Arts Warehouse	60,000	87,468	91,159	3,691
Total Charges for Services	85,000	139,778	143,469	3,691
Miscellaneous revenue				
Other reimbursements	--	63,671	61,350	(2,321)
Rental income	211,273	149,119	157,533	8,414
Interest and other income	30,000	45,598	45,598	--
Total Miscellaneous Revenue	241,273	258,388	264,481	6,093
Total Revenues	26,752,725	26,899,018	26,908,802	9,784
Other Financing Sources				
Affordable housing sales	2,500,000	1,734,994	1,995,408	260,414
General Fund carryforward fund balance	19,260,521	--	--	--
Land sales	--	10,868	10,868	--
Total Other Financing Sources	21,760,521	1,745,862	2,006,276	260,414
Total Revenues and Other Financing Sources	48,513,246	28,644,880	28,915,078	270,198
Expenditures				
General government				
Personnel	1,831,000	1,313,077	1,335,013	(21,936)
Supplies and materials	33,500	15,071	15,071	--
Office space	320,000	57,923	57,923	--
Administration/Operations	1,248,139	229,412	229,424	(12)
Equipment, property and maintenance	188,500	28,938	26,617	2,321
Total General Government	3,621,139	1,644,421	1,664,048	(19,627)
Economic development				
Areawide and Neighborhood Plans	16,946,521	9,859,830	9,854,989	4,841
Redevelopment Projects	18,092,115	3,617,475	3,340,725	276,750
Community Improvement and Economic Development	8,352,344	7,081,714	7,059,779	21,935
Total Economic Development	43,390,980	20,559,019	20,255,493	303,526
Debt service				
Principal and interest	1,501,127	1,686,221	1,686,221	--
Total Expenditures	48,513,246	23,889,661	23,605,762	283,899
Excess of Revenues Over Expenditures	$ --	$ 4,755,219	5,309,316	$ 554,097
Fund balance - October 1, 2020			23,344,146	
Difference between GAAP and budgetary basis			361,419	
Fund balance - September 30, 2021			$ 29,014,881	

See notes to budgetary comparison schedules.

CITY OF DELRAY BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - BUDGETARY ACCOUNTING

Florida Statutes require that all municipal governments establish budgetary systems and approve an annual operating budget. The City Commission annually adopts an operating budget and appropriates funds for the General Fund and Neighborhood Services Fund, a major special revenue fund. The Board of Commissioners of the Delray Beach Community Redevelopment Agency (CRA) adopts an annual operating budget for the CRA that generally follows the same process as the City. The budget procedures are as follows:

- Prior to September 1, the City Manager submits to the City Commission a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Prior to September 1, the CRA Executive Director submits to the CRA Board of Commissioners a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the City and the CRA to obtain taxpayer comments.
- The City advises the County Property Appraiser of the proposed millage rate and the date, time and place of the public hearing for budget acceptance.
- The budget and related millage rate for the City and the CRA are legally enacted by resolution.
- Changes or amendments to the budget of the City or a department must be approved by the City Commission; however, changes within a department which do not affect the total departmental expenditures may be approved at the administrative level by the City Manager. Accordingly, the legal level of control is at the department level.
- Changes or amendments to the CRA's budget for individual cost centers and in total must be approved by the Board of Commissioners; however, changes within CRA projects which do not affect the total cost center expenditures may be approved at the administrative level by the CRA Executive Director. Accordingly, the legal level of control is at the CRA cost center level.

The legally adopted appropriated budgets for the City are on the same modified-accrual basis used to reflect revenues and expenditures, except that for budgetary purposes, current year encumbrances and transfers out are treated as expenditures, transfers in are treated as revenues, on-behalf payments from the State for police and firefighters' pension benefits are not budgeted and capital outlays are reflected as current expenditures within each governmental function. The City Commission approved General Fund and Neighborhood Services Fund budget amendments increasing budgeted appropriations by $6,625,381 and $3,248,567, respectively, during the year ended September 30, 2021.

NOTE 1 - BUDGETARY ACCOUNTING (CONTINUED)

The CRA's adopted budget is also prepared on the same modified accrual basis used to reflect revenues and expenditures, except that non-cash exchange transactions are not budgeted and loans to various entities are recorded as expenditures. The CRA Governing Board approved budget amendments decreasing budgeted appropriations by $24,623,585, during the year ended September 30, 2021.

NOTE 2 - BUDGET AND ACTUAL COMPARISONS

The budgetary comparison schedules are prepared on the basis of accounting used in preparing the appropriated budget. As indicated in Note 1, current year encumbrances and transfers are treated as expenditures for budgetary purposes and City on-behalf payments are not budgeted. In addition, transfers and the proceeds from debt and the sale of capital assets are included in budgeted revenues, but are considered "other financing sources" for GAAP. As a result, the General Fund and major Special Revenue Funds revenues and expenditures reported in the budgetary comparison schedules differ from the revenues and expenditures reported on the basis of GAAP.

The budget to actual differences of the City's General Fund and Neighborhood Service Fund and the CRA can be reconciled as follows:

	Revenues	Expenditures
General Fund		
Transfers	$ 4,156,668	$ 9,659,288
On-behalf payments for pension benefits	(2,035,683)	(2,035,683)
Proceeds from the sale of capital assets	1,600	--
Encumbrances	--	796,166
Prior year encumbrances paid in current year	--	(830,320)
Net Differences - GAAP and Budgetary Basis	2,122,585	7,589,451
GAAP Basis	146,922,822	136,493,051
Budgetary Basis	$ 149,045,407	$ 144,082,502

NOTE 2 - BUDGET AND ACTUAL COMPARISONS (CONTINUED)

	Revenues	Expenditures
Neighborhood Services Fund		
Transfers	$ 183,941	$ --
GAAP Basis	858,578	1,695,376
Budgetary Basis	$ 1,042,519	$ 1,695,376
Community Redevelopment Agency Fund		
Proceeds from the sale of capital assets	$ 2,006,276	$ --
Principal paid on CRA note payable to the City	--	361,419
GAAP Basis	26,908,802	23,244,343
Budgetary Basis	$ 28,915,078	$ 23,605,762

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL EMPLOYEES' PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

LAST EIGHT YEARS

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 3,031,558	$ 2,825,262	$ 2,741,412	$ 2,493,225	$ 2,119,345	$ 2,192,881	$ 2,203,317	$ 2,249,595
Interest	9,619,263	9,387,643	9,169,248	8,777,037	8,375,249	8,161,229	7,791,771	7,502,443
Changes of benefit terms	--	--	--	--	--	522,720	--	--
Differences between expected and actual experience	348,704	1,621,500	1,452,111	1,447,270	(821,344)	(1,097,920)	1,375,784	--
Changes of assumptions	--	(2,628,018)	7,018,332	--	2,634,532	--	--	--
Benefit payments, including refunds	(8,044,372)	(7,918,158)	(7,804,145)	(7,307,689)	(6,971,817)	(6,535,065)	(5,993,746)	(5,436,303)
Net Change in Total Pension Liability	4,955,153	3,288,229	12,576,958	5,409,843	5,335,965	3,243,845	5,377,126	4,315,735
Total Pension Liability - Beginning of Fiscal Year	143,498,233	140,210,004	127,633,046	122,223,203	116,887,238	113,643,393	108,266,267	103,950,532
Total Pension Liability, End of Fiscal Year (a)	$ 148,453,386	$ 143,498,233	$ 140,210,004	$ 127,633,046	$ 122,223,203	$ 116,887,238	$ 113,643,393	$ 108,266,267
Plan Fiduciary Net Position								
Contributions								
Employer	$ 3,123,630	$ 2,866,796	$ 2,360,582	$ 2,151,438	$ 1,969,163	$ 2,046,827	$ 2,178,705	$ 2,084,010
Plan members	1,229,630	1,098,892	1,206,890	799,106	717,598	618,705	948,466	1,126,054
Net investment income	36,056,257	11,601,492	3,620,514	13,197,102	14,474,141	10,986,275	438,253	12,191,062
Other income	--	--	--	--	--	18,858	7,008	5,387
Benefit payments, including refunds	(8,044,372)	(7,918,158)	(7,804,145)	(7,307,689)	(6,971,817)	(6,535,065)	(5,993,746)	(5,436,303)
Administrative expense	(119,862)	(121,470)	(172,197)	(73,250)	(77,550)	(82,336)	(73,705)	(79,025)
Net Change in Plan Fiduciary Net Position	32,245,283	7,527,552	(788,356)	8,766,707	10,111,535	7,053,264	(2,495,019)	9,891,185
Plan Fiduciary Net Position - Beginning of Fiscal Year	140,457,288	132,929,736	133,718,092	124,951,385	114,839,850	107,786,586	110,281,605	100,390,420
Plan Fiduciary Net Position - End of Fiscal Year (b)	$ 172,702,571	$ 140,457,288	$ 132,929,736	$ 133,718,092	$ 124,951,385	$ 114,839,850	$ 107,786,586	$ 110,281,605
Net Pension Liability (Asset) - End of Fiscal Year [(a)-(b)]	$ (24,249,185)	$ 3,040,945	$ 7,280,268	$ (6,085,046)	$ (2,728,182)	$ 2,047,388	$ 5,856,807	$ (2,015,338)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	116.3%	97.9%	94.8%	104.8%	102.2%	98.2%	94.8%	101.9%
Covered Payroll	$ 22,853,685	$ 20,997,013	$ 20,025,730	$ 18,060,007	$ 15,449,062	$ 15,371,826	$ 15,895,095	$ 16,527,919
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(106.1)%	14.5 %	36.4 %	(33.7)%	(17.7)%	13.3 %	36.8 %	(12.2)%

Note to Schedule:

Information prior to adoption of GASB Statement No. 68 in fiscal year 2014 is not available.

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
POLICE OFFICERS' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - Note 1								
Service cost	$ 3,302,977	$ 3,026,742	$ 2,660,367	$ 2,250,201	$ 2,257,858	$ 4,161,533	$ 4,116,670	$ 4,215,639
Interest	11,150,354	10,830,624	10,337,194	10,150,990	9,439,367	16,394,667	19,332,804	16,854,289
Changes in excess State contributions	--	--	--	--	--	(1,741,230)	659,168	1,406,983
Changes of benefit terms	--	--	--	--	--	(1,121,765)	(347,798)	--
Differences between expected and actual experience	1,970,402	4,485,655	2,465,331	(1,504,488)	4,431,186	1,568,118	(2,020,566)	--
Contributions - buyback	--	--	--	--	--	32,218	34,696	128,140
Changes of assumptions	--	816,626	4,575,940	12,110,938	--	7,407,717	--	--
Benefit payments, including refunds	(9,312,130)	(8,625,165)	(7,902,822)	(7,543,572)	(6,907,367)	(13,532,591)	(13,282,705)	(12,180,870)
Net Change in Total Pension Liability	7,111,603	10,534,482	12,136,010	15,464,069	9,221,044	13,168,667	8,492,269	10,424,181
Total Pension Liability - Beginning of Fiscal Year	166,543,519	156,009,037	143,873,027	128,408,958	119,187,914	238,707,736	230,215,467	219,791,286
Total Pension Liability, End of Fiscal Year (a)	$ 173,655,122	$ 166,543,519	$ 156,009,037	$ 143,873,027	$ 128,408,958	$ 251,876,403	$ 238,707,736	$ 230,215,467
Plan Fiduciary Net Position - Note 1								
Contributions								
Employer	$ 8,033,015	$ 6,917,364	$ 6,247,516	$ 5,113,912	$ 5,162,290	$ 10,789,457	$ 10,837,369	$ 9,057,075
State	834,187	868,062	835,929	786,320	742,419	1,909,358	1,896,237	1,951,084
Plan members	1,063,695	1,196,828	1,160,807	1,126,780	924,337	1,806,021	1,634,828	1,594,712
Net investment income (loss)	24,325,115	8,707,580	4,296,676	6,880,290	8,943,920	13,455,717	(1,922,565)	14,082,413
Other income	--	--	--	--	--	150,647	22,903	--
Equity allocation from Legacy Pension Fund	--	--	--	--	79,306,442	--	--	--
Benefit payments, including refunds	(9,312,130)	(8,625,165)	(7,902,822)	(7,543,572)	(6,907,367)	(13,532,591)	(13,282,705)	(12,180,870)
Administrative expense	(151,623)	(143,795)	(181,670)	(108,929)	(156,400)	(245,221)	(231,434)	(232,362)
Other	--	--	--	--	(160,328)	--	--	--
Net Change in Plan Fiduciary Net Position	24,792,259	8,920,874	4,456,436	6,254,801	87,855,313	14,333,388	(1,045,367)	14,272,052
Plan Fiduciary Net Position - Beginning of Fiscal Year	107,487,424	98,566,550	94,110,114	87,855,313	--	153,260,618	154,305,985	140,033,933
Plan Fiduciary Net Position - End of Fiscal Year (b)	$ 132,279,683	$ 107,487,424	$ 98,566,550	$ 94,110,114	$ 87,855,313	$ 167,594,006	$ 153,260,618	$ 154,305,985
Net Pension Liability, End of Fiscal Year [(a)-(b)]	$ 41,375,439	$ 59,056,095	$ 57,442,487	$ 49,762,913	$ 40,553,645	$ 84,282,397	$ 85,447,118	$ 75,909,482
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.2%	64.5%	63.2%	65.4%	68.4%	66.5%	64.2%	67.0%
Covered Payroll	$ 11,523,962	$ 12,084,406	$ 12,078,834	$ 11,125,424	$ 10,738,126	$ 19,643,308	$ 18,107,436	$ 16,474,658
Net Pension Liability as a Percentage of Covered Payroll	359.0%	488.7%	475.6%	447.3%	377.7%	429.1%	471.9%	460.8%

CITY OF DELRAY BEACH, FLORIDA

NOTES TO SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY – POLICE OFFICERS' RETIREMENT SYSTEM

NOTE 1 - CHANGE IN REPORTING ENTITY

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan, referred to as the Legacy Pension Fund.

NOTE 2 – CHANGES OF ASSUMPTIONS

1. Effective October 1, 2017, the discount rate was lowered from 8.0% to 7.25%. The mortality assumption for active members prior to retirement was revised in accordance with a revision to the active member pre-retirement mortality assumption used by the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation.

2. Effective October 1, 2018, the discount rate was lowered from 7.25% to 7.00%.

3. Effective October 1, 2019, the discount rate was lowered from 7.0% to 6.75%. The rate of salary increase was increased from 5.0% - 6.25% to 5.25% - 6.75%. The mortality assumption was revised in accordance with the assumption used by FRS. Rates of retirement for employees hired after October 4, 2016 were added to be 20% of those members age 55+ with 10 - 24 years of service and 100% of members with 25+ years of service. Rates of termination were changed from 0% - 12% based on age to 1.0% - 6.5% based on years of service and/or age.

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

LAST EIGHT YEARS

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - Note 1								
Service cost	$ 3,993,364	$ 3,280,458	$ 2,996,276	$ 2,325,806	$ 2,278,992	$ 4,161,533	$ 4,116,670	$ 4,215,639
Interest	11,875,228	11,839,347	11,298,073	11,229,505	10,477,015	16,394,667	19,332,804	16,854,289
Changes in excess State contributions	--	--	--	--	--	(1,741,230)	659,168	1,406,983
Changes of benefit terms	(1,504,875)	19,308	--	--	--	(1,121,765)	(347,798)	--
Differences between expected and actual experience	1,280,770	698,989	2,794,151	(2,478,601)	4,606,418	1,568,118	(2,020,566)	--
Contributions - buyback	--	--	--	--	--	32,218	34,696	128,140
Changes of assumptions	2,501,291	(742,942)	4,579,534	11,964,611	--	7,407,717	--	--
Benefit payments, including refunds	(9,207,829)	(8,814,766)	(8,493,594)	(7,996,621)	(8,009,598)	(13,532,591)	(13,282,705)	(12,180,870)
Net Change in Total Pension Liability	8,937,949	6,280,394	13,174,440	15,044,700	9,352,827	13,168,667	8,492,269	10,424,181
Total Pension Liability - Beginning of Fiscal Year	176,540,850	170,260,456	157,086,016	142,041,316	132,688,489	238,707,736	230,215,467	219,791,286
Total Pension Liability, End of Fiscal Year (a)	$ 185,478,799	$ 176,540,850	$ 170,260,456	$ 157,086,016	$ 142,041,316	$ 251,876,403	$ 238,707,736	$ 230,215,467
Plan Fiduciary Net Position - Note 1								
Contributions								
Employer	$ 7,798,004	$ 6,941,701	$ 6,452,812	$ 4,374,387	$ 5,721,499	$ 10,789,457	$ 10,837,369	$ 9,057,075
State	1,201,496	1,109,338	1,129,759	1,074,825	1,134,704	1,909,358	1,896,237	1,951,084
Plan members	1,242,141	1,119,504	1,044,994	991,333	903,846	1,806,021	1,634,828	1,594,712
Net investment income (loss)	28,803,996	9,497,240	4,761,288	7,839,367	9,944,303	13,455,717	(1,922,565)	14,082,413
Other income	--	--	--	--	--	150,647	22,903	--
Equity allocation from Legacy Pension Fund	--	--	--	--	88,287,564	--	--	--
Benefit payments, including refunds	(9,207,829)	(8,814,766)	(8,493,594)	(7,996,621)	(8,009,598)	(13,532,591)	(13,282,705)	(12,180,870)
Administrative expense	(141,002)	(142,338)	(160,131)	(111,297)	(146,369)	(245,221)	(231,434)	(232,362)
Other	--	--	--	--	160,328	--	--	--
Net Change in Plan Fiduciary Net Position	29,696,806	9,710,679	4,735,128	6,171,994	97,996,277	14,333,388	(1,045,367)	14,272,052
Plan Fiduciary Net Position - Beginning of Fiscal Year	118,614,078	108,903,399	104,168,271	97,996,277	--	153,260,618	154,305,985	140,033,933
Plan Fiduciary Net Position - End of Fiscal Year (b)	$ 148,310,884	$ 118,614,078	$ 108,903,399	$ 104,168,271	$ 97,996,277	$ 167,594,006	$ 153,260,618	$ 154,305,985
Net Pension Liability, End of Fiscal Year [(a)-(b)]	$ 37,167,915	$ 57,926,772	$ 61,357,057	$ 52,917,745	$ 44,045,039	$ 84,282,397	$ 85,447,118	$ 75,909,482
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.0%	67.2%	64.0%	66.3%	69.0%	66.5%	64.2%	67.0%
Covered Payroll	$ 12,490,811	$ 12,193,590	$ 11,003,736	$ 10,494,232	$ 8,954,177	$ 19,643,308	$ 18,107,436	$ 16,474,658
Net Pension Liability as a Percentage of Covered Payroll	297.6%	475.1%	557.6%	504.3%	491.9%	429.1%	471.9%	460.8%

CITY OF DELRAY BEACH, FLORIDA

NOTES TO SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY – FIREFIGHTERS' RETIREMENT SYSTEM

NOTE 1 - CHANGE IN REPORTING ENTITY

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan, referred to as the Legacy Pension Fund.

NOTE 2 – CHANGES OF ASSUMPTIONS

1. In addition to the changes related to the adoption of Ordinance No. 17-16, effective for the September 30, 2016 measurement date, the following actuarial change was effective for the Firefighters' Retirement System:

   A. As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Generational Tables to the mortality tables for special risk employees used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation.

2. Effective October 1, 2017, the discount rate was lowered from 8.0% to 7.25%. The mortality assumption for active members prior to retirement was revised in accordance with a revision to the active member pre-retirement mortality assumption used by the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation.

3. Effective October 1, 2018, the discount rate was lowered from 7.25% to 7.0%.

4. Effective October 1, 2019, the discount rate was lowered from 7.0% to 6.75%. The rate of salary increase was changed from 5.0% - 6.25% to 4.5% - 8.25%. The mortality assumption was revised in accordance with the assumption used by FRS. The benefit provisions were changed in compliance with Florida Statutes Chapter 112.1816 to provide that firefighters diagnosed with certain cancers are presumed to have contracted those cancers while in the line of duty for purposes of determining disability and death benefits. In conjunction with the benefit changes, the proportion of firefighter disabilities and pre-retirement deaths that are assumed to be service connected (versus non-service connected) was increased from 75% to 85%. Rates of retirement for employees hired after October 4, 2016 were added to be 20% of those members age 55+ with 10 – 24 years of service and 100% of members with 25+ years of service. Rates of termination were changed from 0% - 12% based on age to 1.0% - 6.5% based on years of service and/or age.

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF NET PENSION LIABILITY (ASSET)

LAST EIGHT FISCAL YEARS

General Employees' Pension Plan

Fiscal Year Ended September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll
2021	$ 148,453,386	$ 172,702,571	$ (24,249,185.0)	116.3%	$ 22,853,685	(106.1)%
2020	143,498,233	140,457,288	3,040,945	97.9%	20,997,013	14.5 %
2019	140,210,004	132,929,736	7,280,268	94.8%	20,025,730	36.4 %
2018	127,633,046	133,718,092	(6,085,046)	104.8%	18,060,007	(33.7)%
2017	122,223,203	124,951,385	(2,728,182)	102.2%	15,449,062	(17.7)%
2016	116,887,238	114,839,850	2,047,388	98.2%	15,371,826	13.3 %
2015	113,643,393	107,786,586	5,856,807	94.8%	15,895,095	36.8 %
2014	108,266,267	110,281,605	(2,015,338)	101.9%	16,527,919	(12.2)%

Police Officers' Retirement System

Fiscal Year Ended September 30, (Note 1)	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2021	$ 173,655,122	$ 132,279,683	$ 41,375,439	76.2%	$ 11,523,962	359.0 %
2020	166,543,519	107,487,424	59,056,095	64.5%	12,084,406	488.7 %
2019	156,009,037	98,566,550	57,442,487	63.2%	12,078,834	475.6 %
2018	143,873,027	94,110,114	49,762,913	65.4%	11,125,424	447.3 %
2017	128,408,958	87,855,313	40,553,645	68.4%	10,738,126	377.7 %
2016	251,876,403	167,594,006	84,282,397	66.5%	19,643,308	429.1 %
2015	238,707,736	153,260,618	85,447,118	64.2%	18,107,436	471.9 %
2014	230,215,467	154,305,985	75,909,482	67.0%	16,474,658	460.8 %

Firefighters' Retirement System

Fiscal Year Ended September 30, (Note 1)	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2021	$ 185,478,799	$ 148,310,884	$ 37,167,915	80.0%	$ 12,490,811	297.6 %
2020	176,540,850	118,614,078	57,926,772	67.2%	12,193,590	475.1 %
2019	170,260,456	108,903,399	61,357,057	64.0%	11,003,736	557.6 %
2018	157,086,016	104,168,271	52,917,745	66.3%	10,494,232	504.3 %
2017	142,041,316	97,996,277	44,045,039	69.0%	8,954,177	491.9 %
2016	251,876,403	167,594,006	84,282,397	66.5%	19,643,308	429.1 %
2015	238,707,736	153,260,618	85,447,118	64.2%	18,107,436	471.9 %
2014	230,215,467	154,305,985	75,909,482	67.0%	16,474,658	460.8 %

Note 1 - Change in Reporting Entity

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan.

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
PENSION FUNDS
SCHEDULES OF CITY CONTRIBUTIONS

LAST EIGHT YEARS

	Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
General Employees' Pension Plan								
Actuarially determined contribution	$ 3,123,630	$ 2,866,796	$ 2,360,582	$ 2,151,438	$ 1,969,163	$ 2,046,827	$ 2,178,705	$ 2,084,010
Contributions in relation to actuarially determined contribution	3,123,630	2,866,796	2,360,582	2,151,438	1,969,163	2,046,827	2,178,705	2,084,010
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Covered payroll	$ 22,853,685	$ 20,997,013	$ 20,025,730	$ 18,060,007	$ 15,449,062	$ 15,371,826	$ 15,895,095	$ 16,527,919
Contributions as a percentage of covered payroll	13.7%	13.7%	11.8%	11.9%	12.7%	13.3%	13.7%	12.6%
Police Officers' Retirement System [1]								
Actuarially determined contribution	$ 8,639,610	$ 7,523,959	$ 6,854,111	$ 5,985,879	$ 5,503,513	$ 11,294,379	$ 11,293,235	$ 9,209,334
Contributions in relation to actuarially determined contribution [2]	8,639,610	7,523,959	6,854,111	5,720,507	5,904,709	11,294,379	11,342,291	9,561,997
Contribution deficiency (excess)	$ --	$ --	$ -	$ 265,372	$ (401,196)	$ -	$ (49,056)	$ (352,663)
Covered payroll	$ 11,523,962	$ 12,084,406	$ 12,078,834	$ 11,125,424	$ 10,738,126	$ 19,643,308	$ 18,107,436	$ 16,474,658
Contributions as a percentage of covered payroll	75.0%	62.3%	56.7%	51.4%	55.0%	57.5%	62.6%	58.0%
Firefighters' Retirement System [1]								
Actuarially determined contribution	$ 8,927,763	$ 8,451,577	$ 7,582,571	$ 6,538,017	$ 5,332,347	$ 11,294,379	$ 11,293,235	$ 9,209,334
Contributions in relation to actuarially determined contribution [3]	8,999,500	8,051,039	7,582,571	5,449,212	6,856,203	11,294,379	11,342,291	9,561,997
Contribution deficiency (excess)	$ (71,737)	$ 400,538	$ -	$ 1,088,805	$ (1,523,856)	$ -	$ (49,056)	$ (352,663)
Covered payroll	$ 12,490,811	$ 12,193,590	$ 11,003,736	$ 10,494,232	$ 8,954,177	$ 19,643,308	$ 18,107,436	$ 16,474,658
Contributions as a percentage of covered payroll	72.0%	66.0%	68.9%	51.9%	76.6%	57.5%	62.6%	58.0%

(1) Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan, referred to as the Legacy Pension Fund.

(2) Pension contributions for Police Officers for 2017 and later years are based on the City's contribution plus $606,595 of the State contribution per City Ordinance No 17-16.

(3) Pension contributions for Firefighters for 2017 and later years are based on the City's contribution plus up to $1,206,994 of the State contribution per City Ordinance No 17-16.

CITY OF DELRAY BEACH, FLORIDA

NOTES TO SCHEDULES OF CITY CONTRIBUTIONS – PENSION FUNDS

LAST EIGHT FISCAL YEARS

NOTE 1 – CHANGE IN REPORTING ENTITY

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan.

NOTE 2 – SIGNIFICANT ACTUARIAL ASSUMPTIONS

	General Employees'	Police Officers'	Firefighters'
Actuarial valuation date	10/1/2019	10/1/2019	10/1/2019
Measurement date	9/30/2021	9/30/2021	9/30/2021

Actuarially determined contribution rates are calculated at October 1, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine rates:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	25 years	20 years	20 years
Asset valuation method	5 Year Smoothed	5 Year Smoothed	5 Year Smoothed
Inflation	2.5% / year	2.5% / year	2.5% / year
Salary increases (with inflation)	3.75% - 6.75%/ year based on service	5.25% - 6.75%/ year based on service	4.5% - 8.25% / year based on service
Investment rate of return (net of expenses, with inflation)	6.75% / year	6.75% / year	6.75% / year
Cost of living adjustments	None	1.0% / year	1.0% / year
Retirement age	Experienced-based table of rates	Experienced-based table of rates that are specific to the type of eligibility condition	Experienced-based table of rates that are specific to the type of eligibility condition

CITY OF DELRAY BEACH, FLORIDA

NOTES TO SCHEDULES OF CITY CONTRIBUTIONS – PENSION FUNDS

LAST EIGHT FISCAL YEARS

NOTE 2 – SIGNIFICANT ACTUARIAL ASSUMPTIONS (CONTINUED)

	General Employees'	Police Officers'	Firefighters'
Mortality	PUB 2010 Headcount Weighted Safety Below Median Male Table and Female Table. Thee tables use ages set forward one year and mortality improvements to all future years after 2020 using scale MP-2018.	PUB 2010 Headcount Weighted Safety Below Median Male Table and Female Table. Thee tables use ages set forward one year and mortality improvements to all future years after 2020 using scale MP-2018.	PUB 2010 Headcount Weighted Safety Below Median Male Table and Female Table. Thee tables use ages set forward one year and mortality improvements to all future years after 2020 using scale MP-2018.

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
PENSION FUNDS
SCHEDULES OF INVESTMENT RETURNS

LAST EIGHT YEARS

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return, Net of Investment Expenses		
	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
2021	25.68%	21.71 %	23.40 %
2020	8.65%	8.34 %	8.26 %
2019	2.65%	4.43 %	4.39 %
2018	10.68%	7.81 %	8.01 %
2017	12.59%	10.74 %	10.78 %
2016	10.30%	8.86 %	8.86 %
2015	0.43%	(1.23)%	(1.23)%
2014	12.26%	9.32 %	9.32 %

Notes to Schedule:

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan.

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
CITY OPEB PLAN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST FOUR FISCAL YEAR

	Fiscal Year			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 472,583	$ 272,380	$ 203,314	$ 878,492
Interest	577,077	565,929	479,804	581,386
Changes of benefit terms	--	--	--	--
Differences between expected and actual experience	--	--	--	--
Changes of assumptions or other inputs	(4,082,217)	4,099,784	4,952,769	(804,506)
Benefit payments	(648,233)	(710,808)	(665,299)	(123,575)
Net change in total OPEB liability	(3,680,790)	4,227,285	4,970,588	531,797
Total OPEB liability, beginning of fiscal year	25,523,990	21,296,705	16,326,117	15,794,320
Total OPEB Liability, End of Fiscal Year	$ 21,843,200	$ 25,523,990	$ 21,296,705	$ 16,326,117
Covered Employee Payroll	$ 58,328,653	$ 52,284,538	$ 52,284,538	$ 49,971,711
Total OPEB Liability as a Percentage of Covered Employee Payroll	37.4%	48.8%	40.7%	32.7%

Notes to Schedule:

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on an average of three 20-Year bond indices (e.g. *Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index and Fidelity GA AA 20 Years)*.

Note 1 - Changes in Actuarial Assumptions

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

2021	2.29%
2020	2.26%
2019	3.00%
2018	3.83%
2017	3.50%

2. Effective October 1, 2018, the mortality table was changed from RP-2000 Combined Healthy Participant using Scale BB to Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality using Scale MP-2019.

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
DELRAY BEACH POLICE FIREFIGHTERS AND PARAMEDICS RETIREE BENEFIT FUND
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST FOUR FISCAL YEARS

	Fiscal Year			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	$ 221,129	$ 227,892	$ 223,424	$ 213,605
Interest	1,118,888	1,074,582	1,010,021	972,220
Changes of assumptions and other inputs	(416,557)	--	288,312	--
Changes of assumptions or other inputs	(874,102)	--	--	--
Benefit payments	(744,226)	(667,099)	(663,795)	(718,460)
Net change in total OPEB liability	(694,868)	635,375	857,962	467,365
Total OPEB liability, beginning of fiscal year	15,062,761	14,427,386	13,569,424	13,102,059
Total OPEB Liability, End of Fiscal Year (a)	$ 14,367,893	$ 15,062,761	$ 14,427,386	$ 13,569,424
Plan Fiduciary Net Position				
Contributions				
Employer	$ 894,387	$ 854,845	$ 775,823	$ 873,731
Net investment income	1,632,929	250,427	163,247	297,055
Benefit payments	(744,226)	(667,099)	(663,795)	(718,460)
Other	--	--	(42,907)	42,907
Administrative expense	(25,717)	(32,074)	(25,217)	(27,868)
Net Change in Plan Fiduciary Net Position	1,757,373	406,099	207,151	467,365
Plan Fiduciary Net Position, Beginning of Fiscal Year	6,560,528	6,154,429	5,947,278	5,479,913
Plan Fiduciary Net Position, End of Fiscal Year (b)	$ 8,317,901	$ 6,560,528	$ 6,154,429	$ 5,947,278
Net OPEB Liability, End of Fiscal Year [(a)-(b)]	$ 6,049,992	$ 8,502,233	$ 8,272,957	$ 7,622,146
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	57.9%	43.6%	42.7%	43.8%
Covered Employee Payroll	$ 28,807,164	$ 31,542,349	$ 27,135,701	$ 22,787,098
Net OPEB Liability as a Percentage of Covered Employee Payroll	21.0%	27.0%	30.5%	33.4%

Notes to Schedule:

Note 1 - Changes in Actuarial Assumptions

Effective October 1, 2017, the mortality table for healthy participants was changed from the RP-2000 Combined Mortality Table with Blue Collar Adjustment with separate rates for males and females to the RP-2000 Combined Healthy Participant Mortality Table with separate rates for males and females with 90% Blue Collar Adjustment / 10% White Collar Adjustment using Scale BB. Changes of assumptions and other inputs also reflect the effects of changes in the discount rate each year. The following are the discount rates used for each fiscal year:

2021	7.5%
2020	7.5%
2019	7.5%
2018	7.5%
2017	8.0%

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
DELRAY BEACH POLICE, FIREFIGHTERS AND PARAMEDICS RETIREE BENEFIT FUND
SCHEDULES OF CITY CONTRIBUTIONS

LAST FOUR FISCAL YEARS

	Fiscal Year			
	2021	2020	2020	2018
Delray Beach Police, Firefighters & Paramedics Retiree Benefit Fund				
Actuarially determined contribution	$ 1,014,738	$ 1,153,772	$ 1,000,387	$ 976,925
Contributions in relation to actuarially determined contribution	894,387	854,845	775,823	873,731
Contribution Deficiency (Excess)	$ 120,351	$ 298,927	$ 224,564	$ 103,194
Covered Employee Payroll	$ 28,807,164	$ 31,542,349	$ 27,135,701	$ 22,787,098
Contributions as a Percentage of Covered Employee	3.1%	2.7%	2.9%	3.8%

Notes to Schedule:

Actuarial Assumptions:

Actuarial valuation date	9/30/2021
Measurement date	9/30/2021

Actuarially determined contribution rates are calculated at October 1, one year prior to the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Inflation	2.75% / year
Healthcare cost trend rate	N/A - fixed $5,200 annual benefit with 25 or more years of service reduced 3% per year for service less than 25 years and increased 3% per year for service greater than 25 years. Minimum benefit of $3,900.
Salary increases (with inflation)	4.50% - 6.25%
Investment rate of return (net of expenses, with inflation)	7.5% / year
Retirement age	Completion of 20 years of service, regardless of age
Mortality	PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvements projection scale.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Law Enforcement Trust Fund – This fund accounts for revenue received from confiscated and forfeited properties from cases involving the City's Police department. Expenditures from this fund are generally for police education and training programs and equipment.

Developers Land Contribution Fund – This fund accounts for revenue received from developers operating within the City for projects other than those financed by proprietary funds. The City uses the developer contributions to purchase land or capital improvements for recreation facilities.

Beautification Fund – This fund accounts for revenue received from public service taxes, which is used for capital improvements to beautify the City.

Special Projects Fund – This fund is used to account for assets held by the City for a variety of earmarked purposes.

Debt Service Funds

Debt Service Funds are used to account for assets and revenues to be used for the repayment of principal and interest on debt reported in the government-wide financial statements.

General Obligation Debt Service Fund – This fund is used to account for the repayment of principal and interest on general obligation debt paid from ad valorem tax revenues.

Utilities Tax Fund – This fund is used to account for the repayment of principal and interest on special obligation debt paid from utilities tax revenues.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and similar trust funds). The capital projects funds used by the City are as follows:

2004 GO Bond Fund – This fund is used to account for the construction of major capital facilities financed by the City’s 2004 general obligation bond issue and subsequent financing. The 2004 GO bonds were redeemed and retired in November 2013.

Beach Restoration Fund – This fund is used to account for improvements to the municipal beach area of the City.

CITY OF DELRAY BEACH, FLORIDA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	Special Revenue				Debt Service		Capital Projects		
	Law Enforcement Trust	Developers Land Contribution	Beautification	Special Projects	General Obligation Debt Service	Utilities Tax	2004 GO Bond	Beach Restoration	Total Non-Major Governmental Funds
Assets									
Cash and cash equivalents	$ 655,767	$ 1,557,730	$ 2,022,476	$ --	$ 87,635	$ 1,505,844	$ 56,867	$ 148,554	$ 6,034,873
Investments	--	--	--	5,602,840	--	--	--	--	5,602,840
Accounts receivable, net	--	--	--	179,284	--	--	--	--	179,284
Interest receivable	--	--	--	6,352	--	--	--	--	6,352
Due from other funds	--	--	1,462	--	--	--	--	--	1,462
Total Assets	$ 655,767	$ 1,557,730	$ 2,023,938	$ 5,788,476	$ 87,635	$ 1,505,844	$ 56,867	$ 148,554	$ 11,824,811
Liabilities and Fund Balances									
Liabilities									
Accounts payable and accrued items	$ 13,637	69,995	$ 48,645	$ 64,451	$ --	$ --	$ --	$ 31,003	$ 227,731
Due to other funds	--	--	--	1,304,635	--	--	--	--	1,304,635
Deposits payable	--	--	--	16,170	--	--	--	--	16,170
Total Liabilities	13,637	69,995	48,645	1,385,256	--	--	--	31,003	1,548,536
Fund Balances									
Nonspendable:									
Prepaid items	--	--	--	--	--	--	--	--	--
Long-term notes receivable	--	--	--	--	--	--	--	--	--
Restricted for:									
Debt service	--	--	--	--	87,635	1,505,844	--	--	1,593,479
Law enforcement	642,130	--	--	676,170	--	--	--	--	1,318,300
Capital improvements	--	--	--	1,817,962	--	--	56,867	--	1,874,829
Community development	--	--	--	181,074	--	--	--	--	181,074
Assigned to:									
Public safety	--	--	--	163,782	--	--	--	--	163,782
Parks and recreation	--	--	--	899,375	--	--	--	--	899,375
Capital improvements	--	1,487,735	1,975,293	664,857	--	--	--	117,551	4,245,436
Total Fund Balances	642,130	1,487,735	1,975,293	4,403,220	87,635	1,505,844	56,867	117,551	10,276,275
Total Liabilities and Fund Balances	$ 655,767	$ 1,557,730	$ 2,023,938	$ 5,788,476	$ 87,635	$ 1,505,844	$ 56,867	$ 148,554	$ 11,824,811

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue				Debt Service		Capital Projects		
	Law Enforcement Trust	Developers Land Contribution	Beautification	Special Projects	General Obligation Debt Service	Utilities Tax	2004 GO Bond	Beach Restoration	Total Non-Major Governmental Funds
Revenues									
Taxes	$ --	$ --	$ --	$ --	$ 2,167,500	$ --	$ --	$ --	$ 2,167,500
Intergovernmental	--	--	--	--	--	--	--	19,491	19,491
Charges for services	--	--	--	243,239	--	--	--	--	243,239
Fines and forfeitures	48,335	--	--	40,034	--	--	--	--	88,369
Miscellaneous	--	132,499	29,768	112,568	--	--	--	--	274,835
Total Revenues	48,335	132,499	29,768	395,841	2,167,500	--	--	19,491	2,793,434
Expenditures									
Current:									
General government	--	--	--	182,764	--	--	--	--	182,764
Public safety	32,112	--	--	19,900	--	--	--	--	52,012
Physical environment	--	--	878,048	--	--	--	--	--	878,048
Parks and recreation	--	--	--	159,292	--	--	--	350,999	510,291
Capital outlay	--	175,326	--	--	--	--	43,499	--	218,825
Debt service:									
Principal retirement	--	--	--	--	1,880,000	2,065,000	--	--	3,945,000
Interest and fiscal charges	--	--	--	--	258,923	1,360,900	--	--	1,619,823
Total Expenditures	32,112	175,326	878,048	361,956	2,138,923	3,425,900	43,499	350,999	7,406,763
Excess of Revenues Over (Under) Expenditures	16,223	(42,827)	(848,280)	33,885	28,577	(3,425,900)	(43,499)	(331,508)	(4,613,329)
Other Financing Sources									
Transfers in	--	--	935,190	--	--	3,425,900	--	154,447	4,515,537
Total Other Financing Sources	--	--	935,190	--	--	3,425,900	--	154,447	4,515,537
Net Change in Fund Balance	16,223	(42,827)	86,910	33,885	28,577	--	(43,499)	(177,061)	(97,792)
Fund Balances - October 1, 2020	625,907	1,530,562	1,888,383	4,369,335	59,058	1,505,844	100,366	294,612	10,374,067
Fund Balances - September 30, 2021	$ 642,130	$ 1,487,735	$ 1,975,293	$ 4,403,220	$ 87,635	$ 1,505,844	$ 56,867	$ 117,551	$ 10,276,275

NON-MAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Sanitation Fund - This fund is used to account for solid waste removal services provided by the City to residents and other users.

Stormwater Fund – This fund is used to account for stormwater drainage charges to residents and other users for the maintenance and construction of stormwater drainage projects.

Delray Beach Municipal Golf Course Fund – This fund is used to account for the services and activities of the City's municipal golf course.

Lakeview Golf Course Fund – This fund is used to account for the services and activities of the City's executive municipal golf course.

City Marina Fund – This fund is used to account for the services and activities of the City's municipal marina.

Cemetery Fund – This fund is used to account for the operation and maintenance of the City’s cemetery.

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS

SEPTEMBER 30, 2021

	Sanitation Fund	Stormwater Fund	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Assets							
Current Assets:							
Cash and cash equivalents	$ --	$ 46,162	$ 1,128,293	$ 766,762	$ --	$ --	$ 1,941,217
Investments	4,484,429	9,635,600	--	--	2,021,757	1,344,253	17,486,039
Accounts receivable, net	696,812	4,287	3,589	--	--	14,568	719,256
Due from other governments	--	--	--	--	--	--	--
Interest receivable	5,084	10,923	--	--	2,292	1,524	19,823
Inventories	--	--	75,215	16,658	--	--	91,873
Prepaid expenses	--	--	118,716	21,899	--	--	140,615
Total Current Assets	5,186,325	9,696,972	1,325,813	805,319	2,024,049	1,360,345	20,398,823
Noncurrent Assets:							
Property, land and equipment							
Land	--	1,271,853	1,415,482	1,963,894	42,840	--	4,694,069
Buildings	--	1,904,722	2,309,544	140,718	--	--	4,354,984
Improvements other than buildings	11,958	17,844,405	1,239,323	899,663	1,173,492	--	21,168,841
Equipment	16,371	1,303,310	1,347,598	267,366	86,026	--	3,020,671
Construction in progress	--	1,060,369	--	--	--	--	1,060,369
Accumulated depreciation	(28,329)	(9,876,346)	(3,788,491)	(996,380)	(1,191,529)	--	(15,881,075)
Other asset							
Net pension asset	99,422	242,492	--	--	--	--	341,914
Total Noncurrent Assets	99,422	13,750,805	2,523,456	2,275,261	110,829	--	18,759,773
Total Assets	$ 5,285,747	$ 23,447,777	$ 3,849,269	$ 3,080,580	$ 2,134,878	$ 1,360,345	$ 39,158,596
Deferred Outflows of Resources							
Deferred amount related to OPEB liability	31,810	50,896	--	--	--	--	82,706
Deferred amount related to pensions	14,251	34,758	--	--	--	--	49,009
Total Deferred Outflows of Resources	46,061	85,654	--	--	--	--	131,715
Liabilities							
Current Liabilities:							
Accounts payable and accrued expenses	$ 621,776	$ 102,871	$ 220,832	$ 7,187	$ (3,756)	$ 61,738	$ 1,010,648
Unearned revenue	--	--	--	--	2,577	--	2,577
Current maturities of installment agreements	--	--	9,772	--	--	--	9,772
Current portion of compensated absences	--	5,782	--	--	--	--	5,782
Due to other funds	874,350	8,217,970	--	--	560,330	174,270	9,826,920
Refundable deposits payable	--	--	98,568	--	9,726	--	108,294
Total Current Liabilities	1,496,126	8,326,623	329,172	7,187	568,877	236,008	10,963,993
Noncurrent Liabilities:							
Compensated absences payable	58,990	22,969	--	--	--	--	81,959
Net OPEB liability	109,216	174,746	--	--	--	--	283,962
Total Noncurrent Liabilities	168,206	197,715	--	--	--	--	365,921
Total Liabilities	1,664,332	8,524,338	329,172	7,187	568,877	236,008	11,329,914
Deferred Inflows of Resources							
Deferred amount related to OPEB liability	20,125	32,199					52,324
Deferred amount related to pensions	92,713	226,129	--	--	--	--	318,842
Total Deferred Inflows of Resources	112,838	258,328	--	--	--	--	371,166
Net Position							
Net investment in capital assets	--	13,508,313	2,513,684	2,275,261	110,829	--	18,408,087
Restricted for:							
Net pension asset	99,422	242,492	--	--	--	--	341,914
Unrestricted	3,455,216	999,960	1,006,413	798,132	1,455,172	1,124,337	8,839,230
Total Net Position	$ 3,554,638	$ 14,750,765	$ 3,520,097	$ 3,073,393	$ 1,566,001	$ 1,124,337	$ 27,589,231

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Sanitation Fund	Stormwater Fund	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Operating Revenues							
Charges for services	$ 4,700,264	$ 2,017,866	$ 2,458,442	$ 850,341	$ 78,494	$ 163,029	$ 10,268,436
Other operating revenue	--	--	31,314	5,809	2,440	--	39,563
Total Operating Revenues	4,700,264	2,017,866	2,489,756	856,150	80,934	163,029	10,307,999
Operating Expenses							
Personal services	232,441	413,441	--	--	--	--	645,882
Operating expenses	4,248,627	900,778	2,241,574	613,772	58,836	394,093	8,457,680
Depreciation	--	584,573	161,758	39,159	3,719	--	789,209
Total Operating Expenses	4,481,068	1,898,792	2,403,332	652,931	62,555	394,093	9,892,771
Operating Income (Loss)	219,196	119,074	86,424	203,219	18,379	(231,064)	415,228
Nonoperating Revenues (Expenses)							
Investment earnings	5,733	12,435	--	--	2,584	1,720	22,472
Intergovernmental	916,710	--	--	--	--	--	916,710
Rent revenue	162,824	--	34,788	--	--	--	197,612
Interest expense	--	--	(874)	--	--	--	(874)
Gain on disposal of equipment	--	--	(8,387)	--	--	--	(8,387)
Total Nonoperating Revenues (Expenses)	1,085,267	12,435	25,527	--	2,584	1,720	1,127,533
Income Before Capital Contributions and **Income (Loss) Before Transfers**	1,304,463	131,509	111,951	203,219	20,963	(229,344)	1,542,761
Capital contributions	--	120,546	--	--	--	--	120,546
Transfers out	(207,170)	(685,507)	(34,078)	(20,623)	(65,190)	(80,027)	(1,092,595)
Change In Net Position	1,097,293	(433,452)	77,873	182,596	(44,227)	(309,371)	570,712
Net Position - October 1, 2020	2,457,345	15,184,217	3,442,224	2,890,797	1,610,228	1,433,708	27,018,519
Net Position - September 30, 2021	$ 3,554,638	$ 14,750,765	$ 3,520,097	$ 3,073,393	$ 1,566,001	$ 1,124,337	$ 27,589,231

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Sanitation Fund	Stormwater Fund	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Cash Flows From Operating Activities							
Receipts from customers and users	$ 4,661,913	$ 2,017,866	$ 2,520,821	$ 850,664	$ 86,944	$ 163,289	$ 10,301,497
Receipts from others	162,824	4,135,641	34,788	--	--	--	4,333,253
Payments to suppliers	(5,167,375)	(948,748)	(2,215,552)	(641,442)	503,006	(227,151)	(8,697,262)
Payments to employees	(219,830)	(456,266)	--	--	--	--	(676,096)
Net Cash Provided by (Used in) Operating Activities	(562,468)	4,748,493	340,057	209,222	589,950	(63,862)	5,261,392
Cash Flows From Noncapital Financing Activity							
Grants	2,437,640	--	--	--	--	--	2,437,640
Transfers to other funds	(207,170)	(685,507)	(34,078)	(20,623)	(65,190)	(80,027)	(1,092,595)
Net Cash Used in Noncapital Financing Activity	2,230,470	(685,507)	(34,078)	(20,623)	(65,190)	(80,027)	1,345,045
Cash Flows From Capital and Related Financing Activities							
Acquisition and construction of capital assets	--	(479,109)	--	--	--	--	(479,109)
Principal paid on capital debt	--	--	(38,395)	--	--	--	(38,395)
Interest paid on capital debt	--	--	(874)	--	--	--	(874)
Net Cash Used in Capital and Related Financing Activities	--	(479,109)	(39,269)	--	--	--	(518,378)
Cash Flows From Investing Activities							
Purchases of investments	(1,709,037)	(3,672,166)	--	--	(770,500)	(512,302)	(6,664,005)
Interest on investments	41,035	88,289	--	--	18,500	12,302	160,126
Net Cash Used in Investing Activities	(1,668,002)	(3,583,877)	--	--	(752,000)	(500,000)	(6,503,879)
Net Change in Cash and Cash Equivalents	--	--	266,710	188,599	(227,240)	(643,889)	(415,820)
Cash and Cash Equivalents - October 1, 2020	--	46,162	861,583	578,163	227,240	643,889	2,357,037
Cash and Cash Equivalents - September 30, 2021	$ --	$ 46,162	$ 1,128,293	$ 766,762	$ --	$ --	$ 1,941,217
Reconciliation of cash and cash equivalents to statement of net position:							
Unrestricted cash and cash equivalents	$ --	$ 46,162	$ 1,128,293	$ 766,762	$ --	$ -	$ 1,941,217
Restricted cash and cash equivalents	--	--	--	--	--	--	--
Cash and cash equivalents - September 30, 2021	$ --	$ 46,162	$ 1,128,293	$ 766,762	$ --	$ --	$ 1,941,217
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities							
Operating income (loss)	$ 219,196	$ 119,074	$ 86,424	$ 203,219	$ 18,379	$ (231,064)	$ 415,228
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation expense	--	584,573	161,758	39,159	3,719	--	789,209
Rent revenue	162,824	--	34,788	--	--	--	197,612
Change in assets and liabilities:							
Accounts receivable	(38,351)	--	(3,589)	--	--	260	(41,680)
Inventories	--	--	(7,711)	(5,486)	--	--	(13,197)
Prepaid expenses	5,847	--	(20,746)	(6,695)	5,509	--	(16,085)
Deferred amount related to OPEB liability	12,870	39,532	--	--	--	--	52,402
Deferred amount related to pensions	89,743	214,700	--	--	--	--	304,443
Accounts payable and accrued expenses	2,251	(47,970)	46,768	(20,975)	(3,997)	(7,328)	(31,251)
Refundable deposits payable	--	--	42,365	--	6,010	--	48,375
Compensated absences payable	2,918	10,211	--	--	--	--	13,129
Net OPEB liability	19,882	(37,103)	--	--	--	--	(17,221)
Net pension liability (asset)	(112,802)	(270,165)	--	--	--	--	(382,967)
Due to other funds	(926,846)	4,135,641	--	--	560,330	174,270	3,943,395
Total adjustments	(781,664)	4,629,419	253,633	6,003	571,571	167,202	4,846,164
Net Cash Provided by (Used in) Operating Activities	$ (562,468)	$ 4,748,493	$ 340,057	$ 209,222	$ 589,950	$ (63,862)	$ 5,261,392
Non-Cash Investing Activity							
Contributions of capital assets	$ --	$ 120,546	$ --	$ --	$ --	$ --	$ 120,546
Realized and unrealized gain on investments	$ (33,087)	$ (71,093)	$ --	$ --	$ (14,917)	$ (9,918)	$ (129,015)

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis.

Insurance Fund – This fund is used to account for the payment of insurance claims against the City for certain self-insured coverages and for the payment of health insurance premiums. In addition, expenses related to reinsurance and claims administration are paid from this fund.

Central Garage Fund – This fund is used to account for the central garage operation of the City.

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

SEPTEMBER 30, 2021

	Insurance	Central Garage	Total Internal Service Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ 79,259	$ --	$ 79,259
Investments	10,979,853	6,269,590	17,249,443
Accounts receivable, net	17,683	--	17,683
Interest receivable	12,575	7,107	19,682
Inventories	--	123,974	123,974
Prepaid expenses	--	889,033	889,033
Total Current Assets	11,089,370	7,289,704	18,379,074
Noncurrent Assets:			
Property and equipment			
Buildings	--	88,185	88,185
Equipment	127,752	34,441,638	34,569,390
Accumulated depreciation	(127,752)	(22,567,498)	(22,695,250)
Other asset			
Net pension asset	290,990	659,578	950,568
Total Noncurrent Assets	290,990	12,621,903	12,912,893
Total Assets	11,380,360	19,911,607	31,291,967
Deferred Outflows of Resources			
Deferred amount related to OPEB	38,172	95,430	133,602
Deferred amount related to pensions	41,709	94,541	136,250
Total Deferred Outflows of Resources	79,881	189,971	269,852
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	542,098	1,762,776	2,304,874
Current maturities of installment agreements	--	213,773	213,773
Current portion of compensated absences	2,775	16,944	19,719
Current portion of insurance claims payable	2,701,764	--	2,701,764
Due to other funds	1,210,987	4,207,318	5,418,305
Refundable deposits payable	--	457	457
Total Current Liabilities	4,457,624	6,201,268	10,658,892
Noncurrent Liabilities:			
Installment agreements	--	443,251	443,251
Compensated absences payable	48,556	88,399	136,955
Insurance claims payable	4,928,000	--	4,928,000
Total OPEB liability	131,059	327,648	458,707
Total Noncurrent Liabilities	5,107,615	859,298	5,966,913
Total Liabilities	9,565,239	7,060,566	16,625,805
Deferred Inflows of Resources			
Deferred amount related to OPEB	24,150	60,374	84,524
Deferred amount related to pensions	271,355	615,071	886,426
Total Deferred Inflows of Resources	295,505	675,445	970,950
Net Position			
Net investment in capital assets	--	11,305,301	11,305,301
Restricted for:			
Net pension assets	290,990	659,578	950,568
Unrestricted	1,308,507	400,688	1,709,195
Total Net Position	$ 1,599,497	$ 12,365,567	$ 13,965,064

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Insurance	Central Garage	Total Internal Service Funds
Operating Revenues			
Charges for services	$ 17,889,262	$ 2,466,647	$ 20,355,909
Other operating revenue	360,950	1,755,042	2,115,992
Total Operating Revenues	18,250,212	4,221,689	22,471,901
Operating Expenses			
Personal services	432,887	1,016,855	1,449,742
Other operating expenses	19,044,341	1,951,191	20,995,532
Depreciation	--	2,895,858	2,895,858
Total Operating Expenses	19,477,228	5,863,904	25,341,132
Operating Loss	(1,227,016)	(1,642,215)	(2,869,231)
Nonoperating Revenues (Expenses)			
Investment earnings	14,033	8,010	22,043
Interest expense	--	(16,826)	(16,826)
Gain on disposal of equipment	--	202,174	202,174
Total Nonoperating Revenues (Expenses)	14,033	193,358	207,391
Loss Before Transfers	(1,212,983)	(1,448,857)	(2,661,840)
Capital contributions	--	76,190	76,190
Transfers in	1,615,000	137,207	1,752,207
Change In Net Position	402,017	(1,235,460)	(833,443)
Net Position - October 1, 2020	1,197,480	13,601,027	14,798,507
Net Position - September 30, 2021	$ 1,599,497	$ 12,365,567	$ 13,965,064

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Insurance	Central Garage	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from customers and users	$ 19,460,719	$ 8,450,369	$ 27,911,088
Payments to suppliers	(18,472,800)	(1,670,725)	(20,143,525)
Payments to employees	(482,311)	(1,176,501)	(1,658,812)
Net Cash Provided by Operating Activities	505,608	5,603,143	6,108,751
Cash Flows From Noncapital Financing Activity			
Transfers from other funds	1,615,000	(76,190)	1,538,810
Net Cash Provided by (Used in) Noncapital Financing Activity	1,615,000	(76,190)	1,538,810
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	--	(3,778,946)	(3,778,946)
Proceeds from the sale of capital assets	--	238,553	238,553
Principal paid on capital debt	--	(208,698)	(208,698)
Interest paid on capital debt	--	(16,826)	(16,826)
Net Cash Used in Capital and Related Financing Activities	--	(3,765,917)	(3,765,917)
Cash Flows From Investing Activities			
Purchases of investments	(4,184,468)	(2,389,364)	(6,573,832)
Interest on investments	100,469	57,366	157,835
Net Cash Used in Investing Activities	(4,083,999)	(2,331,998)	(6,415,997)
Net Change in Cash and Cash Equivalents	(1,963,391)	(570,962)	(2,534,353)
Cash and Cash Equivalents - October 1, 2020	2,042,650	570,962	2,613,612
Cash and Cash Equivalents - September 30, 2021	$ 79,259	$ --	$ 79,259
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	$ (1,227,016)	$ (1,642,215)	$ (2,869,231)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	--	2,895,858	2,895,858
Change in assets and liabilities:			
Accounts receivable	(201)	21,055	20,854
Inventories	--	(50,265)	(50,265)
Prepaid expenses	--	(889,033)	(889,033)
Deferred amount related to OPEB	27,370	72,983	100,353
Deferred amount related to pensions	255,282	563,087	818,369
Accounts payable and accrued expenses	345,754	1,219,764	1,565,518
Due to other funds	1,210,987	4,207,318	5,418,305
Refundable deposits payable	(279)	307	28
Compensated absences payable	8,856	(20,237)	(11,381)
Insurance claims payable	225,787	--	225,787
Total OPEB liability	(19,533)	(65,421)	(84,954)
Net pension asset	(321,399)	(710,058)	(1,031,457)
Total adjustments	1,732,624	7,245,358	8,977,982
Net Cash Provided by Operating Activities	$ 505,608	$ 5,603,143	$ 6,108,751
Non-Cash Capital and Related Financing and Investing Activities			
Equipment contributed from governmental capital assets	$ --	$ 76,190	$ 76,190
Equipment transferred from enterprise fund capital assets	$ --	$ 213,397	$ 213,397
Realized and unrealized gain on investments	$ (81,011)	$ (46,258)	$ (127,269)

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held in trust or as an agent by the City for others and include pension trust funds.

General Employees' Pension Fund – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all permanent, full-time City employees except those covered by the Police Officers' and Firefighters' Retirement System Funds.

Police Officers' Retirement System Fund – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all non-civilian police department employees of the City. The fund was established by City Ordinance No. 17-16 which created a separate retirement system for all non-civilian police department employees, effective October 1, 2016.

Firefighters' Retirement System Fund – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all non-civilian fire department employees of the City. The fund was established by City Ordinance No. 17-16 which created a separate retirement system for all non-civilian fire department employees, effective October 1, 2016.

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

SEPTEMBER 30, 2021

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
Assets				
Cash	$ 29,430	$ 15,931	$ 24,657	$ 70,018
Investments:				
Money market mutual funds	4,159,040	3,400,584	3,388,593	10,948,217
U.S. Government securities	11,999,150	6,787,316	--	18,786,466
U.S. Government Agency securities	8,496,964	4,806,810	--	13,303,774
Domestic corporate bonds	5,753,664	4,139,767	--	9,893,431
Fixed income mutual fund	13,537,565	6,826,102	24,005,288	44,368,955
Global asset allocation investment fund	--	3,772,417	--	3,772,417
Domestic equity securities	36,323,248	38,143,081	49,807,758	124,274,087
Domestic equity mutual funds	--	13,722,446	5,242,904	18,965,350
Domestic equity index funds	--	14,026,975	21,913,848	35,940,823
Pooled domestic equity index funds	73,010,475	11,683,920	5,207,062	89,901,457
International equity mutual funds	17,441,271	16,614,645	23,613,264	57,669,180
Foreign stocks	3,291,833	1,114,930	3,823,600	8,230,363
Timber investment funds	--	808,936	896,564	1,705,500
Real estate investment funds	--	5,801,490	9,198,988	15,000,478
Fixed income alternative investment fund	--	1,494,987	1,656,932	3,151,919
Interest and dividends receivable	99,329	82,853	24,236	206,418
Pending trades receivable	128,110	252,042	281,730	661,882
Employee contributions receivable	--	45,257	55,668	100,925
Miscellaneous receivable	--	6,995	--	6,995
Total Assets	174,270,079	133,547,484	149,141,092	456,958,655
LIABILITIES				
Accounts payable	237,936	78,005	114,824	430,765
Pending trades payable	1,329,572	1,189,796	715,384	3,234,752
Total Liabilities	1,567,508	1,267,801	830,208	3,665,517
NET POSITION				
Restricted for pension benefits	$ 172,702,571	$ 132,279,683	$ 148,310,884	$ 453,293,138

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
Additions				
Contributions				
Employer	$ 3,123,630	$ 8,033,015	$ 7,798,004	$ 18,954,649
State of Florida	--	834,187	1,201,496	2,035,683
Plan members	1,229,630	1,063,695	1,242,141	3,535,466
Total contributions	4,353,260	9,930,897	10,241,641	24,525,798
Investment earnings				
Net appreciation in fair value of investments	33,376,970	22,486,417	27,101,398	82,964,785
Interest, dividends and investment fund income	2,974,499	2,383,915	2,354,540	7,712,954
Other investment income	24,436	91	102	24,629
	36,375,905	24,870,423	29,456,040	90,702,368
Less investment expenses	(319,648)	(545,308)	(652,044)	(1,517,000)
Net investment earnings	36,056,257	24,325,115	28,803,996	89,185,368
Total Additions	40,409,517	34,256,012	39,045,637	113,711,166
Deductions				
Benefits	7,950,686	9,289,177	9,184,788	26,424,651
Refunds of contributions	93,686	22,953	23,041	139,680
Administrative expenses	119,862	151,623	141,002	412,487
Total Deductions	8,164,234	9,463,753	9,348,831	26,976,818
Change In Plan Net Position	32,245,283	24,792,259	29,696,806	86,734,348
Net Position Restricted for Pension Benefits at October 1, 2020	140,457,288	107,487,424	118,614,078	366,558,790
Net Position Restricted for Pension Benefits at September 30, 2021	$ 172,702,571	$ 132,279,683	$ 148,310,884	$ 453,293,138

OTHER SUPPLEMENTARY INFORMATION

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenue				
Taxes:				
Ad valorem	$ 75,599,793	$ 75,599,793	$ 76,496,032	$ 896,239
Sales and use	1,340,533	1,340,533	1,280,111	(60,422)
Utility	6,490,000	6,490,000	7,569,744	1,079,744
Communications services tax	2,964,617	2,964,617	2,767,188	(197,429)
Business tax receipts	985,000	985,000	836,610	(148,390)
Total taxes	87,379,943	87,379,943	88,949,685	1,569,742
Fees and permits:				
Building permits	5,570,000	5,570,000	7,524,916	1,954,916
Franchise fees	5,136,350	5,136,350	5,898,386	762,036
Miscellaneous	3,651,500	3,651,500	3,065,740	(585,760)
License fees	170,000	170,000	55,036	(114,964)
Total fees and permits	14,527,850	14,527,850	16,544,078	2,016,228
Intergovernmental:				
Federal shared revenue:				
Hazmat Sustainment	--	--	25,126	25,126
Highway Safety Grants	35,000	35,000	118,212	83,212
Justice Assistance Grants	1,504,974	1,504,974	1,504,447	(527)
Total federal shared revenue	1,539,974	1,539,974	1,647,785	107,811
State shared revenue:				
State revenue sharing	2,099,450	2,099,450	2,407,800	308,350
Local government sales tax	5,121,970	5,121,970	5,860,470	738,500
Alcoholic beverage licenses tax	90,000	90,000	97,203	7,203
Municipal fuel tax refund	50,000	50,000	58,364	8,364
Mobile home licenses tax	300	300	572	272
Fire incentive	79,680	79,680	57,902	(21,778)
State grants	70,247	70,247	29,271	(40,976)
Total state shared revenue	7,511,647	7,511,647	8,511,582	999,935
Shared revenue from local units:				
County occupational licenses	130,000	130,000	130,828	828
Palm Beach County grants	--	25,250	827,861	802,611
Total shared revenue from local units	130,000	155,250	958,689	803,439
Total intergovernmental	9,181,621	9,206,871	11,118,056	1,911,185

(Continued)

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenue (continued):				
Charges for services:				
General government	$ 847,500	$ 847,500	$ 1,402,353	$ 554,853
Public safety	9,934,644	9,934,644	9,469,854	(464,790)
Physical environment	85,000	85,000	164,966	79,966
Parking	3,305,641	3,305,641	3,159,140	(146,501)
Culture and recreation	1,164,931	1,747,931	1,950,023	202,092
Total charges for services	15,337,716	15,920,716	16,146,336	225,620
Fines and forfeitures:				
Court	1,189,623	1,189,623	866,171	(323,452)
Penalties on licenses and permits	90,000	90,000	57,173	(32,827)
Violations of local ordinances	147,375	147,375	158,823	11,448
Total fines and forfeitures	1,426,998	1,426,998	1,082,167	(344,831)
Miscellaneous:				
Interest	487,677	487,677	148,955	(338,722)
Rents and special assessments	282,585	282,585	210,528	(72,057)
Sale of capital assets	--	--	1,600	1,600
Contributions and donations	5,222,875	5,238,197	5,036,680	(201,517)
Recovery of administrative costs	5,118,940	5,118,940	5,118,940	--
Other	377,157	377,157	531,714	154,557
Total miscellaneous	11,489,234	11,504,556	11,048,417	(456,139)
Total Revenue	139,343,362	139,966,934	144,888,739	4,921,805
Other Financing Sources:				
Prior year surplus	5,235,823	11,237,632	--	(11,237,632)
Transfers in:				
Water and Sewer Fund	3,128,580	3,128,580	3,259,484	130,904
Municipal and Lakeview Golf Course Funds	54,701	54,701	54,701	--
City Marina Fund	65,190	65,190	65,190	--
Utilities Tax Fund	--	--	--	--
Sanitation Fund	91,786	91,786	91,786	--
Stormwater Utility Fund	429,085	429,085	685,507	256,422
Total transfers in	3,769,342	3,769,342	4,156,668	387,326
Total Other Financing Sources	9,005,165	15,006,974	4,156,668	(10,850,306)
Total Revenue and Other Financing Sources	$ 148,348,527	$ 154,973,908	149,045,407	$ (5,928,501)
Reconciliation to GAAP Basis Statements				
On-behalf payments			2,035,683	
Revenue and Other Financing Sources - GAAP Basis			$ 151,081,090	

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - COMPARED WITH APPROPRIATIONS - GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
General Government						
City commission	$ 524,679	$ 524,679	$ 342,253	$ --	$ 342,253	$ 182,426
City manager	1,745,615	1,760,937	1,269,741	74,905	1,344,646	416,291
Communications	222,854	222,854	200,575	--	200,575	22,279
Economic development	578,427	578,427	300,441	--	300,441	277,986
Human resources	926,151	926,151	922,084	--	922,084	4,067
City clerk	745,367	802,956	740,591	--	740,591	62,365
Finance	2,033,150	2,046,650	1,988,523	10,000	1,998,523	48,127
Information technology	5,183,132	5,246,059	5,042,834	39,868	5,082,702	163,357
City attorney	1,350,158	1,350,158	1,324,297	--	1,324,297	25,861
Purchasing	716,009	716,009	586,571	--	586,571	129,438
Grants and Aids:						
Library	1,453,500	1,453,500	1,453,500	--	1,453,500	--
Other grants and aids	215,700	215,700	177,200	--	177,200	38,500
Miscellaneous and contingency	736,760	4,371,088	582,025	--	582,025	3,789,063
Tax increment payments to CRA	15,469,560	15,469,560	15,432,083	--	15,432,083	37,477
Total General Government	$ 31,901,062	$ 35,684,728	$ 30,362,718	$ 124,773	$ 30,487,491	$ 5,197,237
Public Safety						
Police	39,090,060	39,121,865	38,060,381	85,319	38,145,700	976,165
Fire	38,359,630	38,373,085	36,353,345	48,967	36,402,312	1,970,773
Development services						
Planning and zoning	1,744,720	1,760,686	1,581,644	36,377	1,618,021	142,665
Building inspection	2,784,930	2,857,180	2,498,903	72,250	2,571,153	286,027
Neighborhood and Community Services:						
Administration	328,349	305,349	293,454	--	293,454	11,895
Clean and Safe	938,358	938,358	833,076	--	833,076	105,282
Code compliance	1,580,718	1,603,718	1,327,335	--	1,327,335	276,383
Total Public Safety	$ 84,826,765	$ 84,960,241	$ 80,948,138	$ 242,913	$ 81,191,051	$ 3,769,190
Physical Environment						
Public works:						
Engineering	1,470,112	1,653,935	1,022,426	115,648	1,138,074	515,861
Programs	275,773	281,045	238,286	--	238,286	42,759
Project management	472,756	472,756	472,971	--	472,971	(215)
Administration	722,271	722,271	724,203	--	724,203	(1,932)
Street maintenance	1,222,995	1,222,995	1,042,146	--	1,042,146	180,849
Traffic operations	420,057	420,057	340,959	2,440	343,399	76,658
Street lighting	763,405	763,405	735,280	--	735,280	28,125
Parking facilities	1,322,768	1,328,033	1,225,539	151,880	1,377,419	(49,386)
Right of way landscaping	--	--	--	--	--	--
Building maintenance	2,706,859	2,891,403	2,405,099	97,347	2,502,446	388,957
Total Physical Environment	$ 9,376,996	$ 9,755,900	$ 8,206,909	$ 367,315	$ 8,574,224	$ 1,181,676

(Continued)

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - COMPARED WITH APPROPRIATIONS - GENERAL FUND (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
Parks and Recreation						
Administration	$ 1,041,833	$ 1,043,552	$ 1,108,554	$ --	$ 1,108,554	$ (65,002)
Out of school program	306,209	330,594	306,504	--	306,504	24,090
Teen center	455,766	456,348	460,859	--	460,859	(4,511)
Catherine Strong Park	304,568	282,968	323,927	--	323,927	(40,959)
Community center	385,681	389,799	341,762	--	341,762	48,037
Veteran's park recreation facility	170,667	170,990	179,752	--	179,752	(8,762)
Pompey Park recreation facility	1,148,674	1,145,429	915,249	--	915,249	230,180
Parks maintenance	3,906,781	3,914,313	3,757,057	--	3,757,057	157,256
Special events	330,582	330,582	329,402	--	329,402	1,180
Cemetery	496,529	496,529	462,472	48,868	511,340	(14,811)
Tennis centers	1,395,480	1,978,480	2,014,663	--	2,014,663	(36,183)
Tennis stadium	2,810,779	2,869,111	2,684,452	--	2,684,452	184,659
Aquatics	528,160	543,160	524,319	8,932	533,251	9,909
Athletics	530,142	574,331	542,499	3,365	545,864	28,467
Total Parks and Recreation	$ 13,811,851	$ 14,526,186	$ 13,951,471	$ 61,165	$ 14,012,636	$ 513,550
Debt Service						
Principal retirement	352,047	352,047	143,350	--	143,350	208,697
Interest and fiscal charges	35,518	35,518	14,462	--	14,462	21,056
Total Debt Service	387,565	387,565	157,812	--	157,812	229,753
Total Expenditures and Encumbrances	140,304,239	145,314,620	133,627,048	796,166	134,423,214	10,891,406
Other Financing Uses						
Transfers out to other funds:						
Neighborhood Services Fund	183,941	183,941	183,941	--	183,941	--
Beautification Fund	930,000	930,000	930,000	--	930,000	--
Utilities Tax Fund	3,425,900	3,425,900	3,425,900	--	3,425,900	--
Capital Improvement Fund	3,350,000	3,350,000	3,350,000	--	3,350,000	--
Beach Restoration Fund	154,447	154,447	154,447	--	154,447	--
Insurance Fund	--	1,615,000	1,615,000	--	1,615,000	--
Total Other Financing Uses	8,044,288	9,659,288	9,659,288	--	9,659,288	--
Total Expenditures, Encumbrances and Other Financing Uses	$ 148,348,527	$ 154,973,908	$ 143,286,336	$ 796,166	144,082,502	$ 10,891,406
Reconciliation to GAAP Basis Statements						
Current year encumbrances outstanding					(796,166)	
Prior year encumbrances paid in current year					830,320	
On-behalf payments					2,035,683	
Expenditures and Other Financing Uses - GAAP Basis					$ 146,152,339	

SCHEDULES OF DEBT SERVICE REQUIREMENTS

CITY OF DELRAY BEACH, FLORIDA

SUMMARY SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST) TO MATURITY

Fiscal Year Ending September 30,	General Obligation Bonds	Governmental Activities Revenue Bonds	Water and Sewer Revenue Bonds	Installment Agreements	Total Requirements
2022	$ 2,133,746	$ 8,211,942	$ 1,948,965	$ 580,956	$ 12,875,609
2023	2,130,461	8,211,422	--	571,137	10,913,020
2024	2,134,041	7,575,675	--	387,547	10,097,263
2025	--	6,947,725	--	--	6,947,725
2026	--	6,940,526	--	--	6,940,526
2027	--	6,951,004	--	--	6,951,004
2028	--	3,428,500	--	--	3,428,500
2029	--	3,432,850	--	--	3,432,850
2030	--	3,429,500	--	--	3,429,500
2031	--	3,429,812	--	--	3,429,812
2032	--	3,428,250	--	--	3,428,250
2033	--	1,028,438	--	--	1,028,438
2034	--	1,027,050	--	--	1,027,050
2035	--	1,024,650	--	--	1,024,650
Total	$ 6,398,248	$ 65,067,344	$ 1,948,965	$ 1,539,640	$ 74,954,197

CITY OF DELRAY BEACH, FLORIDA

COMBINED SCHEDULE OF GENERAL OBLIGATION BOND DEBT SERVICE REQUIREMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2022	$ 1,945,000	$ 188,746	$ 2,133,746	$ 4,264,502
2023	2,015,000	115,461	2,130,461	2,134,041
2024	2,095,000	39,041	2,134,041	--
Total	$ 6,055,000	$ 343,248	$ 6,398,248	

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF GENERAL OBLIGATION BONDS (SERIES 2005)

Fiscal Year Ending September 30,	Principal February 1	Interest February 1	Interest August 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 1,030,000	$ 81,836	$ 55,860	$ 1,167,696	$ 2,328,109	5.04%
2023	1,080,000	55,860	28,624	1,164,484	1,163,625	5.04
2024	1,135,000	28,625	--	1,163,625	--	5.04
Total	$ 3,245,000	$ 166,321	$ 84,484	$ 3,495,805		

Original Authorization	– $24,000,000
Issued	– $10,000,000
Date of Issue	– August 26, 2005
Maturity Range	– Serially February 1, 2014 through February 1, 2024
Principal Payment Date	– February 1 of each year
Interest Payment Dates	– February 1 and August 1
Denomination	– $5,000
Call Features	– Penalty with early prepayment
Paying Agent	– Truist Bank, NA (formally SunTrust Bank, NA)
Ratings	– N/A

Projects: The bonds were issued for the acquisition of land, equipping of new parks, recreation centers, parking garage and library.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF GENERAL OBLIGATION BONDS (SERIES 2013)

Fiscal Year Ending September 30,	Principal February 1	Interest February 1	Interest August 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 915,000	$ 30,489	$ 20,561	$ 966,050	$ 1,936,393	2.17%
2023	935,000	20,561	10,416	965,977	970,416	2.17
2024	960,000	10,416	--	970,416	--	2.17
Total	$ 2,810,000	$ 61,466	$ 30,977	$ 2,902,443		

Original Authorization	– $9,000,000
Issued	– $8,810,000
Date of Issue	– November 21, 2013
Maturity Range	– Serially February 1, 2014 through February 1, 2024
Principal Payment Date	– February 1 of each year
Interest Payment Dates	– February 1 and August 1
Denomination	– $5,000
Call Features	– No optional or mandatory redemption
Paying Agent/Registrar	– PNC Bank
Ratings	– N/A

Projects: The bonds were issued for the purpose of defeasing the Series 2004 GO Bonds which were used for the acquisition of land, equipping of new parks and recreation centers.

CITY OF DELRAY BEACH, FLORIDA

COMBINED SCHEDULE OF GOVERNMENTAL ACTIVITIES REVENUE BONDS DEBT SERVICE REQUIREMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2022	$ 6,526,984	$ 1,684,958	$ 8,211,942	$ 56,855,402
2023	6,727,733	1,483,689	8,211,422	48,643,980
2024	6,300,014	1,275,661	7,575,675	41,068,305
2025	5,865,000	1,082,725	6,947,725	34,120,580
2026	6,050,000	890,526	6,940,526	27,180,054
2027	6,260,000	691,004	6,951,004	20,229,050
2028	2,855,000	573,500	3,428,500	16,800,550
2029	2,945,000	487,850	3,432,850	13,367,700
2030	3,030,000	399,500	3,429,500	9,938,200
2031	3,125,000	304,812	3,429,812	6,508,388
2032	3,225,000	203,250	3,428,250	3,080,138
2033	930,000	98,438	1,028,438	2,051,700
2034	960,000	67,050	1,027,050	1,024,650
2035	990,000	34,650	1,024,650	--
Total	$ 55,789,731	$ 9,277,613	$ 65,067,344	

Note: Includes all CRA Tax Increment Redevelopment Revenue Bonds.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF CAPITAL IMPROVEMENT REVENUE BONDS (SERIES 2017)

Fiscal Year Ending September 30,	Serial Bond Principal October 1	Interest April 1	Interest October 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 3,155,000	$ 194,922	$ 164,003	$ 3,513,925	$ 17,567,755	1.96%
2023	3,220,000	164,003	132,447	3,516,450	14,051,305	1.96
2024	3,280,000	132,447	100,303	3,512,750	10,538,555	1.96
2025	3,345,000	100,303	67,522	3,512,825	7,025,730	1.96
2026	3,410,000	67,522	34,104	3,511,626	3,514,104	1.96
2027	3,480,000	34,104	--	3,514,104	--	1.96
Total	$ 19,890,000	$ 693,301	$ 498,379	$ 21,081,680		

Original Authorization	– $31,500,000
Issued	– $31,500,000 Serial Bonds
Date of Issue	– June 23, 2017
Maturity Range	– Serial Bonds: October 1, 2018 through October 1, 2026
Principal Payment Date	– October 1 of each year
Interest Payment Dates	– April 1 and October 1 of each year
Pledged Revenue	– Non-ad valorem tax revenues
Denomination	– N/A
Call Features	– Optional redemption for bonds maturing on or after June 1, 2026 at 100%
Paying Agent	– Bank of America
Ratings	– N/A

Projects: The bonds were issued to finance the costs of certain infrastructure capital projects.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF UTILITIES TAX REVENUE REFUNDING AND IMPROVEMENT BONDS (SERIES 2015)

Fiscal Year Ending September 30,	Serial Bond Principal June 1	Interest December 1	Interest June 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 2,175,000	$ 628,825	$ 628,825	$ 3,432,650	$ 37,393,550	5.00%
2023	2,280,000	574,450	574,450	3,428,900	33,964,650	5.00
2024	2,400,000	517,450	517,450	3,434,900	30,529,750	5.00
2025	2,520,000	457,450	457,450	3,434,900	27,094,850	5.00
2026	2,640,000	394,450	394,450	3,428,900	23,665,950	5.00
2027	2,780,000	328,450	328,450	3,436,900	20,229,050	5.00
2028	2,855,000	286,750	286,750	3,428,500	16,800,550	5.00
2029	2,945,000	243,925	243,925	3,432,850	13,367,700	3.00
2030	3,030,000	199,750	199,750	3,429,500	9,938,200	3.00
2031	3,125,000	152,406	152,406	3,429,812	6,508,388	3.00
2032	3,225,000	101,625	101,625	3,428,250	3,080,138	3.13
2033	930,000	49,219	49,219	1,028,438	2,051,700	3.25
2034	960,000	33,525	33,525	1,027,050	1,024,650	3.25
2035	990,000	17,325	17,325	1,024,650	--	3.38
Total	$ 32,855,000	$ 3,985,600	$ 3,985,600	$ 40,826,200		

Original Authorization	– $44,000,000
Issued	– $39,020,000 Serial Bonds
Date of Issue	– April 1, 2015
Maturity Range	– Serial Bonds: June 1, 2016 through June 1, 2035
Principal Payment Date	– June 1 of each year
Interest Payment Dates	– June 1 and December 1 of each year
Pledged Revenue	– Utilities service tax revenues
Denomination	– N/A
Call Features	– Optional redemption for bonds maturing on or after June 1, 2026 at 100%
Paying Agent	– US National Association
Ratings	– S&P AA-, Moody's Aa3

Projects: The bonds were issued to refund a portion of the Utility Tax Revenue Bonds, Series 2007; to pay a portion of the Bond Anticipation Revenue Improvement Note, Series 2013; and, to finance the costs of rebuilding Fire Station No. 3 and certain beach amenity projects.

CITY OF DELRAY BEACH, FLORIDA

COMBINED SCHEDULE OF WATER AND SEWER REVENUE BONDS
DEBT SERVICE REQUIREMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2022	$ 1,925,000	$ 23,965	$ 1,948,965	$ --
Total	$ 1,925,000	$ 23,965	$ 1,948,965	

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF WATER AND SEWER REVENUE BONDS (SERIES 2006B)

Fiscal Year Ending September 30,	Serial Bond Principal October 1	Interest October 1	Interest April 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 205,000	$ 4,959	$ --	$ 209,959	$ --	4.84%
Total	$ 205,000	$ 4,959	$ --	$ 209,959		

Original Authorization	– $2,350,000
Issued	– $2,350,000
Date of Issue	– November 17, 2006
Maturity Range	– Serial Bonds: October 1, 2007 through October 1, 2021
Principal Payment Date	– October 1 of each year
Interest Payment Dates	– October 1 and April 1 of each year
Pledged Revenue	– Utility system net revenues
Denomination	– N/A
Call Features	– Penalty for early payment
Paying Agent	– Truist Bank, NA (formally SunTrust Bank, NA)
Ratings	– N/A

Projects: The bonds were issued to finance the City's share of the Reclaimed Water Treatment Project at the South Central Regional Wastewater Treatment Facility.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF WATER AND SEWER REFUNDING BONDS (SERIES 2011A)

Fiscal Year Ending September 30,	Serial Bond Principal October 1	Interest October 1	Interest April 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 600,000	$ 6,630	$ --	$ 606,630	$ --	2.21%
Total	$ 600,000	$ 6,630	$ --	$ 606,630		

Original Authorization	– $5,430,000
Issued	– $5,430,000
Date of Issue	– September 29, 2011
Maturity Range	– Serial Bonds: October 1, 2012 through October 1, 2021
Principal Payment Date	– October 1 of each year
Interest Payment Dates	– October 1 and April 1 of each year
Pledged Revenue	– Utility system net revenues
Denomination	– None
Call Features	– 1% penalty for early payment
Paying Agent	– Truist Bank, NA (formally Branch Banking and Trust Company)
Ratings	– N/A

Projects: The bonds were issued to finance the cost of refunding the Series 2006A Water and Sewer Revenue Bonds.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF WATER AND SEWER REVENUE REFUNDING BONDS (SERIES 2011B)

Fiscal Year Ending September 30,	Serial Bond Principal October 1	Interest October 1	Interest April 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 1,120,000	$ 12,376	$ --	$ 1,132,376	$ --	2.21%
Total	$ 1,120,000	$ 12,376	$ --	$ 1,132,376		

Original Authorization	– $8,160,000
Issued	– $8,160,000
Date of Issue	– October 18, 2011
Maturity Range	– Serial Bonds: October 1, 2012 through October 1, 2021
Principal Payment Date	– October 1 of each year
Interest Payment Dates	– October 1 and April 1 of each year
Pledged Revenue	– Utility system net revenues
Denomination	– N/A
Call Features	– 1% penalty for early payment
Paying Agent	– Truist Bank, NA (formally Branch Banking and Trust Company)
Ratings	– N/A

Projects: The bonds were issued to refund the 2007 Water and Sewer Revenue Bond Issue. The 2007 Water and Sewer Revenue Bonds were issued for the purpose of funding the City's share of the Reclaimed Water Treatment Project and the Deepwell Project at the South Central Regional Wastewater Treatment Facility.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF INSTALLMENT AGREEMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2022	$ 539,319	$ 41,637	$ 580,956	$ 958,684
2023	544,721	26,416	571,137	387,547
2024	378,344	9,203	387,547	--
Total	$ 1,462,384	$ 77,256	$ 1,539,640	

Schedule of installment agreements consists of the following:

PNC Leasing – Original amount of principal—$182,800, 60-month term, 2.85% interest, payable monthly January 7, 2017 through December 7, 2021, secured by golf carts at the Delray Beach Municipal Golf Course.

PNC Leasing – Original amount of principal—$1,462,569, 84-month term, 2.432% interest, payable monthly December 7, 2017 through December 7, 2023, secured by two fire pumper trucks.

PNC Leasing – Original amount of principal—$1,004,607, 84-month term, 2.432% interest, payable monthly December 7, 2017 through December 7, 2023, secured by a fire ladder truck.

CITY OF DELRAY BEACH, FLORIDA

COMBINED SCHEDULE OF COMMUNITY REDEVELOPMENT AGENCY TAX INCREMENT REDEVELOPMENT REVENUE BONDS (SERIES 2012 AND SERIES 2015)

Fiscal Year Ending September 30,	Principal April 1/Oct. 1	Interest April 1/Oct. 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2022	$ 1,196,984	$ 68,383	$ 1,265,367	$ 1,894,097	2.78 - 2.88 %
2023	1,227,733	38,339	1,266,072	628,025	2.78 - 2.88
2024	620,014	8,011	628,025	--	2.78 - 2.88
Totals	$ 3,044,731	$ 114,733	$ 3,159,464		

Original Authorization	– $4,000,000 (Series 2012 - Tax-exempt draw down bond) – $2,000,000 (Series 2015 - Tax-exempt draw down bond)
Issued	– $3,919,225 draws to October 1, 2018 (Series 2012 - Tax-exempt) – $2,000,000 draws to January 29, 2019 (Series 2015 - Tax-exempt)
Date of Issue	– February 10, 2012 (2012 Series) – January 29, 2016 (2015 Series)
Maturity Range	– Serially September 1, 2018 through October 1, 2023 (Series 2012 and 2015)
Principal Payment Date	– Series 2012: September 1 and April 1 of each year, commencing the first September 1 or April 1 after final draw – Series 2015: September 1 and April 1 of each year, commencing the first September 1 or April 1 after final draw
Interest Rate	– Series 2012: 2.10% on outstanding balance commencing October 1, 2012 and 2.88% on outstanding balance commencing April 1, 2016 – Series 2015: 2.78% on outstanding balance commencing April 1, 2016
Pledged Revenue	– Tax increment revenues
Denomination	– N/A
Call Features	– No penalty for early payment for taxable debt only
Paying Agent/Registrar	– City National Bank of Florida (Series 2012 and 2015)
Ratings	– Not rated
Project:	– The Series 2012 and 2015 proceeds were issued for the purpose of financing the costs of acquisition and construction of certain redevelopment projects.

STATISTICAL SECTION

STATISTICAL SECTION

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

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Financial Trends..... 154-162

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 163-165

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity..... 166-169

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

Demographic and Economic Information..... 170-171

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 172-174

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City of Delray Beach *provides and the activities it performs.*

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

CITY OF DELRAY BEACH, FLORIDA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	$ 78,326,444	$ 70,077,233	$ 69,969,843	$ 67,883,652	$ 83,352,304	$ 94,498,408	$ 133,947,140	$ 142,771,519	$ 151,463,017	$ 166,850,944
Restricted	1,801,017	1,618,934	1,745,885	2,991,799	3,102,189	5,747,894	9,743,679	10,201,536	7,084,293	27,350,234
Unrestricted (deficit)	35,072,705	43,858,427	51,496,227	(6,748,871)	(10,566,092)	(16,349,766)	(24,386,173)	(24,273,405)	(24,607,721)	(27,276,080)
Total Governmental Activities Net Position	$ 115,200,166	$ 115,554,594	$ 123,211,955	$ 64,126,580	$ 75,888,401	$ 83,896,536	$ 119,304,646	$ 128,699,650	$ 133,939,589	$ 166,925,098
Business-type Activities										
Net investment in capital assets	$ 76,043,338	$ 79,245,276	$ 85,086,776	$ 88,760,143	$ 97,070,159	$ 100,024,904	$ 104,384,378	$ 107,509,243	$ 107,576,983	$ 108,687,933
Restricted	4,620,831	4,428,595	2,222,394	3,880,165	3,572,645	3,604,806	3,744,085	3,494,654	3,558,286	8,879,997
Unrestricted	43,705,842	46,849,014	49,393,057	50,522,734	53,312,727	57,526,842	57,215,688	59,051,311	62,960,813	58,378,089
Total Business-type Activities Net Position	$ 124,370,011	$ 130,522,885	$ 136,702,227	$ 143,163,042	$ 153,955,531	$ 161,156,552	$ 165,344,151	$ 170,055,208	$ 174,096,082	$ 175,946,019
Primary Government										
Net investment in capital assets	$ 154,369,782	$ 149,322,509	$ 155,056,619	$ 156,643,795	$ 180,422,463	$ 194,523,312	$ 238,331,518	$ 250,280,762	$ 259,040,000	$ 275,538,877
Restricted	6,421,848	6,047,529	3,968,279	6,871,964	6,674,834	9,352,700	13,487,764	13,696,190	10,642,579	36,230,231
Unrestricted	78,778,547	90,707,441	100,889,284	43,773,863	42,746,635	41,177,076	32,829,515	34,777,906	38,353,092	31,102,009
Total Primary Government Net Position	$ 239,570,177	$ 246,077,479	$ 259,914,182	$ 207,289,622	$ 229,843,932	$ 245,053,088	$ 284,648,797	$ 298,754,858	$ 308,035,671	$ 342,871,117

Note: GASB Statement No. 68 was adopted for 2015 resulting in the reduction of unrestricted net position by approximately $74 million for net pension liabilities of the City's defined benefit pension plans.

CITY OF DELRAY BEACH, FLORIDA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year									
Expenses	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	$ 19,076,155	$ 18,456,193	$ 23,014,006	$ 18,050,754	$ 22,968,532	$ 26,679,900	$ 31,680,429	$ 35,617,235	$ 34,027,104	$ 34,363,721
Public safety	54,742,173	57,249,952	58,417,444	62,013,271	65,918,444	70,348,624	75,694,658	85,620,516	88,253,173	82,397,287
Physical environment	7,638,881	8,110,979	7,984,163	8,143,146	7,714,515	10,366,782	14,065,033	16,268,827	14,746,699	12,286,732
Parks and recreation	15,241,008	24,399,517	15,370,063	13,400,031	13,311,802	14,195,210	15,653,597	16,821,403	18,143,786	15,435,019
Economic development	--	--	--	--	--	--	11,244,955	10,920,391	20,293,239	20,002,537
Interest on long-term debt	2,551,029	2,414,349	2,090,947	3,259,673	2,229,468	2,306,897	2,806,144	2,592,730	2,333,202	2,058,988
Total Governmental Activities Expenses	99,249,246	110,630,990	106,876,623	104,866,875	112,142,761	123,897,413	151,144,816	167,841,102	177,797,203	166,544,284
Business-type activities:										
Water and Sewer	25,957,121	24,799,536	24,462,318	24,335,317	24,467,001	26,741,734	25,899,650	27,638,570	29,678,332	30,768,550
Stormwater	1,694,769	1,660,899	1,476,036	1,631,007	1,546,867	1,893,877	1,889,375	1,861,488	2,230,218	1,928,660
Sanitation	4,640,061	4,686,520	4,677,510	6,326,114	3,748,162	5,195,029	6,534,537	4,435,509	4,505,066	4,551,556
Municipal Golf Course	2,932,249	3,060,771	3,073,076	2,934,725	3,098,149	2,909,445	2,952,039	3,072,842	2,533,254	2,442,025
Lakeview Golf Course	614,895	605,393	575,059	556,711	566,898	563,587	593,209	626,703	591,710	663,202
City Marina	122,499	80,426	93,963	94,090	88,509	107,813	158,492	165,383	35,908	63,539
Cemetery	--	--	--	--	--	800	3,339	64,121	367,714	400,292
Total Business-type Activities Expenses	35,961,594	34,893,545	34,357,962	35,877,964	33,515,586	37,412,285	38,030,641	37,864,616	39,942,202	40,817,824
Total Primary Government Expenses	$ 135,210,840	$ 145,524,535	$ 141,234,585	$ 140,744,839	$ 145,658,347	$ 161,309,698	$ 189,175,457	$ 205,705,718	$ 217,739,405	$207,362,108
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 5,651,807	$ 5,566,254	$ 6,104,202	$ 7,583,178	$ 7,378,380	$ 10,451,376	$ 10,051,233	$ 10,692,718	$ 8,896,565	$ 12,048,045
Public safety	7,842,116	8,046,157	7,971,996	8,912,161	9,031,132	9,481,433	9,362,635	11,157,736	10,086,236	10,640,390
Physical environment	1,605,704	1,753,619	1,985,081	2,048,277	2,063,648	1,706,116	2,244,409	3,351,124	2,250,915	3,324,106
Parks and recreation	2,011,941	1,766,249	1,860,432	2,125,935	1,825,824	1,686,662	1,448,739	1,856,465	1,579,026	2,193,262
Economic development	--	--	--	--	--	--	424,354	161,313	125,106	143,469
Operating grants and contributions:										
General government	3,432,599	3,035,452	4,031,439	3,711,327	960,763	3,474,068	5,825,944	6,933,078	10,770,073	12,553,365
Public safety	2,362,428	2,280,986	2,162,469	2,717,267	2,604,202	2,123,336	2,310,771	2,405,993	3,587,887	3,879,956
Physical environment	--	10,000	--	--	--	--	--	--	--	--
Parks and recreation	281,651	1,864,383	7,334,572	102,871	210,948	24,990	81,561	171,519	168,846	847,352
Economic development	--	--	--	--	--	--	260,589	524,571	89,331	89,331
Capital grants and contributions:										
General government	119,652	136,689	435,039	615,926	944,673	429,737	2,467,808	328,922	199,779	431,800
Physical environment	37,408	3,963,421	120,248	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	--	--	--	11,044,131	9,001,868
Total Governmental Activities Program Revenues	$ 23,345,306	$ 28,423,210	$ 32,005,478	$ 27,816,942	$ 25,019,570	$ 29,377,718	$ 34,478,043	$ 37,583,439	$ 48,797,895	$ 55,152,944

(Continued)

CITY OF DELRAY BEACH, FLORIDA

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues (continued)										
Business-type activities:										
Charges for services:										
Water and Sewer	$ 30,855,031	$ 30,771,956	$ 31,571,968	$ 32,482,206	$ 32,815,643	$ 34,135,162	$ 33,491,651	$ 33,564,702	$ 33,509,707	$ 34,888,415
Stormwater	2,135,445	2,158,887	2,128,772	2,108,862	2,111,117	2,160,127	2,181,550	2,151,690	2,133,063	2,017,865
Sanitation	5,046,386	5,183,866	4,969,127	4,693,015	4,132,645	4,200,945	4,348,694	4,720,889	4,762,445	4,700,264
Municipal Golf Course	2,807,593	2,998,040	3,005,811	3,127,554	3,129,388	3,113,583	2,992,596	3,169,381	2,423,699	2,458,442
Lakeview Golf Course	655,175	610,313	635,489	662,453	610,903	646,391	637,666	732,439	665,559	850,341
City Marina	195,627	209,625	243,234	219,286	223,401	239,205	252,524	139,209	--	78,494
Cemetery	--	--	--	--	--	92,890	84,238	98,323	141,399	163,029
Operating grants and contributions:										
Water and Sewer	351,852	590,080	343,532	55,970	430,950	986,210	701,424	1,009	511,105	1,936
Stormwater	12,859	388	12,334	23,466	22,986	11,239	--	12,404	1,525,589	1
Sanitation	305,901	229,518	207,656	206,278	254,232	235,566	427,388	111,603	202,828	1,079,534
Municipal Golf Course	53,799	57,160	60,962	63,652	78,803	58,649	57,985	65,958	57,778	66,102
Lakeview Golf Course	5,443	5,118	4,612	5,378	8,544	5,649	5,010	5,435	4,616	5,809
City Marina	4,682	1,914	2,570	2,281	11,743	2,543	1,115	1,160	1,450	2,440
Cemetery	--	--	--	--	--	600	--	--	--	--
Capital grants and contributions:										
Water and Sewer	913,308	1,808,752	877,588	1,354,457	1,092,373	842,618	1,204,893	767,550	702,276	473,921
Stormwater	--	60,101	48,442	13,294	--	65,810	349,371	82,853	140,202	120,546
Municipal Golf Course	545	--	--	--	--	--	--	--	--	--
Total Business-type Activities Programs Revenues	43,343,646	44,685,718	44,112,097	45,018,152	44,922,728	46,797,187	46,736,105	45,624,605	46,781,716	46,907,139
Total Primary Government Program Revenues	$ 66,688,952	$ 73,108,928	$ 76,117,575	$ 72,835,094	$ 69,942,298	$ 76,174,905	$ 81,214,148	$ 83,208,044	$ 95,579,611	$ 102,060,083
Net (Expense) Revenue										
Governmental activities	$ (75,903,940)	$ (82,207,780)	$ (74,871,145)	$ (77,049,933)	$ (87,123,191)	$ (94,519,695)	$ (116,666,773)	$ (130,257,663)	$ (128,999,308)	$(111,391,340)
Business-type activities	7,382,052	9,792,173	9,754,135	9,140,188	11,407,142	9,384,902	8,705,464	7,759,989	6,839,514	6,089,315
Total Primary Government Net Expense	$ (68,521,888)	$ (72,415,607)	$ (65,117,010)	$ (67,909,745)	$ (75,716,049)	$ (85,134,793)	$ (107,961,309)	$ (122,497,674)	$ (122,159,794)	$(105,302,025)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 46,224,759	$ 47,036,144	$ 47,695,425	$ 51,971,057	$ 56,876,767	$ 59,282,428	$ 83,602,342	$ 90,261,662	$ 95,139,737	$ 102,996,884
Franchise fees	4,758,027	4,640,568	5,134,527	5,269,680	5,132,170	5,209,446	5,240,982	5,317,253	5,114,526	5,898,386
Utility service taxes	8,805,643	8,958,647	9,307,370	9,462,152	9,383,744	9,468,782	9,842,605	10,032,079	9,926,040	10,336,932
Sales taxes	1,307,897	1,310,488	1,341,267	1,397,627	1,426,451	3,654,505	3,561,644	3,633,681	3,542,170	3,446,611
Local business tax	700,100	748,768	737,231	786,579	839,208	911,668	883,112	876,577	850,765	836,610
Intergovernmental, unrestricted	5,864,142	6,261,001	6,795,748	7,143,751	7,174,725	7,381,660	7,543,300	7,797,976	7,561,740	8,511,582
Investment earnings	275,451	363,285	258,802	308,589	306,237	873,235	1,852,523	4,205,582	2,552,908	224,418
Gain on disposal of capital assets	--	2,240,888	--	29,100	37,765	28,361	--	48,681	20,330	1,538,253
Miscellaneous	8,307,853	7,725,615	7,533,386	12,793,025	16,829,794	13,411,235	12,438,792	13,250,807	5,652,219	6,287,108
Transfers	3,317,650	3,685,290	3,724,750	3,562,620	878,151	2,306,510	3,475,651	4,228,369	3,878,812	4,299,065
Total Governmental Activities	79,561,522	82,970,694	82,528,506	92,724,180	98,885,012	102,527,830	128,440,951	139,652,667	134,239,247	144,375,849
Business-type activities										
Investment earnings	77,359	90,795	132,999	270,617	248,146	122,629	75,389	1,179,437	1,080,172	59,687
Gain on disposal of capital assets	--	--	16,958	--	15,352	--	--	--	--	--
Transfers	(3,317,650)	(3,685,290)	(3,724,750)	(3,562,620)	(878,151)	(2,306,510)	(3,475,651)	(4,228,369)	(3,878,812)	(4,299,065)
Total Business-type Activities	(3,240,291)	(3,594,495)	(3,574,793)	(3,292,003)	(614,653)	(2,183,881)	(3,400,262)	(3,048,932)	(2,798,640)	(4,239,378)
Total Primary Government	$ 76,321,231	$ 79,376,199	$ 78,953,713	$ 89,432,177	$ 98,270,359	$ 100,343,949	$ 125,040,689	$ 136,603,735	$ 131,440,607	$ 140,136,471

(Continued)

CITY OF DELRAY BEACH, FLORIDA

CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues (continued)										
Changes in Net Position										
Governmental activities	$ 3,657,582	$ 762,914	$ 7,657,361	$ 15,674,247	$ 11,761,821	$ 8,008,135	$ 11,774,178	$ 9,395,004	$ 5,239,939	$ 32,984,509
Business-type activities	4,141,761	6,197,678	6,179,342	5,848,185	10,792,489	7,201,021	5,305,202	4,711,057	4,040,874	1,849,937
Total Primary Government	$ 7,799,343	$ 6,960,592	$ 13,836,703	$ 21,522,432	$ 22,554,310	$ 15,209,156	$ 17,079,380	$ 14,106,061	$ 9,280,813	$ 34,834,446

CITY OF DELRAY BEACH, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Taxes	Tax Increment Revenue [1]	Franchise Fees	Utility Service Taxes	Sales and Use Tax [2]	Local Business Tax	Total
2012	$ 46,224,759	$ --	$ 4,758,027	$ 8,805,643	$ 1,307,897	$ 700,100	$ 61,796,426
2013	47,036,144	--	4,640,568	8,958,647	1,310,488	748,768	62,694,615
2014	47,695,425	--	5,134,527	9,307,370	1,341,267	737,231	64,215,820
2015	51,971,057	--	5,269,680	9,462,152	1,397,627	786,579	68,887,095
2016	56,876,767	--	5,132,170	9,383,744	1,426,451	839,208	73,658,340
2017	59,282,428	--	5,209,446	9,468,782	3,654,505	911,668	78,526,829
2018	63,702,987	19,899,355	5,240,982	9,842,605	3,561,644	883,112	103,130,685
2019	68,084,866	22,176,796	5,317,253	10,032,079	3,633,681	876,577	110,121,252
2020	71,371,233	23,768,504	5,114,526	9,926,040	3,542,170	850,765	114,573,238
2021	76,496,032	29,953,112	5,898,386	10,336,932	3,447,611	836,610	126,968,683

(1) The tax increment revenue is from the Delray Beach Community Redevelopment Agency that became a blended component unit beginning in 2018.

(2) In 2017 the City began receiving the proceeds of a local option sales tax approved by voters for a 10 year period to finance local infrastructure capital projects.

CITY OF DELRAY BEACH, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable:										
Inventories	$ 27,688	$ 31,810	$ 22,270	$ 20,467	$ 20,091	$ 18,465	$ 52,610	$ 74,653	$ 14,064	$ 19,844
Prepaid items	828,555	796,362	803,979	912,548	669,738	32,809	60,108	48,530	624,612	469,796
Long-term notes receivable	3,173,159	3,139,659	3,139,659	7,282,742	3,500	--	--	--	--	--
Restricted for:										
Capital improvements	5,984	5,984	5,984	5,984	5,985	5,984	5,985	5,985	5,985	5,985
Committed for:										
Economic development	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	500,000	500,000
Assigned to:										
General government	151,304	209,672	373,543	--	--	152,070	1,054,033	57,334	85,347	113,542
Public safety	--	--	--	--	--	578,755	399,084	267,151	133,608	175,757
Physical environment	--	--	--	--	--	1,110,890	466,039	501,087	276,013	376,106
Parks and recreation	--	--	--	--	--	36,597	44,076	4,748	145,125	130,761
Subsequent year's budget	1,600,000	--	--	--	400,000	--	3,148,441	1,034,959	5,235,823	5,235,823
Unassigned	19,741,367	22,864,687	23,700,352	31,843,644	36,984,767	39,273,110	37,908,768	42,538,044	37,992,606	42,914,320
Total General Fund	$ 26,528,057	$ 28,048,174	$ 29,045,787	$ 41,065,385	$ 39,084,081	$ 42,208,680	$ 44,139,144	$ 45,532,491	$ 45,013,183	$ 49,941,934
All Other Governmental Funds										
Nonspendable:										
Prepaid items	$ --	$ --	$ --	$ 935	$ 750	$ --	$ 29,314	$ 81,886	$ --	$ 5,089
Long-term notes receivable	--	--	--	--	--	--	--	--	--	--
Restricted for:										
Debt service	505,178	520,914	519,593	1,514,496	1,512,898	1,555,006	1,549,816	1,530,068	1,564,902	1,593,479
Law enforcement	1,000,591	815,232	946,004	1,195,724	1,307,711	1,166,924	1,109,178	1,214,333	1,297,619	1,334,197
Capital improvements	289,264	276,804	274,304	275,595	275,595	34,519,980	36,078,700	35,421,150	27,200,787	23,534,371
Community development	985,816	733,533	556,557	1,890,147	1,995,011	1,618,720	1,715,729	1,637,261	1,614,749	961,892
Committed for:										
Economic development	--	--	--	--	--	--	--	3,859,229	3,823,987	4,336,151
Assigned to:										
Public safety	121,420	126,383	127,523	124,615	137,876	178,284	192,590	174,553	192,709	285,132
Physical environment	--	--	--	--	--	--	--		--	
Parks and recreation	1,385,951	1,328,551	1,404,962	1,586,977	1,773,431	302,628	281,695	489,693	1,058,823	976,659
Capital improvements	8,155,302	12,170,799	20,530,505	22,686,037	17,304,033	17,041,318	24,209,669	19,691,591	27,287,858	31,581,464
Subsequent year's budget	--	--	--	--	--	--	6,977,412	16,404,645	19,260,521	22,679,957
Unassigned										
Special Revenue Funds (deficit)	--	(11,483)	--	--	--	--	--	--	--	--
Total all Other Governmental Funds	$ 12,443,522	$ 15,960,733	$ 24,359,448	$ 29,274,526	$ 24,307,305	$ 56,382,860	$ 72,144,103	$ 80,504,409	$ 83,301,955	$ 87,288,391

Note: GASB Statement No. 54 was adopted for 2011 resulting in the reclassification of the Governmental Funds fund balances.

CITY OF DELRAY BEACH, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	$ 57,038,399	$ 58,054,047	$ 59,081,293	$ 63,617,415	$ 68,526,170	$ 73,317,383	$ 97,889,703	$ 104,803,999	$ 109,458,712	$ 117,618,037
Licenses and permits	9,534,404	9,281,304	10,431,335	12,124,145	11,364,551	14,557,921	14,150,027	14,799,891	12,942,583	16,544,078
Intergovernmental	11,940,820	13,451,822	20,324,228	13,675,216	10,950,638	13,004,054	15,761,576	17,308,566	17,677,610	20,821,235
Charges for services	11,132,277	11,300,477	11,357,851	12,148,312	12,468,984	12,461,409	13,147,960	15,689,112	13,718,981	16,533,044
Fines and forfeitures	1,202,914	1,191,070	1,267,052	1,666,774	1,597,619	1,515,703	1,474,365	2,047,606	1,390,810	1,170,536
Miscellaneous	8,550,807	8,130,876	7,900,378	14,592,475	17,785,403	15,230,734	14,891,618	17,935,376	23,712,529	20,836,025
Total Revenues	99,399,621	101,409,596	110,362,137	117,824,337	122,693,365	130,087,204	157,315,249	172,584,550	178,901,225	193,522,955
Expenditures										
Current										
General government	17,900,248	17,639,897	21,181,580	18,948,238	23,125,406	24,211,901	28,034,121	31,145,975	30,291,065	34,293,485
Public safety	53,017,993	54,885,089	56,479,283	61,070,530	65,947,616	67,581,678	69,350,959	78,484,385	81,090,925	83,272,983
Physical environment	4,950,217	5,427,738	5,474,282	5,828,266	5,557,126	7,371,526	10,359,928	11,010,999	10,027,960	9,586,044
Parks and recreation	12,759,647	21,758,749	12,942,976	11,718,153	11,936,500	11,973,800	12,652,879	13,235,662	14,432,115	14,446,274
Economic development	--	--	--	--	--	--	11,244,955	10,920,391	20,051,187	20,002,537
Capital outlay	4,360,188	5,367,587	7,184,219	7,950,057	9,839,169	11,806,866	12,658,192	10,261,376	13,042,023	17,365,711
Debt service										
Principal retirement	3,734,924	6,932,904	5,489,848	14,676,629	11,197,870	3,468,713	7,390,732	8,533,634	8,108,299	8,994,808
Interest and other fiscal charges	2,574,191	2,423,784	2,128,407	2,157,085	2,350,249	2,151,910	2,750,170	2,693,240	2,477,899	2,211,804
Bond issue costs	--	18,574	42,030	620,925	--	70,560	--	--	--	--
Total Expenditures	99,297,408	114,454,322	110,922,625	122,969,883	129,953,936	128,636,954	154,441,936	166,285,662	179,521,473	190,173,646
Excess of Revenues Over (Under) Expenditures	102,213	(13,044,726)	(560,488)	(5,145,546)	(7,260,571)	1,450,250	2,873,313	2,873,313	(620,248)	3,349,309
Other Financing Sources (Uses)										
Issuance of bonds	--	2,629,000	8,810,000	42,285,456	--	31,500,000	1,250,000	1,950,000	--	--
Bond anticipation note issued	--	11,799,612	6,190,036	1,799,244	--	--	--	--	--	--
Installment agreement issued	825,000	--	--	--	--	--	1,004,607	--	--	1,011,144
Proceeds from the sale of capital assets	1,727	889	--	934	790	42,309	1,443,597	46,013	2,870	2,007,876
Redemption of bonds	--	--	(8,767,970)	(25,568,032)	--	--	--	--	--	--
Transfers in	6,723,835	8,049,046	7,096,181	6,159,463	10,953,739	13,395,520	12,559,561	9,498,922	9,147,019	12,206,146
Transfers out	(3,405,485)	(4,396,496)	(3,371,431)	(2,596,843)	(10,644,483)	(11,187,925)	(9,163,070)	(8,040,170)	(6,251,403)	(9,659,288)
Total Other Financing Sources (Uses)	4,145,077	18,082,051	9,956,816	22,080,222	310,046	33,749,904	7,094,695	3,454,765	2,898,486	5,565,878
Net Change in Fund Balances	$ 4,247,290	$ 5,037,325	$ 9,396,328	$ 16,934,676	$ (6,950,525)	$ 35,200,154	$ 9,968,008	$ 6,328,078	$ 2,278,238	$ 8,915,187
Debt Service as a Percentage of Non-Capital Expenditures	6.65%	8.58%	7.34%	14.64%	11.28%	4.81%	7.15%	7.20%	6.36%	6.49%

CITY OF DELRAY BEACH, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Taxes	Tax Increment Revenue [1]	Utility Service Taxes	Sales and Use Tax [2]	Local Business Tax	Total
2012	$ 46,224,759	$ --	$ 8,805,643	$ 1,307,897	$ 700,100	$ 57,038,399
2013	47,036,144	--	8,958,647	1,310,488	748,768	58,054,047
2014	47,695,425	--	9,307,370	1,341,267	737,231	59,081,293
2015	51,971,057	--	9,462,152	1,397,627	786,579	63,617,415
2016	56,876,767	--	9,383,744	1,426,451	839,208	68,526,170
2017	59,282,428	--	9,468,782	3,654,505	911,668	73,317,383
2018	63,702,987	19,899,355	9,842,605	3,561,644	883,112	97,889,703
2019	68,084,866	22,176,796	10,032,079	3,633,681	876,577	104,803,999
2020	71,371,233	23,768,504	9,926,040	3,542,170	850,765	109,458,712
2021	76,496,032	29,953,112	10,336,932	3,447,611	836,610	121,070,297

(1) The tax increment revenue is from the Delray Beach Community Redevelopment Agency that became a blended component unit beginning in 2018.

(2) In 2017 the City began receiving the proceeds of a local option sales tax approved by voters for a 10 year period to finance local infrastructure capital projects.

CITY OF DELRAY BEACH, FLORIDA

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

Fiscal Year Ending September 30,	Tax Roll Year	Just Value				Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Total Taxable Assessed Value as a % of Estimated Actual Value
		Real Property	Personal Property	Centrally Assessed Property	Total					
2012	2011	$ 7,629,495,267	$ 309,196,114	$ 3,817,341	$ 7,942,508,722	$ 1,793,453,521	$ 6,149,055,201	7.8033	$ 7,400,391,321	83.09%
2013	2012	7,694,442,624	300,188,574	3,534,871	7,998,166,069	1,791,146,696	6,207,019,373	7.8033	7,432,751,782	83.51%
2014	2013	8,394,493,799	303,495,744	3,999,617	8,701,989,160	2,107,124,944	6,594,864,216	7.5064	7,834,736,483	84.17%
2015	2014	9,466,869,392	313,309,504	4,639,408	9,784,818,304	2,545,422,652	7,239,395,652	7.4639	8,495,771,769	85.21%
2016	2015	10,791,342,859	335,931,328	4,706,897	11,131,981,084	3,156,786,813	7,975,194,271	7.3367	9,266,850,397	86.06%
2017	2016	12,078,341,921	350,472,163	5,116,264	12,433,930,348	3,632,397,474	8,799,184,526	7.2107	10,139,528,779	86.78%
2018	2017	13,031,532,052	308,798,836	5,280,088	13,345,610,976	3,739,167,107	9,606,443,869	7.0900	11,025,497,279	87.13%
2019	2018	13,745,764,634	326,159,163	5,440,000	14,077,363,797	3,661,522,344	10,415,841,453	6.9719	11,877,807,039	87.69%
2020	2019	14,520,154,928	331,487,068	7,773,129	14,859,415,125	3,769,536,808	11,089,878,317	6.8645	12,604,762,821	87.98%
2021	2020	15,254,496,718	370,020,858	7,313,944	15,631,831,520	3,743,463,842	11,888,367,678	6.8497	13,466,726,469	88.28%

Note: The basis of just value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

Source: Palm Beach County Property Appraiser - Form DR-403F (Revised Recapitulation of the Ad Valorem Assessment Rolls of Delray Beach County, Florida).

CITY OF DELRAY BEACH, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	General Fund	Debt Service	Total City of Delray Beach	School District	Palm Beach County	Special Taxing Districts	Total All
2012	7.1900	0.6133	7.8033	8.1800	4.9928	2.3436	23.3197
2013	7.1992	0.6041	7.8033	7.7780	4.9902	2.3154	22.8869
2014	7.1611	0.3453	7.5064	7.5859	4.9902	2.2800	22.3625
2015	7.1611	0.3028	7.4639	7.5940	4.9729	2.1732	22.2040
2016	7.0611	0.2756	7.3367	7.5120	4.9277	2.0974	21.8738
2017	6.9611	0.2496	7.2107	7.0700	4.9142	1.9453	21.1402
2018	6.8611	0.2289	7.0900	6.7690	4.9023	1.7818	20.5431
2019	6.7611	0.2108	6.9719	6.5720	4.8980	1.6920	20.1339
2020	6.6611	0.2034	6.8645	7.1640	4.8580	1.6873	20.5738
2021	6.6611	0.1886	6.8497	7.0100	4.8124	1.6753	20.3474

Tax rate limits - Ten mills per Florida Statute 200.81 (one mill equals $1 per $1,000 of assessed valuation).

Scope of tax rate limit - No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.

Taxes assessed - January 1

Taxes due - March 31

Taxes delinquent - April 1

Discount allowed - 4% November; 3% December; 2% January; 1% February

Penalties for delinquent - 3% plus advertising costs

Tax collector - Palm Beach County

Tax collector’s commission - None

CITY OF DELRAY BEACH, FLORIDA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
SEPTEMBER 30, 2021

	2021				2012			
	Taxable Assessed Valuation	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxable Assessed Valuation	Taxes Levied	Rank	Percentage of Total Taxes Levied
Tenet Healthcare Corp	$ 117,163,618	$ 802,536	1	0.99%	$ 38,101,572	$ 297,318	2	0.64%
Florida Power and Light Co.	111,836,415	766,046	2	0.94%	74,210,014	579,083	1	1.24%
CO BB Delray Owner LLC	85,567,277	586,110	3	0.72%	--	--		0.00%
Citation Club Investors	75,897,153	519,873	4	0.64%	37,416,734	291,974	3	0.63%
Lifespace Communities Inc.	68,708,906	470,635	5	0.58%	28,013,661	218,599	9	0.47%
Congress Avenue Apartments Member LLC	61,979,968	424,544	6	0.52%	--	--		0.00%
Linton Delray LLC	55,591,894	380,788	7	0.47%	34,857,432	272,003	5	0.58%
Depot FL Partners LLC	50,737,255	347,535	8	0.43%	--			0.00%
IMP Delray LLC	49,117,147	336,438	9	0.41%	--			0.00%
TRPF Atlantic At East Delray LLC	44,797,534	306,850	10	0.38%	--			0.00%
RREEF	--	--	-	-	37,345,995	291,422	4	0.63%
Ocean Properties Ltd.	--	--	-	-	33,999,974	265,312	6	0.57%
HHC Seagate Inc.	--	--	-	-	33,999,974	265,312	7	0.57%
Delray Community Hospital	--	--	-	-	29,434,983	229,690	8	0.49%
MS LPC South Congress Holdings, LLC	--	--		-	25,720,657	200,706	10	0.43%
Pineapple Grove Village, LLC	--	--	-	-	--	--		0.00%
Totals	$ 721,397,167	$ 4,941,354		6.08%	$ 373,100,996	$ 2,911,419		6.25%

Source: Palm Beach County Property Appraiser's Office

Net Tax Levy:	
Fiscal Year 2021	$ 81,433,074
Fiscal Year 2012	$ 46,543,434
City Millage Rate:	
Fiscal Year 2021	6.8497
Fiscal Year 2012	7.8033

CITY OF DELRAY BEACH, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Net Tax Levy*	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
2012	$ 46,543,434	$ 46,891,671	100.75%	$ 144,473	$ 47,036,144	101.06%
2013	47,610,690	47,230,589	99.20%	464,836	47,695,425	100.18%
2014	54,077,708	51,832,318	95.85%	138,739	51,971,057	96.10%
2015	58,557,569	56,789,971	96.98%	86,796	56,876,767	97.13%
2016	58,512,469	58,688,757	100.30%	593,671	59,282,428	101.32%
2017	63,449,114	63,527,367	100.12%	175,620	63,702,987	100.40%
2018	68,138,009	68,064,438	99.89%	20,428	68,084,866	99.92%
2019	72,618,995	67,980,754	93.61%	104,112	68,084,866	93.76%
2020	76,127,852	73,356,606	96.36%	107,922	71,371,233	93.75%
2021	81,433,074	78,552,211	96.46%	111,321	78,663,532	96.60%

Note: All property taxes are assessed and collected by Palm Beach County without charge to the City. Collections are distributed in full as collected.

*Net Tax Levy is for City ad valorem taxes and excludes tax increment revenues received by the CRA.

Source: Palm Beach County Tax Collector

CITY OF DELRAY BEACH, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Total Debt as a Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Revenue Bonds	Obligation Under Installment Agreements	Revenue Bonds	Capital Appreciation Bonds	Obligation Under Installment Agreements			
2012	$ 24,605,000	$ 35,558,216	$ 128,460	$ 26,271,178	$ 7,789,967	$ 64,782	$ 94,417,603	3.29%	$ 1,535
2013	22,081,834	35,216,172	803,924	23,717,698	8,496,031	31,410	90,347,069	3.15%	1,462
2014	17,970,000	47,875,872	503,906	15,396,205	--	--	81,745,983	2.70%	1,304
2015	16,435,000	54,939,822	386,854	13,761,371	--	--	85,523,047	2.78%	1,354
2016	14,845,000	45,259,291	267,429	11,448,036	--	109,439	71,929,195	2.29%	1,124
2017	13,205,000	74,849,925	1,618,610	9,555,316	--	239,215	99,468,066	4.35%	1,512
2018	11,505,000	75,524,364	2,170,939	7,613,016	--	180,420	96,993,739	2.81%	1,401
2019	9,755,000	70,666,611	1,804,068	5,625,000	--	115,066	87,965,745	2.45%	1,257
2020	7,935,000	64,326,172	1,460,380	3,805,000	--	48,168	77,574,720	2.16%	1,096
2021	6,055,000	52,745,000	1,452,612	1,925,000	--	9,772	62,187,384	1.70%	872

CITY OF DELRAY BEACH, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Assessed Value of Taxable Property	Debt as a Percentage of Assessed Value of Taxable Property	Population	General Bonded Debt Per Capita
2012	$ 24,605,000	$ --	$ 24,605,000	$ 6,149,055,201	0.40%	61,495	$ 400
2013	22,081,834	--	22,081,834	6,207,019,373	0.36%	61,801	357.31
2014	17,970,000	--	17,970,000	6,594,864,216	0.27%	62,700	286.60
2015	16,435,000	--	16,435,000	7,239,395,652	0.23%	63,175	260.15
2016	14,845,000	--	14,845,000	7,975,194,271	0.19%	63,972	232.05
2017	13,205,000	43,762	13,161,238	8,799,184,526	0.15%	65,804	200.01
2018	11,505,000	40,372	11,464,628	9,606,443,869	0.12%	69,228	165.61
2019	9,755,000	22,424	9,732,576	10,415,841,453	0.09%	69,957	139.12
2020	7,935,000	59,058	7,875,942	11,089,878,317	0.07%	70,767	111.29
2021	6,055,000	--	6,055,000	11,888,367,678	0.05%	71,309	84.91

Note: The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

CITY OF DELRAY BEACH, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2021

	Total Outstanding	Percentage Applicable to City of Delray Beach[1]	Amount Applicable to City of Delray Beach
Direct:			
City of Delray Beach	$ 60,252,612	100.00%	$ 60,252,612
Overlapping:			
Palm Beach County	35,700,000	5.36%	1,913,520
Palm Beach County School District Certificates of Participation	1,342,130	5.64%	75,696
Total overlapping debt	37,042,130		1,989,216
Total Direct and Overlapping Debt	$ 97,294,742		$ 62,241,828
Population			71,309
Total direct and overlapping debt per capita			$ 873

[1] Estimates based on 2020 ratio of assessed taxable values.

Note: The City of Delray Beach has no legal debt margin.

Overlapping debt is the proportionate share of the debt of local jurisdictions located in part within the City limits. This schedule is intended to demonstrate the total debt City property tax payers will be expected to pay. The amount of debt applicable to the City is computed by (a) determining what portion of total assessed value of the overlapping jurisdiction lies within the limits of the City and (b) applying this percentage to the total governmental activities debt of the overlapping jurisdiction.

Source: Finance Department, City of Delray Beach, Florida
Palm Beach County Property Appraiser
School Board of Palm Beach County

CITY OF DELRAY BEACH, FLORIDA

WATER AND SEWER PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue [1]	Operating Expenses [2]	Revenue Available for Debt Coverage	Current Debt Expenses [3]	Current Coverage [4]
2012	$ 31,259,498	$ 19,706,178	$ 11,553,320	$ 5,351,049	2.16
2013	31,418,727	18,806,440	12,612,287	5,882,394	2.14
2014	32,002,573	18,831,725	13,170,848	11,480,122	1.15
2015	32,717,661	19,392,578	13,325,083	434,399	30.67
2016	33,402,805	19,693,777	13,709,028	2,057,854	6.66
2017	35,198,510	21,903,576	13,294,934	2,058,376	6.46
2018	34,240,093	21,342,061	12,898,032	2,058,364	6.27
2019	34,302,655	22,759,259	11,543,396	2,056,789	5.61
2020	34,695,476	24,598,927	10,096,549	1,937,403	5.21
2021	34,927,566	25,128,576	9,798,990	1,951,329	5.02

(1) Includes investment earnings, intergovernmental and rent (excludes capital contributions).

(2) Excludes depreciation expense, interest expense, investment expense, amortization expense, loss on disposal of equipment and loss on joint venture.

(3) Increase in debt service for 2014 and reduction of debt service for 2015 and thereafter due to final payment on September 30, 2014 for the Series 1993 Capital Appreciation Bonds.

(4) Minimum debt service coverage requirement is 1.1.

CITY OF DELRAY BEACH, FLORIDA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Delray Medical Center	1,280	1	3.53%	1,520	1	N/A
Palm Beach County School District	1,045	2	2.88%	--	-	-
City of Delray Beach	839	3	2.31%	--	-	-
Publix Supermarkets	725	4	2.00%	586	2	N/A
Seo Every Where	500	5	1.38%	--	-	-
Ed Morse Delray Toyota & Scion	450	6	1.24%	350	5	N/A
Annco Services	400	7	1.10%	400	4	N/A
Meisner Electric Inc of FL	370	8	1.02%	--	-	-
Shullman Technology Group	350	9	0.97%	--	-	-
Home Depot	318	10	0.88%	318	7	N/A
Auto Nation, Inc.	--	--	-	298	11	
Delray Lincoln Mercury	--	--	-	300	10	N/A
Pinecrest Rehabilitation Hospital	--	--	-	300	-	-
Target	--	--	-	350	6	N/A
Jetflite Inc	--	--	-	425	3	N/A
Totals	6,277		17.31%	4,847		N/A
Total Employment for Delray Beach:	36,266			N/A		

Source: Business Development Board of Palm Beach County.
Finance Department, City of Delray Beach, Florida.

N/A Data is not available for 2012.

CITY OF DELRAY BEACH, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	City Population[1]	County Population[1]	Per Capita Personal Income[2]	Estimated Total Personal Income[3]	Median Age[1]	School Enrollment[4]	Unemployment Rate[1]
2012	61,495	1,335,415	$ 46,641	$ 2,868,188,295	45.5	7,745	8.7%
2013	61,801	1,345,652	46,434	2,869,667,634	45.5	7,745	7.0%
2014	62,700	1,360,238	48,224	3,023,644,800	45.7	8,059	6.4%
2015	63,175	1,378,417	48,706	3,077,001,550	45.1	7,760	6.4%
2016	63,972	1,391,741	49,193	3,146,974,596	44.9	7,473	4.4%
2017	65,804	1,414,144	34,728	2,285,241,312	44.8	7,139	3.2%
2018	69,228	1,471,150	49,940	3,457,246,320	45.1	7,259	3.1%
2019	69,957	1,498,187	50,181	3,510,512,217	45.4	7,121	2.8%
2020	70,767	1,541,961	50,683	3,586,683,861	45.0	7,139	7.4%
2021	71,309	1,594,618	51,190	3,650,307,710	45.0	6,478	3.8%

Data Sources:

(1) Business Development Board of Palm Beach County.
Median Age for 2011 to current is for the City of Delray Beach, Florida. 2010 data is for Palm Beach County.

(2) Bureau of Economic Analysis
Per Capita Personal Income for the current fiscal year is estimated at a 1% growth rate from the previous year.

(3) Estimated based on County per capita personal income and City population.

(4) The School Enrollment is from the Palm Beach County School Board.

CITY OF DELRAY BEACH, FLORIDA

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	67	67	59	62.5	72.5	80.5	80	78	85	77
Public Safety										
Community Improvement	5	5	5	7.5	6	12	14	14	14	13
Planning & Zoning	16	16	12.5	14	15	16	15	16	16	16
Building Inspection	20	20	16	14	19	20	25	24	24	24
Code Compliance	17	17	15	18.5	18	18	19	19	19	19
Law Enforcement	239	229	225	212.5	216.5	222	234	235	237	237
Fire Control	155	160	157	173	182.5	186	195	195	214	193
Community Development										
Block Grant	7	7	6	5	9.5	6	6	6	5	5
Insurance	4	4	4	3	4	2	5	5	5	5
City Garage	12	12	12	10	13	14.5	13	13	13	13
Physical Environment										
Public Works	25.5	25.5	27	21.5	20.5	22	32	51	32	33
Engineering	7	7	7	6	6	7	19	18	18	17
Sanitation	4	4	4	4	4	4	3	3	3	3
Stormwater Utility	6.5	6.5	6	5	7	6.5	7	7	7	7
Parks and Recreation	110	105	136	110.5	105	107	91	73	91	91
Water & Sewer Utility	118	118	117	111	114	111	122	131	138	138
Total	**813**	**803**	**809**	**778**	**813**	**835**	**880**	**888**	**921**	**891**

Source: Finance Department, City of Delray Beach, Florida.

CITY OF DELRAY BEACH, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Stations	3	3	3	3	3	2	2	1	1	1
Patrol units	208	181	201	209	212	206	214	223	228	212
Fire										
Fire stations [1]	6	6	6	6	6	6	6	6	6	6
Fire trucks	12	10	10	9	9	12	12	12	12	11
ALS rescue vehicles	9	9	9	9	9	12	12	12	12	11
Leisure Services										
Ballfields - lighted	16	15	15	15	15	15	15	15	15	15
Basketball courts	5	5	5	5	5	5	5	7	7	7
Football/Soccer fields [2]	7	7	7	7	7	7	7	7	7	7
Tennis courts	48	48	48	48	48	48	48	48	48	48
Parks [3]	22	22	22	23	24	24	59	59	59	59
Roads and Streets										
Lane miles [4]	314	321	321	308	308	309	310	310	310	310

Source: City of Delray Beach departments

The following data is not available:

Sanitation
Roads & Streets
Water/Sewer Utility

(1) The total number of Fire Stations includes Highland Beach where the City provides Fire and EMS Service.
(2) Soccer is played on the football fields. There are no separate soccer fields.
(3) Parks includes active parks only in 2017 and prior years. Beginning in 2018, Parks includes both active and passive parks.
(4) The number of lane miles are based on the City's GIS system.

CITY OF DELRAY BEACH, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Physical arrests	2,342	2,068	2,012	2,014	1,793	2,262	2,097	2,361	2,146	1,753
Traffic violations	12,393	10,135	10,913	19,702	19,703	17,815	18,472	22,396	17,801	21,064
Fire										
Number of calls	12,282	13,171	13,406	13,255	12,136	16,404	15,877	16,383	16,397	16,214
Parks and Recreation										
Library										
Circulation	237,755	234,029	226,938	191,759	187,400	180,989	170,969	200,348	138,977	205,534
Programs offered	1,194	975	808	791	756	1,506	1,982	2,612	2,276	907
Program attendance	25,905	25,052	23,055	24,488	22,232	19,663	26,894	34,891	19,205	8,590
Leisure Services (1)										
Youth athletic participants	24,389	20,238	38,220	35,638	29,573	24,000	36,000	2,405	2,136	1,444
Camp program participants	384	525	382	2,021	1,845	953	900	364	58	250
Class participants	36,556	54,839	59,342	50,747	49,786	36,605	25,000	21,096	20,320	9,071
Water/Sewer Utility										
Water customers	21,596	21,795	22,010	22,132	22,212	20,392	22,556	20,985	21,761	21,738
Water main breaks	442	401	374	477	373	305	268	11	13	6
Sewer customers	20,935	20,950	20,505	20,784	20,329	20,475	19,413	19,686	20,625	20,637
Sewer main breaks	3	--	--	--	1	1	5	2	2	2
Avg daily water consumption (thousands of gallons)	10,953	11,029	10,925	11,000	11,759	12,008	14,960	15,800	11,285	12,519

Source: City departments and the Delray Beach Public Library

The following data is not available:

Public Safety
Sanitation
Roads & Streets

(1) The methodology for determining Leisure Services participants changed in 2019 from a participant to enrollment basis.

REPORTING SECTION

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

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

We have audited, in accordance with auditing standards generally accepted in the Unites States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Delray Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated June 29, 2022. Our report includes a reference to other auditors who audited the financial statements of the Downtown Development Authority (the "DDA"), a discretely presented component unit. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) of the City, as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the City. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify
any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item SD 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the City are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Finding

The City's response to the internal control finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
June 29, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Delray Beach, Florida (the "City"), with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the fiscal year ended September 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the City's compliance.

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Opinion on Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
June 29, 2022

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Federal Grantor/ Pass-through Grantor Program or Cluster Title	Assistance Listing Number	Grant Number/ Pass-through Entity Identifying Number	Federal Expenditures
United States Department of Justice			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	2019-BUBX-19097579	8,310
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1807	42,317
Public Safety Partnership & Community Policing Grants	16.710	2020MHWXK022	3,819
Total United States Department of Treasury			**54,446**
United States Department of Transportation			
Indirect Programs:			
Highway Planning and Construction Cluster			
Passed through Florida Department of Transportation			
NE 2nd Ave / Seacrest Beautification	20.205	G1556	273,202
Federal Aid Highway Program	20.205	G1G01	440,129
Total Highway Planning and Construction Cluster			**713,331**
Highway Safety Cluster			
Passed through Florida Department of Transportation			
State and Community Highway Safety	20.600	G1R45	41,691
National Priority Safety Program	20.616	G1T76	50,000
Total Highway Safety Cluster			**91,691**
Total United States Department of Transportation			**805,022**
United States Department of Homeland Security			
Indirect Program:			
Passed through Florida Division of Emergency Management:			
Hurricane Irma Federal Assistance	97.036	Z1118	1,162,784
Homeland Security Grant Program	97.067	19-DS-01-10-60-23-278	14,626
Homeland Security Grant Program	97.067	EMW-2019-SS-00049-R0089	10,500
Passed through Florida Division of Emergency Management:			
Assistance to Firefighters Grant	97.083	EMW-2018-FH-00601	498,059
Total United States Department of Homeland Security			**1,685,969**
Total Expenditures of Federal Awards			**$ 2,545,437**

Note: No amounts provided to subrecipients.

See notes to schedule of expenditures of federal awards.

CITY OF DELRAY BEACH, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL

AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal grant activity of the City of Delray Beach, Florida (the "City"), under programs of the Federal government for the fiscal year ended September 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures relating to U.S. Department of Homeland Security, CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters - Hurricane Irma) are reported when 1) FEMA has approved the project worksheet, and 2) eligible expenditures have been incurred in accordance with FEMA regulations (See Note 5).

NOTE 3 - INDIRECT COST RATE

The City did not elect to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 4 - CONTINGENCY

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the City for the return of those funds. In the opinion of management, all grant expenditures were in substantial compliance with the terms of the grant agreements and applicable Federal statutes and regulations.

NOTE 5 - EXPENDITURES INCURRED IN PRIOR YEARS

Amounts reported in the Schedule of Expenditures of Federal Awards for U.S. Department of Homeland Security, CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters - Hurricane Irma) include expenditures of $629,874 incurred in a prior year.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	*Unmodified Opinion*
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified that are not considered to be material weakness?	__X__ Yes ____ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major federal program:	
Material weakness(es) identified?	____ Yes __X__ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for major federal programs:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a)?	____ Yes __X__ No

Identification of major federal program:

Major federal award program	**Assistance Listing No.**
U.S. Department of Homeland Security	
Pass-through Award from the State of Florida, Florida Division of Emergency Management	
Disaster Grants – Public Assistance (Presidentially Declared Disasters – Hurricane Irma)	97.036

Dollar threshold used to distinguish between Type A and Type B Federal award programs:	$ 750,000
Auditee qualified as low-risk auditee?	__X__ Yes ____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

SIGNIFICANT DEFICIENCY

SD 2021-001 – INTERNAL CONTROLS OVER PAYROLL PROCESS

Criteria

An accurate time and attendance system should be in place so complete and accurate time sheets are submitted for all employees and controls should be in place to automate the payroll process and provide a proper audit trail.

Condition

The City's external auditor randomly selected 40 employees and pay periods for testing payroll expenditures during fiscal years 2019 and 2020. In fiscal year 2020, it was noted that the hours reported on one timesheet did not agree to the hours paid as recorded in the payroll register. The timesheet reported six hours of overtime, which were not recorded on the payroll register and were not paid. In addition, two employee timesheets were not signed by supervisors to document their review and approval as required by City policy, and two additional employee timesheets were missing and could not be provided for our review. This condition was reported as Management Letter Comment 2019-001 (Payroll Processing) in both fiscal years 2019 and 2020. Subsequently, an Internal Audit Report was released by the City's Internal Auditor on May 12, 2022 that reported findings and recommendations to improve payroll processing. The payroll software ERP system as currently configured for payroll, is lacking the adequate audit trail and automation of many sub-processes within payroll are manual processes which increases the possibility of errors. The City utilizes a manual (Excel) timesheets some employees which require manual input by the various City departments. There was also a lack of formal policies and procedures manuals for payroll processing.

Cause

It appears that inaccurate or incomplete timesheets are being submitted by employees in various City departments for processing. After the payroll is processed, revised or corrected timesheets are submitted and the reported hours for the subsequent pay period are modified to make the corrections. The financial software system as currently configured for payroll, is lacking the adequate audit trail and automation of many sub-processes within payroll, which are in turn defaulted to manual processing and review by staff. Another cause could be the lack of formal policies and procedures for payroll processing.

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD 2021-001 – INTERNAL CONTROLS OVER PAYROLL PROCESS (CONTINUED)

Effect

Payroll payments could be incorrectly calculated based on incorrect timesheets. Significant documentation and effort are required by the finance department to reconcile and process payroll entered by the various departments which increases the risk of errors in the City's payroll.

Recommendation

We recommend that management review the current payroll processes and consider actions to ensure that employee timesheets are complete, accurate and timely when submitted to Finance for processing. City's Management is also encouraged to implement a time and attendance system to eliminate the manual timesheets currently in place. The City should consider implementing the same timesheet template for all employees to facilitate the processing of payroll (ex: some departments use TeleStaff, others use Call-Out forms but the hours marked on these forms are not shown on the timesheets, etc.).

Views Responsible Officials and Planned Corrective Action

See accompanying Corrective Action Plan.

SECTION III – FEDERAL AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

None

CITY OF DELRAY BEACH, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

NOTE I – PRIOR YEAR FINANCIAL FINDINGS

None.

NOTE II – PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

MARCUM
ACCOUNTANTS ▲ ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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

Report on the Financial Statements

We have audited the financial statements of the City of Delray Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 29, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 29, 2022, should be considered in conjunction with this management letter. The Delray Beach Community Redevelopment Agency, a blended component unit and major governmental fund of the City, the Delray Beach Downtown Development Authority, a discretely presented component unit, and the City of Delray Beach Firefighters' Retirement System and the City of Delray Beach Police Officers' Retirement System, which are fiduciary funds of the City, issue separate stand-alone audit reports. This management letter does not include the results of the testing of internal control over financial reporting or compliance and other matters that are reported on separately in the stand-alone audit reports for those entities.

MARCUM GROUP
MEMBER

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Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The City's predecessor auditor had reported finding 2019-001 *Payroll Processing* in both fiscal years 2019 and 2020. This management letter comment has not been addressed and requires further action and is reported as part of finding SD 2021-001 in the Schedule of Findings and Questioned Costs.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements. Also, as discussed in Note 1, the City included the Delray Beach Community Redevelopment Agency and Delray Beach Downtown Development Authority as component units of the City.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the fiscal year ended September 30, 2021.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City as of September 30, 2021. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the City. The results of our procedures disclosed no matters that are required to be reported. Our assessment was performed as of the fiscal year end.

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

West Palm Beach, Florida
June 29, 2022

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO SECTION 218.415 FLORIDA STATUTES

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

We have examined the City of Delray Beach, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, as of and for the fiscal year ended September 30, 2021.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
June 29, 2022

MARCUM GROUP
MEMBER

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CITY OF DELRAY BEACH
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CORRECTIVE ACTION PLAN

SD 2021-001 – INTERNAL CONTROLS OVER PAYROLL PROCESS

Management concurs with the finding. Management has created a task force from the various department within the City to address the recommendations. Management is reviewing options for time and attendance reporting systems and implementation is expected approximately nine months after the City chooses a time and attendance software. Management is updating policies and procedures and expects to develop revised policy and procedures by September 2022.

BEFORE ME, the undersigned authority, personally appeared Hugh Dunkley who being duly sworn, deposes and says on oath that:

1. I am the Finance Director of City of Delray Beach which is a local Municipality of the State of Florida;

2. City of Delray Beach adopted Ordinance No. 9.92 implementing an impact fee; and

3. City of Delray Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Finance Director

City of Delray Beach

STATE OF FLORIDA

COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 22 day of June, 2022.

Notary Public State of Florida
Elizabeth Brown
My Commission
HH 195794
Exp. 11/7/2025

Elizabeth Brown

NOTARY PUBLIC

Print Name Elizabeth Brown

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires: 11/7/25



Village By the Sea

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