

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended

September 2023



DELRAYBEACHFL.GOV

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF DELRAY BEACH, FLORIDA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by the

Finance Department

CITY OF DELRAY BEACH, FLORIDA

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INTRODUCTORY SECTION

CITY OF DELRAY BEACH
100 N.W. 1st AVENUE • DELRAY BEACH, FLORIDA 33444 • 561/243-7000

April 30, 2024

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, 2023. 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 unmodified opinions on the financial statements of the City of Delray Beach for the fiscal year ended September 30, 2023. 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 auditors' 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 population is that of 68,650 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).

The City was recently recognized by *Government Technology* as one of four Florida cities for their innovative efforts and technology projects impacting residents communitywide. Delray Beach was amongst this year's list of winners, following recent efforts to increase digital citizen engagement and access to information about city services and programs. During the fiscal year, the City was also designated one of the first two Blue Flag designations in the continental United States. The Blue Flag international jury awarded the Delray Beach Municipal Beach between Casuarina Road and Lang Street the coveted international designation for meeting a series of stringent environmental, educational, safety and accessibility standards. The international award program has existed for 36 years and is headquartered in Copenhagen, Denmark. 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 services, 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, 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 services, 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) and the Delray Beach Downtown Development Authority (DDA). The South Central Regional Wastewater Treatment and Disposal Board (SCRWTDB) is also included in this report. 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 2023, taxable values increased to $14.4 billion, representing a 15.2% increase over the 2022 taxable values of $12.5 billion. The City's total property tax rate for fiscal year 2023 decreased from 6.8403 to 6.6665. S&P Global Ratings recently assigned its 'AAA' long-term rating to the City's yet-to-be-issued $20 million Series 2024 general obligation bonds (parks projects). The City also received a credit upgrade of its issuer rating from Aa2 to Aa1 from Moody's Investors Service.

MAJOR INITIATIVES

As in years past, the City has allocated significant resources to major capital projects. The City has undertaken or substantially completed the following major capital projects during fiscal year 2022-23:

- Design Services for Pompey Park Community Center and Campus
- Atlantic Dunes Park Seawalls
- Island Drive Bridge Rehabilitation
- Osceola Park Neighborhood Improvements – Phase II
- Reclaimed Water Main for Area 10
- SE 8th Court Drainage Improvements
- Public Right-of-Way Accessibility Improvements
- Implementation of Electronic Plan Review Software

Economic Development During fiscal year 2023, the City continued its robust pace of office, hotel and commercial redevelopment. Some of the dynamic projects taking shape in the downtown area, include: Sundy Village, a mixed-use development totaling approximately 129,000 gross square feet of lifestyle, retail, amenitized office and 267 subterranean parking spaces; Phase II of Atlantic Crossing, a 9.22 acre mixed-use project that contains 37,642 square feet of retail space, 39,434 square feet of dining, 83,462 square feet of office space and 343 dwelling units. On Linton Boulevard, The Linton, a redevelopment of an existing commercial/retail plaza to incorporate residential component to create a mixed-use development; and along South Congress Avenue, the Parks at Delray, a residential community consisting of 693 apartments in garden-style four-and five-story buildings and 54 townhomes for a total of 747 multifamily units is under construction. Alexan, just north of Parks of Delray on Congress Avenue, will feature approximately 267 multi-family residential units on a 6.74-acre site consisting of one-bedroom to three-bedroom units.

LONG-TERM STRATEGIC PLANNING

During fiscal year 2023, the City Commission and the City's Executive Leadership Team convened in a goal-setting session and the following key focus areas were identified as integral to the City's continued vitality:

- Mobility
- Public Spaces
- Economic Affordability
- Downtown
- The SET ("West Settlers' District")
- Community Engagement and Civility
- Staff Development and Retention
- Sustainability and Resiliency
- Education
- City Facilities
- Arts & Culture

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 and state financial assistance programs, and to determine compliance with applicable laws and regulations. The results of the City's single audit for the fiscal year ended September 30, 2023 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, 2022. This was the 40th consecutive year the City received this prestigious award. To be awarded a Certificate of Achievement, a government must publish a comprehensive annual 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 41st 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, 2023. 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 28th 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" is extended 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 a 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 a strong financial position 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, CPFO, CGFO
Chief Financial Officer

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, 2022

Christopher P. Morrill

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, 2022

Christopher P. Morrill

Executive Director

LIST OF PRINCIPAL OFFICIALS

September 30, 2023

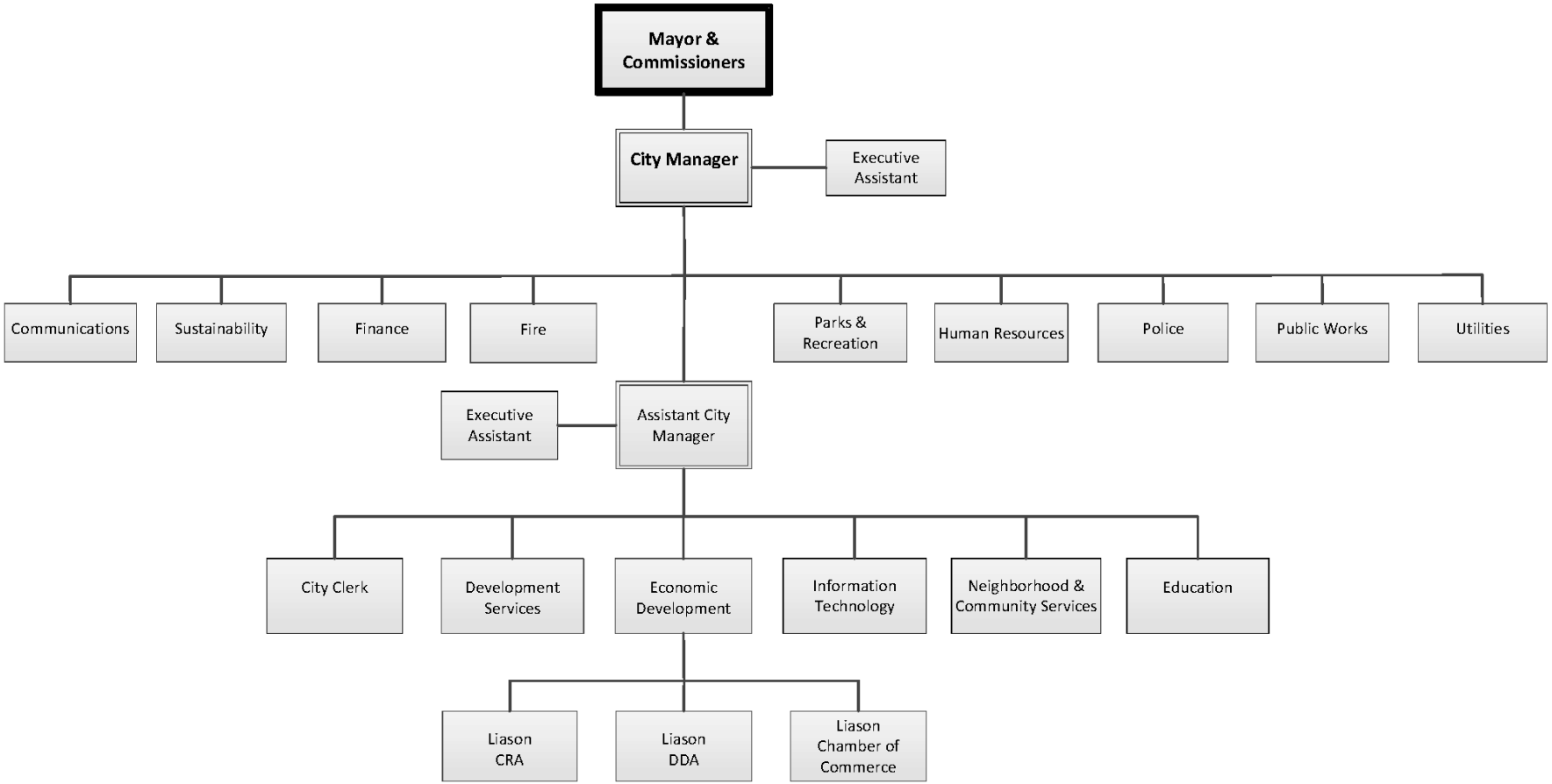
CITY COMMISSION

Mayor	**Shelly Petrolia**
Vice-Mayor	**Ryan Boylston**
Deputy Vice-Mayor	**Rob Long**
Commissioner	**Angela Burns**
Commissioner	**Adam Frankel**

CITY STAFF

City Manager	**Terrence R. Moore**
Assistant City Manager	**Jeff Oris**
City Attorney	**Lynn Gelin**
City Clerk	**Katerri Johnson**
Chief Financial Officer	**Hugh Dunkley**
Chief Technology Officer	**Jay Stacy**
Communications Director	**Gina Carter**
Development Services Director	**Anthea Gianniotes**
Fire Chief	**Keith Tomey**
Human Resources Director	**Duane D'Andrea**
Neighborhood and Community Services Director	**Sammie Walthour**
Parks and Recreation Director	**Sam Metott**
Police Chief	**Russ Mager**
Public Works Director	**Missie Barletto**
Utilities Director	**Hassan Hadjimiry**

City of Delray Beach
Organizational Chart



INDEPENDENT AUDITORS' REPORT

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 18, the budgetary comparison information on pages 114 to 119, the pension information on pages 120 to 129 and the other postemployment

benefits information on pages 130 to 132 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the other supplementary information, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2024 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 City's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, Florida
April 30, 2024

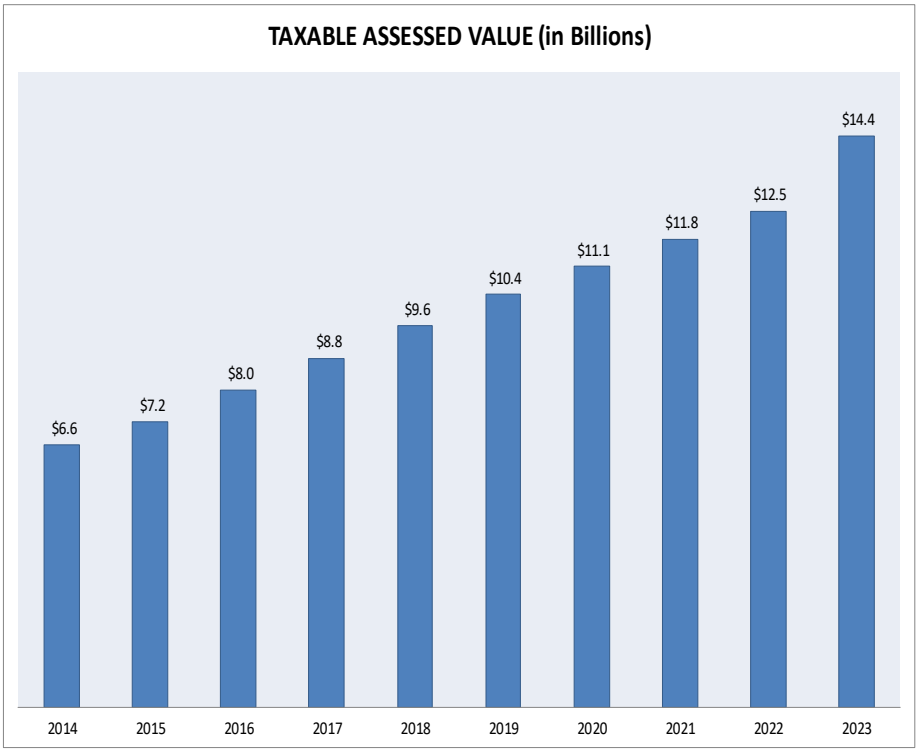
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2023. 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 $12.5 billion for 2022 to $14.4 billion for 2023, or 15.2%.
- The assets and deferred outflows of the City (Primary Government) exceeded its liabilities and deferred inflows (Total Net Position) at September 30, 2023, by $400.7 million. Of this amount, $80.0 million (Unrestricted Net Position) may be used to meet the City's ongoing obligations to citizens and creditors.

- In 2023, the net position of governmental activities increased by $35.0 million. The increase in the governmental activities is approximately $11.5 million or 48.9% greater than the prior year increase in net position attributable to operations.
- In 2023, the net position of the business-type activities increased by $1.6 million. The increase in the business-type activities is approximately $3.9 million or 170% more than the prior year decrease in net position attributable to operations.
- The unrestricted net position of the governmental activities reflects a balance of $11.6 million at September 30, 2023 as compared to a deficit of $2.9 million for the prior year.
- At September 30, 2023, the City's governmental funds reported combined ending fund balances of $168.2 million, which increased $20.8 million from the prior year. The increase is primarily attributable to an increase in tax increment revenues in the CRA Fund. A total of $128.6 million (Unassigned Fund Balance and Assigned Fund Balance) or 76% of the combined ending fund balance is available for spending. Of this amount, $57.8 million is in the General Fund, $44.3 million is in the CRA fund, $14.0 million is in Special Revenue and Debt Service Funds and $12.5 million is in Capital Projects Funds.
- At September 30, 2023, Unassigned Fund Balance for the General Fund was $48.7 million or 30.3% of total General Fund expenditures of $160.8 million. This is an increase of $1.0 million or 2.0% from the prior year. General Fund revenues increased by 9.6% and expenditures increased by 9.5% 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 required and 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 19 and 20 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 15 individual governmental funds during 2023. Information is presented separately for the General Fund, Neighborhood Services Fund, Community Redevelopment Agency 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 21 through 24 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 Fund and the Sanitation Fund, which are the major enterprise funds of the City, and five non-major funds which are combined into a single, aggregated presentation in the proprietary fund financial statements. Conversely, the two 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* in the Combining and Individual Fund Statements section of this report. The City's proprietary fund financial statements can be found on pages 25 to 27 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 28 to 29 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 30 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 114 through 132 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 133 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position of the City is presented in detail on page 19 and summarized in Table A-1 below.

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

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other	$ 207.2	$ 188.9	$ 79.2	$ 73.2	$ 286.4	$ 262.1
Capital assets	239.2	223.6	107.0	109.5	346.2	333.1
Net pension asset	0.5	-	0.1	-	0.6	-
Total Assets	446.9	412.5	186.3	182.7	633.2	595.2
Deferred Outflows	27.0	59.5	1.3	4.0	28.3	63.5
Liabilities						
Current liabilities	23.2	25.9	5.1	3.3	28.3	29.2
Noncurrent liabilities	209.4	240.8	2.9	5.3	212.3	246.1
Total Liabilities	232.6	266.7	8.0	8.6	240.6	275.3
Deferred Inflows	15.9	14.9	4.3	4.4	20.2	19.3
Net Position						
Net investment in capital assets	202.4	184.7	106.9	109.3	309.3	294.0
Restricted	11.4	8.6	0.2	-	11.6	8.6
Unrestricted (deficit)	11.6	(2.9)	68.2	64.4	79.8	61.5
Total Net Position	$ 225.4	$ 190.4	$ 175.3	$ 173.7	$ 400.7	$ 364.1

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 $36.6 million or approximately 10.1% from $364.1 million to $400.7 million. The increase in net position was a result of an increase from operations in the governmental activities ($35 million) and an increase in the business-type activities ($1.6 million).

A significant portion of the City's net position at September 30, 2023 ($309.3 million or 77% of the Total Net Position) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), net of the related debt and any related deferred inflow/outflow 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 (2.9%) represents resources that are subject to restrictions on how they may be used. The balance in restricted net position reflects an increase of $3.0 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 2023 governmental activities unrestricted net position balance increased approximately $18.3 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 20 and are summarized in Table A-2 below.

Table A-2

Changes in Net Position

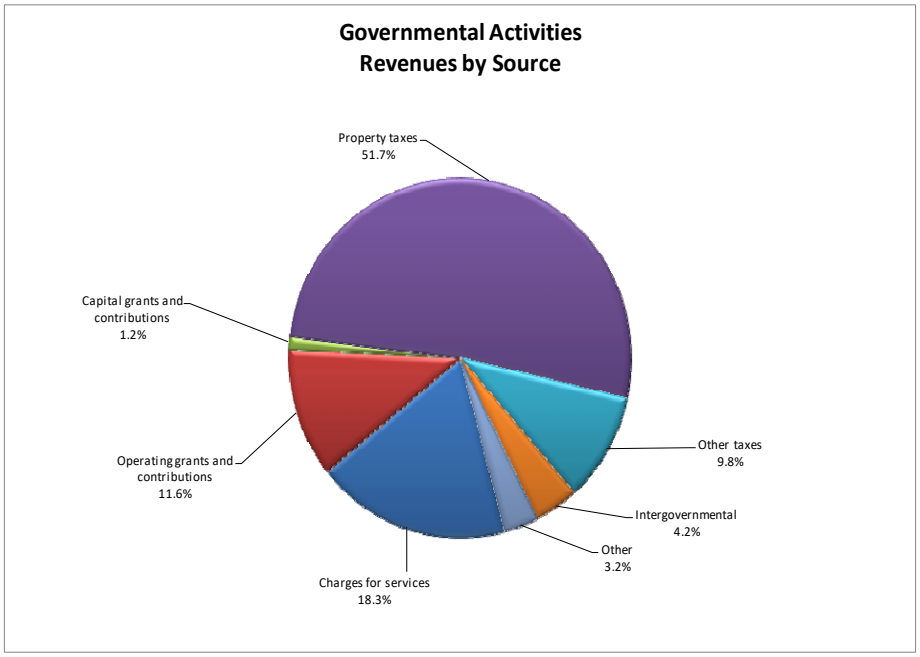
Condensed Statement of Activities ($ in millions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	$ 43.4	$ 42.1	$ 51.9	$ 47.2	$ 95.3	$ 89.3
Operating grants, contributions	27.7	11.8	0.3	0.3	28.0	12.1
Capital grants, contributions	2.8	5.7	1.9	1.4	4.7	7.1
General revenues:						
Property taxes	122.5	108.0	-	-	122.5	108.0
Other taxes	23.3	21.3	-	-	23.3	21.3
Intergovernmental	10.0	10.2	-	-	10.0	10.2
Other	3.0	8.7	1.5	0.3	4.5	9.0
Total Revenues	232.7	207.8	55.6	49.2	288.3	257.0
Expenses						
General government	49.3	45.2	-	-	49.3	45.2
Public safety	99.1	93.8	-	-	99.1	93.8
Physical environment	17.0	15.5	-	-	17.0	15.5
Parks and recreation	22.6	19.8	-	-	22.6	19.8
Economic development	12.8	11.9	-	-	12.8	11.9
Interest on long-term debt	1.4	1.8	-	-	1.4	1.8
Water and sewer	-	-	36.8	36.4	36.8	36.4
Stormwater	-	-	2.0	2.6	2.0	2.6
Sanitation	-	-	6.7	5.0	6.7	5.0
Municipal golf course	-	-	3.1	2.9	3.1	2.9
Lakeview golf course	-	-	0.8	0.7	0.8	0.7
City marina	-	-	0.1	0.1	0.1	0.1
Cemetery	-	-	-	0.1	-	0.1
Total Expenses	202.2	188.0	49.5	47.8	251.7	235.8
Change in net position before transfers	30.5	19.8	6.1	1.4	36.6	21.2
Transfers	4.5	3.7	(4.5)	(3.7)	-	-
Change in Net Position	35.0	23.5	1.6	(2.3)	36.6	21.2
Net Position - Beginning	190.4	166.9	173.7	176.0	364.1	342.9
Net Position - Ending	$ 225.4	$ 190.4	$ 175.3	173.7	$ 400.7	$ 364.1

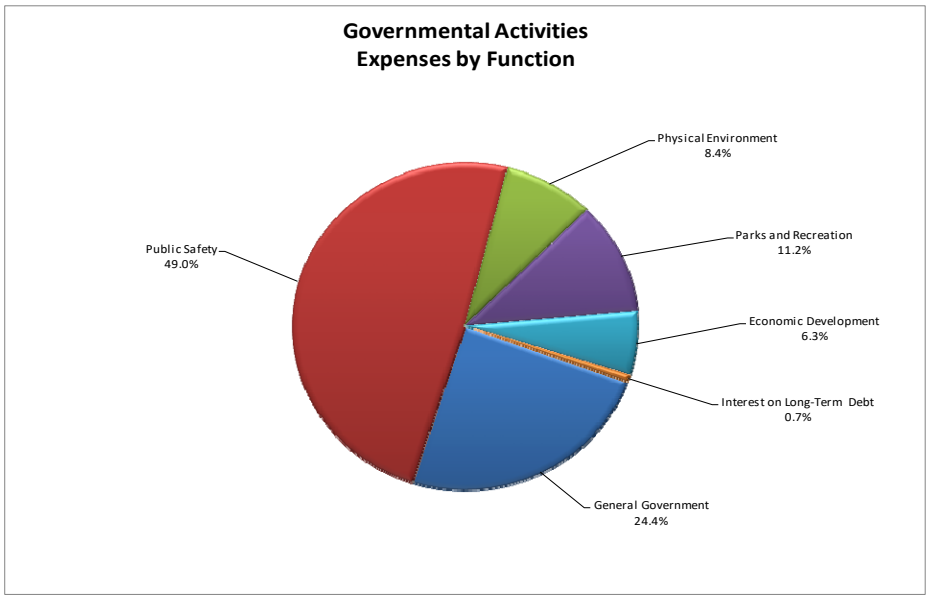
Governmental activities increased the City's net position by $35 million, which was primarily due to an increase in property taxes attributable to higher property values. Expenses increased by $14.1 million, primarily due to increases in Public Safety, Physical Environment and Parks and Recreation.

Business-type activities net position increased $1.6 million, which was primarily attributable to water and sewer and sanitation operations. Charges for Services increased approximately $4.7 million attributable to increase in rates for water and sanitation services and the reopening of many of the businesses that had been closed during the pandemic, while Operating grants and contributions remained constant and capital grants and contributions increased $0.5 million.

Governmental Activities revenues by source for 2023 are summarized as follows:



Expenses by function for 2023 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 21-24. 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	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues	$ 167.0	$ 152.4	$ 1.1	$ 1.6	$ 33.1	$ 28.2	$ 7.6	$ 6.3
Expenditures	(160.8)	(146.8)	(2.0)	(1.3)	(18.6)	(18.6)	(8.6)	(8.7)
Other financing sources (uses)	0.2	(3.2)	0.1	4.0	-	0.6	-	-
Change in Fund Balance	$ 6.4	$ 2.4	$ (0.8)	$ 4.3	$ 14.5	$ 10.2	$ (1.0)	$ (2.4)

General Fund

The General Fund, which is the primary operating fund of the City and is not supported by user fees, recognized $167 million in total revenues offset with $160.8 million in expenditures and $.2 million in net other financing sources. This resulted in an increase in fund balance of $6.4 million. Total Fund Balance increased from $52.4 million in 2022 to $58.8 million in 2023. Of that amount, $48.7 million is Unassigned Fund Balance which represents 30.3% of the 2023 expenditure levels as compared to 32% of the 2022 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 $1.1 million in total revenues, $2.0 million in total expenditures and $0.1 million in net other financing sources. This resulted in a decrease of $0.8 million change in fund balance. Total Fund Balance decreased from $5.3 million in 2022 to $4.5 million in 2023, 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 2023. 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 $33.1 million in total revenues offset by $18.6 million in expenditures. This resulted in an increase in fund balance of $14.5 million. Total Fund Balance increased from $39.3 million in 2022 to $53.7 million in 2023 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 $7.6 million in total revenues offset by $8.6 million in expenditures. This resulted in a decrease in the fund balance of $1.0 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 $20.1 million is restricted for capital improvement projects at September 30, 2023.

Proprietary Funds

	($ in Millions)			
	Operating Income (Loss)		Change in Net Position	
	2023	2022	2023	2022
Enterprise Funds				
Water and Sewer	$ 2.8	$ 0.5	$ 1.3	$ (1.6)
Stormwater	-	(0.6)	0.3	(0.7)
Sanitation	(0.1)	0.0	-	0.1
Municipal Golf Course	-	0.1	-	0.1
Lakeview Golf Course	0.2	0.3	0.1	0.3
City Marina	0.2	0.1	0.2	0.0
Cemetery	0.1	0.1	0.1	0.1
Internal Service Funds				
Insurance	(0.3)	(0.9)	0.1	(0.8)
Central Garage	(1.7)	(1.9)	(0.6)	(1.5)

Water and Sewer Fund

Operating revenues were approximately $3 million higher than 2022 and operating expenses were approximately $0.7 million higher than 2022. Higher nonoperating revenues of $0.9 million, higher capital contribution of $.5 million, and higher net transfers out of approximately $1 million resulted in an increase of approximately $1.3 million in net position in 2023.

Sanitation Fund

The Sanitation Fund had an operating loss this year of approximately $130,000 compared to operating income of $38,000 last year.

Other Enterprise Funds

The City has five (5) non-major enterprise funds consisting of Sanitation, Municipal Golf Course, Lakeview Golf Course, City Marina, and Cemetery.

The **Stormwater Fund** had an operating loss this year of approximately $18,000 compared to an operating loss of $582,000 last year.

The **Municipal Golf Course** had operating income this year of approximately $22,000 compared to $53,000 last year.

The **Lakeview Golf Course** had operating income of approximately $178,000 versus $285,000 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 operating income this year of approximately $189,000 compared to $89,000 last year.

The **City Cemetery Fund** had operating income this year of approximately $114,000 compared to operating income of $122,000 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 $8.7 million for 2023, an increase of approximately $0.4 million from the prior year. All required reserves are determined by outside actuaries. The Insurance Fund has $874,000 in Unrestricted Net Position.

The **Central Garage Fund** had an operating loss of approximately $1.7 million for 2023 compared to an operating loss of $1.9 million for 2022. This was primarily due to an increase in operating revenues of approximately $.3 million and operating expenses remaining constant at approximately $7.1 million.

BUDGETARY HIGHLIGHTS

General Fund: The difference between the original and final amended budgeted revenues and expenditures in 2023 was an increase of approximately $3.4 million. There was a positive variance between the final amended budget revenues and actual results of approximately $3.5 million (excluding budgeted prior year surplus of approximately $3,971,345). Actual expenditures and other financing uses were less than final budget by approximately $2.2 million. The excess of current year revenues over budget was primarily attributable to favorable variances of approximately $0.8 million in charges for services, $3.69 million in intergovernmental, $1.6 million in fees and permits and special assessments; The largest portion of the favorable budget variances for expenditures related to City Manager Dept. ($0.7 millions), Police Dept. ($0.7 millions), Information Technology ($1.1 million); Neighborhood and Community Services Dept ($0.4 million); Development Services ($0.6 million); and (Public Works Dept. which includes Parking and Engineering ($1million).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the City had $346.2 million invested in a variety of capital assets, as reflected in Table A-3 below, which represents a net increase of $10.2 million from the previous fiscal year. Additional information can be found in Note 8 Capital Assets beginning on page 65.

Capital asset activity for 2023 is summarized below:

Table A-3
Capital Assets ($ in Millions)

	Beginning Balance 10/1/2022	Increases	Decreases	Ending Balance 9/30/2023
Governmental Activities				
Land	$ 70.9	$ 3.2	$ -	$ 74.1
Construction in progress	39.2	12.6	(25.2)	26.6
Non-Depreciable Assets	110.1	15.8	(25.2)	100.7
Buildings	52.8	0.1	-	52.9
Improvements other	168.6	29.2	-	197.8
Equipment	62.8	4.2	(5.8)	61.2
Leases (right to use assets)	0.3	-	-	0.3
Subscription based (right to use assets)	2.8	2.8	-	5.6
Less: accumulated depreciation and amortization	(170.9)	(13.4)	5.0	(179.3)
Depreciable Assets, Net	116.4	22.9	(0.8)	138.5
Governmental Capital Assets	$ 226.5	$ 38.7	$ (26.0)	$ 239.2

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

	Beginning Balance 10/1/2022	Increases	Decreases	Ending Balance 9/30/2023
Business-type Activities				
Land	$ 5.7	$ -	$ -	$ 5.7
Construction in progress	6.7	2.9	(1.0)	8.6
Non-Depreciable Assets	12.4	2.9	(1.0)	14.3
Buildings	13.8	-	-	13.8
Improvements other	195.6	1.1	-	196.7
Equipment	22.6	-	(0.8)	21.8
Leases (right to use assets)	0.2	-	-	0.2
Less: accumulated depreciation	(135.1)	(5.4)	0.7	(139.8)
Depreciable Assets, Net	97.1	(4.3)	(0.1)	92.7
Business-type Capital Assets	$ 109.5	$ (1.4)	$ (1.1)	$ 107.0

Infrastructure assets have been included in the category "Improvements Other".

Major capital asset changes during the fiscal year 2023 were primarily in the Capital improvement Fund and One-Cent Sales Tax Fund for the improvements to roads, neighborhood improvements, as well as other beautification projects. In addition, there were Improvements in the Water and Sewer Fund primarily for the reclaimed water system project and force main replacement.

Debt Administration

As of September 30, 2023, the City had total debt and long-term liabilities outstanding of $71.0 million compared to $78.2 million as of September 30, 2022. Of this $71.0 million amount, and gross of any related unamortized premium or discounts:

- $42.6 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,
- $2.1 million is general obligation bond debt which is debt backed by the full faith and credit of the City,
- $11.6 million is for compensated absences,
- $8.7 million is for insurance claims liabilities,
- $0.4 million is for installment agreements that are secured by the promise to budget and appropriate sufficient revenues to pay the debt, and
- $0.2 million is for leases and $3.8 million relates to subscription liability.

Noncurrent liabilities activity for 2023 is summarized as follows:

Table A-4
Noncurrent Liabilities ($ in Millions)

	Beginning Balance 10/1/2022	Increases	Decreases	Ending Balance 9/30/2023
Governmental Activities				
Revenue bonds	$ 49.3	$ -	$ (6.7)	$ 42.6
General Obligation bonds	4.1	-	(2.0)	2.1
Unamortized Premium	1.8	-	(0.2)	1.6
Total Bonds Payable	55.2	-	(8.9)	46.3
Installment Agreements	0.9	-	(0.5)	0.4
Capital lease for equipment	0.2	-	(0.1)	0.1
Subscription liability	2.7	2.8	(1.7)	3.8
Compensated absences	9.7	0.9	-	10.6
Insurance claims payable	8.3	15.6	(15.2)	8.7
Governmental Activities	77.0	19.3	(26.4)	69.9
Business-type Activities				
Capital lease for equipment	0.2	-	(0.1)	0.1
Compensated absences	1.0	0.1	(0.1)	1.0
Business-type Activities	1.2	0.1	(0.2)	1.1
Total Debt Outstanding	$ 78.2	$ 19.4	$ (26.6)	$ 71.0

S&P Global Ratings recently assigned its 'AAA' long-term rating to the City's yet-to-be-issued $20 million Series 2024 general obligation bonds (parks projects). The City also received a credit upgrade of its issuer rating from Aa2 to Aa1 from Moody's Investors Service. For more detailed information regarding the City's debt and debt financing activity, refer to Note 11 - Noncurrent Liabilities beginning on page 71.

ECONOMIC FACTORS AND FY 2023-2024 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 2023-2024 totals $184,911,607 as compared to the prior year's final amended budget of $169,982,218.

- While the City's budget has increased, the current total millage rate decreased 2.6% from 6.6665 mills for 2023 to 6.4982 mills for 2024. The operations portion decreased from 6.51111 mills in 2023 to 6.36111 mills in 2023 and the debt service portion decreased from 0.1554 mills to 0.1371 mills.

- The City's water rates increased by 6.9% starting in fiscal year 2024. This will help fund the new water plant and upgrades to existing infrastructure.

- The City's sanitation rates were increased in May 2023 as follows:
    - Residential Single Family: $12.41/month to $18.49/month – 49% increase.
    - Multi-family Residential (Per Unit): $6.86/month to $13.90/month – 102.6% increase.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents	$ 97,526,459	$ 16,275,000	$ 113,801,459	$ 767,114
Investments	74,651,853	46,090,811	120,742,664	--
Receivables:				
Accounts, net	3,652,727	4,126,553	7,779,280	26,542
Unbilled accounts	--	1,411,439	1,411,439	--
Notes receivable	11,526,287	--	11,526,287	--
Leases receivable	4,550,789	2,472,450	7,023,239	--
Interest receivable	453,535	380,864	834,399	--
Due from other governments	2,544,081	--	2,544,081	--
Internal balances	11,461,200	(11,461,200)	--	--
Inventories	149,102	183,119	332,221	--
Prepaid expenses	632,825	252,400	885,225	50,881
Other assets	4,041	--	4,041	--
Deposits	--	--	--	12,390
Restricted investments	--	3,898,572	3,898,572	--
Investment in regional plant (joint venture)	--	15,555,880	15,555,880	--
Capital assets:				
Non-depreciable capital assets	100,688,663	14,315,610	115,004,273	--
Depreciable capital assets, net	138,471,065	92,669,801	231,140,866	139,382
Other asset:				
Net pension asset	478,217	163,255	641,472	--
Total Assets	446,790,844	186,334,554	633,125,398	996,309
Deferred Outflows of Resources				
Deferred charges on refundings	847,785	--	847,785	--
Deferred amount related to OPEB	4,283,297	631,840	4,915,137	20,674
Deferred amount related to pensions	21,909,613	661,741	22,571,354	--
Total Deferred Outflows of Resources	27,040,695	1,293,581	28,334,276	20,674
Liabilities				
Accounts payable and accrued expenses	6,812,923	3,157,785	9,970,708	266,933
Contracts payable and retainages	--	--	--	--
Deposits payable	1,808,502	988,564	2,797,066	--
Unearned revenue	13,601,286	968,335	14,569,621	--
Accrued interest on long-term debt	521,064	--	521,064	--
Due to other governments	426,597	--	426,597	--
Noncurrent liabilities:				
Due within one year:				
Bonds and notes payable	8,395,562	--	8,395,562	--
Installment agreements	378,829	--	378,829	--
Lease liability	74,251	44,483	118,734	75,687
Subscription liability	1,553,117	--	1,553,117	--
Compensated absences	776,737	148,406	925,143	7,525
Insurance claims payable	3,581,135	--	3,581,135	--
Due in more than one year:				
Bonds and notes payable	37,867,725	--	37,867,725	--
Lease liability	11,970	82,182	94,152	52,249
Subscription liability	2,213,050	--	2,213,050	--
Compensated absences	9,850,216	855,150	10,705,366	--
Insurance claims payable	5,095,000	--	5,095,000	--
Net OPEB liability	17,689,385	1,772,748	19,462,133	24,444
Net pension liability	121,909,769	--	121,909,769	--
Total Liabilities	232,567,118	8,017,653	240,584,771	426,838
Deferred Inflows of Resources				
Deferred amount related to OPEB	11,154,035	1,854,258	13,008,293	--
Deferred amount related to pensions	295,768	19,294	315,062	--
Deferred amount related to leases	4,456,962	2,468,321	6,925,283	--
Total Deferred Inflows of Resources	15,906,765	4,341,873	20,248,638	--
Net Position				
Net investment in capital assets	202,434,515	106,858,746	309,293,261	11,446
Restricted for:				
Net pension asset	478,217	163,255	641,472	--
Debt service	1,654,401	--	1,654,401	--
Law enforcement	1,138,458	--	1,138,458	--
Capital improvements	8,094,852	--	8,094,852	--
Unrestricted	11,557,213	68,246,608	79,803,821	578,699
Total Net Position	$ 225,357,656	$ 175,268,609	$ 400,626,265	$ 590,145

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, 2023

Primary Government	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Downtown Development Authority (DDA)
Governmental Activities								
General government	$ 49,337,385	$ 24,208,553	$ 24,244,801	$ 2,830,420	$ 1,946,389	$ --	$ 1,946,389	$ --
Public safety	99,097,368	12,395,144	2,833,116	--	(83,869,108)	--	(83,869,108)	--
Physical environment	16,972,978	4,175,787	483,284	--	(12,313,907)	--	(12,313,907)	--
Parks and recreation	22,602,565	2,387,784	126,198	--	(20,088,583)	--	(20,088,583)	--
Economic development	12,778,978	227,037	--	--	(12,551,941)	--	(12,551,941)	--
Interest on long-term debt	1,470,834	--	--	--	(1,470,834)	--	(1,470,834)	--
Total Governmental Activities	202,260,108	43,394,305	27,687,399	2,830,420	(128,347,984)	--	(128,347,984)	--
Business-type Activities								
Water and sewer	36,772,765	38,975,480	55,892	1,898,401	--	4,157,008	4,157,008	--
Stormwater	2,043,504	1,986,744	21,813	--	--	(34,947)	(34,947)	--
Sanitation	6,703,059	6,517,441	155,520	--	--	(30,098)	(30,098)	--
Municipal golf course	3,072,988	3,030,190	68,738	--	--	25,940	25,940	--
Lakeview golf course	865,054	1,026,763	7,171	--	--	168,880	168,880	--
City marina	81,653	267,673	1,908	--	--	187,928	187,928	--
Cemetery	1,368	115,625	--	--	--	114,257	114,257	--
Total Business-type Activities	49,540,391	51,919,916	311,042	1,898,401	--	4,588,968	4,588,968	--
Total Primary Government	$ 251,800,499	$ 95,314,221	$ 27,998,441	$ 4,728,821	(128,347,984)	4,588,968	(123,759,016)	--
Component Unit								
Downtown Development Authority (DDA)	$ 2,394,715	$ 1,027,800	$ 159,269	$ --	--	--	--	(1,207,646)
General Revenues								
Taxes:								
Property taxes					122,535,173	--	122,535,173	1,490,253
Franchise fees					6,930,375	--	6,930,375	--
Utility service taxes					11,841,404	--	11,841,404	--
Sales taxes					3,650,884	--	3,650,884	--
Local business tax					833,079	--	833,079	--
Intergovernmental not restricted to specific programs					9,987,604	--	9,987,604	--
Investment earnings					3,053,661	1,478,464	4,532,125	2,126
Gain on disposal of capital assets					--	5,174	5,174	--
Transfers					4,463,262	(4,463,262)	--	--
Total general revenues and transfers					163,295,442	(2,979,624)	160,315,818	1,492,379
Change in net position					34,947,458	1,609,344	36,556,802	284,733
Net position - October 1, 2022					190,410,198	173,659,265	364,069,463	305,412
Net position - September 30, 2023					$ 225,357,656	$ 175,268,609	$ 400,626,265	$ 590,145

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

CITY OF DELRAY BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Major Funds					
	General Fund	Neighborhood Services Fund	Community Redevelopment Agency Fund	One-Cent Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 1,874,520	$ 4,755,008	$ 54,853,275	$ 20,041,330	$ 16,002,226	$ 97,526,359
Investments	41,067,481	--	7,662	--	15,075,794	56,150,937
Accounts receivable, net	3,389,698	77	63,808	--	182,730	3,636,313
Notes receivable	--	6,425,988	5,100,299	--	--	11,526,287
Leases receivable	706,851	--	3,843,938	--	--	4,550,789
Interest receivable	220,833	--	--	--	104,422	325,255
Due from other governments	--	214,175	--	1,036,036	1,293,870	2,544,081
Due from other funds	1,452,001	43,653	--	1,532,787	4,335,811	7,364,252
Due from component unit	20,713,349	--	--	--	--	20,713,349
Inventories	25,128	--	--	--	--	25,128
Prepaid items	514,447	--	110,474	--	7,904	632,825
Other assets	--	--	4,041	--	--	4,041
Total Assets	$ 69,964,308	$ 11,438,901	$ 63,983,497	$ 22,610,153	$ 37,002,757	$ 204,999,616
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	$ 3,039,048	$ 65,574	$ 639,451	$ 693,950	$ 1,740,620	$ 6,178,643
Due to other governments	426,597	--	--	--	--	426,597
Deposits payable	1,773,863	--	17,570	--	17,069	1,808,502
Due to other funds	1,532,787	--	5,831,465	1,857,496	658,689	9,880,437
Total Liabilities	6,772,295	65,574	6,488,486	2,551,446	2,416,378	18,294,179
Deferred Inflows of Resources						
Unavailable revenue	3,707,194	6,916,002	--	--	3,417,964	14,041,160
Leases	682,307	--	3,774,655	--	--	4,456,962
Total Deferred Inflows of Resources	4,389,501	6,916,002	3,774,655	--	3,417,964	18,498,122
Fund Balances						
Nonspendable:						
Inventories	25,128	--	--	--	--	25,128
Prepaid items	514,447	--	110,474	--	7,904	632,825
Restricted for:						
Debt service	--	--	--	--	1,654,401	1,654,401
Law enforcement	--	--	--	--	1,138,458	1,138,458
Capital improvements	5,985	--	--	20,058,707	1,545,160	21,609,852
Community development	--	4,457,325	9,335,281	--	201,696	13,994,302
Committed for:						
Economic development	500,000	--	--	--	--	500,000
Assigned to:						
General government	821,069	--	--	--	--	821,069
Public safety	360,893	--	--	--	205,673	566,566
Physical environment	511,279	--	--	--	--	511,279
Parks and recreation	138,102	--	--	--	805,037	943,139
Capital improvements	--	--	--	--	25,610,086	25,610,086
Subsequent year's budget	7,257,403	--	44,274,601	--	--	51,532,004
Unassigned	48,668,206	--	--	--	--	48,668,206
Total Fund Balances	58,802,512	4,457,325	53,720,356	20,058,707	31,168,415	168,207,315
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 69,964,308	$ 11,438,901	$ 63,983,497	$ 22,610,153	$ 37,002,757	$ 204,999,616

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, 2023

Total Fund Balances - Governmental Funds		$ 168,207,315
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	$ 381,832,251	
Less accumulated depreciation	(153,396,649)	
		228,435,602
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	78,455	78,455
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	4,205,732	
Deferred outflows related to pensions	21,816,007	
Deferred inflows related to other postemployment benefits	(10,926,405)	
Deferred inflows related to pensions	(293,039)	
		14,802,295
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	847,785	
Bond premium	(1,632,725)	
		(784,940)
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.		361,419
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	(521,064)	
Bonds, notes, leases and installment agreements payable	(44,871,334)	
Subscription liability	(3,720,136)	
Compensated absences	(10,458,928)	
Net OPEB liability	(17,471,762)	
Net pension liability	(121,454,645)	
		(198,497,869)
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	11,089,040	
Less amount allocated to business-type activities	1,666,339	
		12,755,379
Total Net Position - Governmental Activities		$ 225,357,656

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, 2023

	Major Funds					
	General Fund	Neighborhood Services Fund	Community Redevelopment Agency Fund	One-Cent Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 103,226,055	$ --	$ 31,983,601	$ --	$ 3,650,884	$ 138,860,540
Licenses and permits	11,434,936	--	--	--	--	11,434,936
Intergovernmental	17,939,289	906,995	--	6,853,949	1,600,663	27,300,896
Charges for services	17,895,235	--	227,037	--	9,524,558	27,646,830
Fines and forfeitures	1,716,830	--	--	--	192,881	1,909,711
Miscellaneous	14,794,150	158,089	860,449	783,076	5,606,533	22,202,297
Total Revenues	167,006,495	1,065,084	33,071,087	7,637,025	20,575,519	229,355,210
Expenditures						
Current:						
General government	33,121,100	2,039,861	1,848,548	94	7,180,252	44,189,855
Public safety	94,281,824	--	--	--	18,042	94,299,866
Physical environment	10,796,321	--	--	--	1,028,452	11,824,773
Parks and recreation	17,765,418	--	--	--	1,527,907	19,293,325
Economic development	--	--	12,778,978	--	--	12,778,978
Capital outlay	3,484,330	--	2,663,011	5,099,516	12,040,892	23,287,749
Debt service:						
Principal retirement	1,194,581	--	1,227,185	3,220,000	5,102,318	10,744,084
Interest and fiscal charges	120,739	--	96,564	296,450	1,283,887	1,797,640
Total Expenditures	160,764,313	2,039,861	18,614,286	8,616,060	28,181,750	218,216,270
Excess of Revenues Over (Under) Expenditures	6,242,182	(974,777)	14,456,801	(979,035)	(7,606,231)	11,138,940
Other Financing Sources (Uses)						
Proceeds from the sale of capital assets	1,400	--	--	--	--	1,400
Subscriptions based financing arrangements	3,135,106	--	--	--	2,332,741	5,467,847
Transfers in	6,211,872	195,000	--	--	8,351,340	14,758,212
Transfers out	(9,153,912)	(24,975)	--	--	(1,417,033)	(10,595,920)
Total Other Financing Sources (Uses)	194,466	170,025	--	--	9,267,048	9,631,539
Net Change in Fund Balances	6,436,648	(804,752)	14,456,801	(979,035)	1,660,817	20,770,479
Fund Balances - October 1, 2022	52,365,864	5,262,077	39,263,555	21,037,742	29,507,598	147,436,836
Fund Balances - September 30, 2023	$ 58,802,512	$ 4,457,325	$ 53,720,356	$ 20,058,707	$ 31,168,415	$ 168,207,315

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, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 20,770,479
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	$ 23,287,749	
Depreciation/amortization expense	(10,017,957)	
		13,269,792
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.		(1,135,542)
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	2,830,420	
Change in note receivable from component unit	(361,419)	
Change in long-term receivables	(1,819)	
		2,467,182
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	92,621	
Compensated absences expense	(924,613)	
Pension expense	(5,015,523)	
Change in other postemployment benefits	59,327	
		(5,788,188)
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.		
Issuance of subscription assets in excess of liability amount at inception	162,404	
Issuance of subscriptions	(5,467,847)	
Debt Retirement		
Principal paid	10,744,084	
Amortization of debt premiums and deferred charges on refundings	79,806	
		5,518,447
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.		
Net income	(562,290)	
Allocation to business type activities	407,578	
		(154,712)
Change in Net Position of Governmental Activities		$ 34,947,458

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities				Governmental Activities
	Major Funds		Non-Major	Total	Internal
	Water and Sewer Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
Assets					
Current Assets					
Cash and cash equivalents	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Investments	27,336,141	4,809,777	13,944,893	46,090,811	18,500,916
Accounts receivable, net	3,034,087	1,063,507	28,959	4,126,553	16,414
Unbilled accounts receivable	1,411,439	--	--	1,411,439	--
Leases receivable	--	2,311,524	160,926	2,472,450	--
Interest receivable	216,356	67,758	96,750	380,864	128,280
Inventories	98,388	--	84,731	183,119	123,974
Prepaid expenses	--	--	252,400	252,400	--
Restricted assets:					
Investments	3,898,572	--	--	3,898,572	--
Total Current Assets	49,661,220	8,252,566	17,177,422	75,091,208	18,769,684
Noncurrent Assets					
Property, land and equipment:					
Land	974,755	--	4,694,070	5,668,825	--
Buildings	9,419,364	--	4,354,983	13,774,347	88,185
Improvements other than buildings	174,715,600	11,958	21,937,662	196,665,220	--
Equipment	18,830,945	13,163	3,114,935	21,959,043	36,364,717
Construction in progress	7,248,240	--	1,398,545	8,646,785	--
Subscription based IT arrangements	--	--	--	--	154,342
Accumulated depreciation and amortization	(122,263,979)	(25,121)	(17,439,709)	(139,728,809)	(25,883,118)
Other assets:					
Investment in regional plant joint venture	15,555,880	--	--	15,555,880	--
Net pension asset	150,618	5,260	7,377	163,255	23,093
Total Noncurrent Assets	104,631,423	5,260	18,067,863	122,704,546	10,747,219
Total Assets	154,292,643	8,257,826	35,245,285	197,795,754	29,516,903
Deferred Outflows of Resources					
Deferred amount related to OPEB	578,173	29,349	24,318	631,840	77,565
Deferred amount related to pensions	610,518	21,321	29,902	661,741	93,606
Total Deferred Outflows of Resources	1,188,691	50,670	54,220	1,293,581	171,171
Liabilities					
Current Liabilities					
Accounts payable and accrued expenses	1,592,712	1,185,257	379,816	3,157,785	634,280
Unearned revenue	9,435	--	958,900	968,335	--
Current maturity of installment agreements	--	--	--	--	224,278
Current lease liability	--	--	44,483	44,483	--
Current portion of subscription liability	--	--	--	--	6,992
Current portion of compensated absences	147,124	648	634	148,406	22,758
Current portion of insurance claims payable	--	--	--	--	3,581,135
Due to other funds	--	913,659	8,881,202	9,794,861	8,402,303
Refundable deposits payable	955,036	--	33,528	988,564	--
Total Current Liabilities	2,704,307	2,099,564	10,298,563	15,102,434	12,871,746
Noncurrent Liabilities					
Lease liability	--	--	82,182	82,182	--
Compensated absences payable	707,769	73,206	74,175	855,150	145,267
Subscription liability, net of current portion	--	--	--	--	39,039
Insurance claims payable	--	--	--	--	5,095,000
Total OPEB liability	1,622,176	82,344	68,228	1,772,748	217,623
Total Noncurrent Liabilities	2,329,945	155,550	224,585	2,710,080	5,496,929
Total Liabilities	5,034,252	2,255,114	10,523,148	17,812,514	18,368,675
Deferred Inflows of Resources					
Deferred amount related to OPEB	1,696,763	86,130	71,365	1,854,258	227,630
Deferred amount related to pensions	17,800	622	872	19,294	2,729
Deferred amount related to leases	--	2,313,040	155,281	2,468,321	--
Total Deferred Inflows of Resources	1,714,563	2,399,792	227,518	4,341,873	230,359
Net Position					
Net investment in capital assets	88,924,925	--	17,933,821	106,858,746	10,499,848
Restricted for:					
Net pension asset	150,618	5,260	7,377	163,255	23,093
Unrestricted	59,656,976	3,648,330	6,607,641	69,912,947	566,099
Total Net Position	$ 148,732,519	$ 3,653,590	$ 24,548,839	176,934,948	$ 11,089,040
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				(1,258,761)	
Current year adjustment				(407,578)	
Net Position of Business-Type Activities, Statement of Net Position				$ 175,268,609	

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, 2023

	Business-Type Activities				Governmental Activities
	Major Funds		Non-Major	Total	Internal
	Water and Sewer Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
Operating Revenues					
Charges for services					
Water sales	$ 19,132,910	$ --	$ --	$ 19,132,910	$ --
Sewer and stormwater fees	19,842,570	--	1,986,744	21,829,314	--
Golf fees	--	--	4,056,953	4,056,953	--
Marina fees	--	--	267,673	267,673	--
Sanitation fees	--	6,517,441	--	6,517,441	--
Cemetery fees	--	--	115,625	115,625	--
Risk management	--	--	--	--	21,708,474
Fleet management	--	--	--	--	2,983,677
Other operating revenue	55,892	--	66,720	122,612	3,682,544
Total Operating Revenues	39,031,372	6,517,441	6,493,715	52,042,528	28,374,695
Operating Expenses					
Personal services	11,054,293	455,321	486,594	11,996,208	2,257,905
Other operating expenses	20,663,485	6,192,440	4,605,112	31,461,037	24,661,263
Depreciation and amortization	4,504,691	--	917,407	5,422,098	3,406,194
Total Operating Expenses	36,222,469	6,647,761	6,009,113	48,879,343	30,325,362
Operating Income (Loss)	2,808,903	(130,320)	484,602	3,163,185	(1,950,667)
Nonoperating Revenues (Expenses)					
Investment earnings	900,334	173,086	405,044	1,478,464	533,282
Rent revenue	--	155,520	32,910	188,430	--
Share of regional plant joint venture net loss	(93,246)	--	--	(93,246)	--
Interest expense	--	--	(5,424)	(5,424)	(7,983)
Gain (loss) on disposal of equipment	(134,784)	--	5,174	(129,610)	174,870
Investment expense	(20,016)	--	--	(20,016)	--
Total Nonoperating Revenues (Expenses)	652,288	328,606	437,704	1,418,598	700,169
Income (Loss) Before Capital Contributions and Transfers	3,461,191	198,286	922,306	4,581,783	(1,250,498)
Capital contributions	1,898,401	--	--	1,898,401	387,238
Transfers in	122,258	--	500,000	622,258	300,970
Transfers out	(4,180,524)	(226,053)	(678,943)	(5,085,520)	--
Change In Net Position	1,301,326	(27,767)	743,363	2,016,922	(562,290)
Net Position - Beginning of Year	147,431,193	3,681,357	23,805,476	--	11,651,330
Net Position - End of Year	$ 148,732,519	$ 3,653,590	$ 24,548,839	--	$ 11,089,040
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				(407,578)	
Change In Net Position as reported on the Statement of Activities for Business-type Activities				$ 1,609,344	

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, 2023

	Business-Type Activities				Governmental Activities
	Major Funds		Non-Major	Total	Internal
	Water and Sewer Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
Cash Flows from Operating Activities					
Receipts from customers and users	$ 39,166,138	$ 6,533,380	$ 7,383,593	$ 53,083,111	$ 30,398,305
Receipts from others	--	155,520	264,007	419,527	--
Payments to suppliers	(20,166,095)	(5,670,942)	(4,950,301)	(30,787,338)	(23,514,100)
Payments to employees	(10,879,913)	(411,123)	(477,557)	(11,768,593)	(2,190,057)
Net Cash Provided by Operating Activities	8,120,130	606,835	2,219,742	10,946,707	4,694,148
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	122,258	--	500,000	622,258	300,970
Transfers to other funds	(4,180,524)	(226,053)	(678,943)	(5,085,520)	--
Net Cash Provided by (Used in) Noncapital Financing Activities	(4,058,266)	(226,053)	(178,943)	(4,463,262)	300,970
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(643,025)	--	(540,438)	(1,183,463)	(3,455,900)
Proceeds from the sale of capital assets	--	--	--	--	216,099
Principal paid on installment agreements	--	--	(43,058)	(43,058)	(218,973)
Principal paid on subscription liability	--	--	--	--	(108,311)
Interest paid on installment agreements	--	--	(5,424)	(5,424)	(7,983)
Net Cash Used in Capital and Related Financing Activities	(643,025)	--	(588,920)	(1,231,945)	(3,575,068)
Cash Flows from Investing Activities					
Purchase of investments	(3,466,260)	(533,760)	(1,547,527)	(5,547,547)	(2,053,134)
Interest on investments	738,245	152,978	341,630	1,232,853	449,129
Net Cash Used in Investing Activities	(2,728,015)	(380,782)	(1,205,897)	(4,314,694)	(1,604,005)
Net Increase (Decrease) in Cash and Cash Equivalents	690,824	--	245,982	936,806	(183,955)
Cash and Cash Equivalents - Beginning	12,975,413	--	2,362,781	15,338,194	184,055
Cash and Cash Equivalents - Ending	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:					
Unrestricted cash and cash equivalents	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Cash and Cash Equivalents - End of Year	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	$ 2,808,903	$ (130,320)	$ 484,602	$ 3,163,185	$ (1,950,667)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization expense	4,504,691	--	917,407	5,422,098	3,406,194
Provision for doubtful accounts	204,749	--	--	204,749	--
Rent revenue	--	155,520	32,910	188,430	--
Change in assets, deferred outflows/inflows and liabilities:					
Accounts receivable	(21,772)	(409,978)	(12,140)	(443,890)	25
Lease receivable	--	118,714	17,516	136,230	--
Due from other funds	--	--	--	--	11,600
Inventories	--	--	8,504	8,504	--
Prepaid expenses	1,188	--	(90,030)	(88,842)	889,033
Deferred amount related to OPEB	360,035	29,043	(1,071)	388,007	53,830
Deferred amount related to pensions	2,240,137	48,000	112,411	2,400,548	391,368
Deferred amount related to leases	--	(136,061)	(19,683)	(155,744)	
Accounts payable and accrued expenses	496,202	538,845	2,757	1,037,804	(102,806)
Unearned revenue	--	--	956,323	956,323	--
Due to other funds	--	425,917	(24,652)	401,265	2,011,985
Refundable deposits payable	(48,211)	--	(62,809)	(111,020)	--
Compensated absences payable	(12,313)	7,850	56,657	52,194	6,511
Insurance claims payable	--	--	--	--	360,936
Total OPEB liability	(291,013)	12,384	(53,131)	(331,760)	(25,095)
Net pension asset	(2,122,466)	(53,079)	(105,829)	(2,281,374)	(358,766)
Total adjustments	5,311,227	737,155	1,735,140	7,783,522	6,644,815
Net Cash Provided by Operating Activities	$ 8,120,130	$ 606,835	$ 2,219,742	$ 10,946,707	$ 4,694,148
Non-Cash Capital and Related Financing and Investing Activities					
Contributions of capital assets	$ 1,898,401	$ --	$ --	$ 1,898,401	$ 387,238
Subscriptions initiation	$ --	$ --	$ --	$ --	$ 154,342

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, 2023

	Pension Trust Funds
Assets	
Cash	$ 240,039
Investments:	
Money market mutual funds	9,007,335
U.S. Government securities	7,257,093
Collateralized mortgage obligations	9,273,427
Domestic corporate bonds	1,839,795
Fixed income mutual fund	56,649,786
Global asset allocation investment fund	11,463,043
Domestic equity securities	102,471,470
Domestic equity mutual funds	38,892,347
Domestic equity index funds	30,235,500
Pooled domestic equity index funds	79,230,974
International equity mutual funds	36,206,788
Foreign stocks	14,963,041
Real estate investment funds	21,464,421
Fixed income alternative investment fund	8,204,679
Interest and dividends receivable	212,383
Pending trades receivable	1,344,469
Total Assets	428,956,590
Liabilities	
Accounts payable	364,901
Pending trades payable	1,053,048
Refunds due to members	113,301
Total Liabilities	1,531,250
Net Position	
Restricted for pension benefits	$ 427,425,340

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, 2023

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 18,540,792
State	2,833,116
Plan members	4,219,418
Total contributions	25,593,326
Investment earnings	
Net appreciation in fair value of investments	39,569,580
Interest, dividends and investment fund income	12,699,214
Other investment income	4,466
	52,273,260
Less investment expenses	(1,910,653)
Net investment earnings	50,362,607
Total Additions	75,955,933
Deductions	
Benefits	28,440,765
Refunds of contributions	384,015
Administrative expenses	479,154
Total Deductions	29,303,934
Change In Plan Net Position	46,651,999
Net Position Restricted for Pension Benefits - Beginning of Year	380,773,341
Net Position Restricted for Pension Benefits - End of Year	$ 427,425,340

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 revenues. 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 restricted 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 restricted revenues received and 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.

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.

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

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. 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 fiscal 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.

LEASES RECEIVABLE

The City has ground leases and leases on real property. The City recognizes leases receivable and a deferred inflow of resources under these lease agreements. At the commencement of the lease, the City initially measured the lease receivables and the deferred inflow of resources at the present value of payments expected to be received during the lease term under these lease agreements. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. Key estimates related to the lease include the discount rate used to discount the expected lease payments to present value, lease term and renewals and lease payments. The City estimated the incremental borrowing rate as the discount rate. The City monitors changes in circumstances that would require a remeasurement of the leases and will remeasure the lease receivables and deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease receivables.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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/expenses in the period when used.

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, 2023. 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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INTRA-ENTITY TRANSACTIONS (CONTINUED)

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).

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.

The City reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during the current fiscal year.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS (CONTINUED)

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

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into contracts that convey control of the right to use information technology software and has recorded subscription-based information technology arrangements ("SBITA") assets and liabilities as a result of implementing GASB Statement No. 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

The cost of normal maintenance and repairs that do not add to the value of the assets or material extend the asset lives are not capitalized and are expense as incurred. The City monitors changes in circumstances that would require a remeasurement of its SBITA's and will do so if certain changes occur that would be expected to significantly affect the amount of the lease liability.

SBITA assets are reported with capital assets and SBITA lease liabilities are reported with long-term debt on the statement of net position of the government-wide financial statements and in the proprietary fund financial statements.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, pensions and leases receivable. 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 reports a deferred inflows of resources in the governmental fund balance sheet and the government-wide statement of net position related to the unamortized portion of lease receivables. 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/amortization and reduced by the outstanding balance of any bonds, notes or other borrowings and deferred inflows/outflow 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.

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*.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (2021/2022) 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, 2023, the City adopted an operating millage rate of 6.5111 and a debt service millage of 0.1554, resulting in a net tax levy of $96,146,015 for 2023. 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 $2,833,116 for the fiscal year ended September 30, 2023.

IMPLEMENTATION OF GASB STATEMENTS

The City considered the new accounting standards which effective dates are applicable for the fiscal year ended September 30, 2023.

As of October 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for a SBITA by governments. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The impact to the City resulted in the reporting of subscription assets and subscription liabilities related its SBITAs. The result of these changes had no effect on beginning net position.

The implementation of GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 99, *Omnibus 2022*, did not have a significant impact on the City's financial statements.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF 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, 2023, 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	$ 51,162,739	$ 240,039	$ 51,402,778
Cash equivalents and investments	187,279,956	427,159,699	614,439,655
Total Cash, Cash Equivalents and Investment	$ 238,442,695	$ 427,399,738	$ 665,842,433
Reported in the Financial Statements			
Cash and cash equivalents	$ 113,801,459	$ 240,039	$ 114,041,498
Investments	124,641,236	427,159,699	551,800,935
Total Cash, Cash Equivalents and Investments	$ 238,442,695	$ 427,399,738	$ 665,842,433

DEPOSITS WITH FINANCIAL INSTITUTIONS

At September 30, 2023, the City's cash included deposits with financial institutions of $51,136,191 and petty cash of $26,548 and the pension trust funds had deposits in brokerage accounts of $240,039. 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.

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

DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

Discretely Presented Component Unit: The DDA's cash balance at September 30, 2023, includes deposits with financial institutions with a bank balance of $785,931 and a book balance of $767,114. The DDA's deposits were with financial institutions that were qualified public depositories under Florida law and are considered to be fully insured or collateralized.

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.

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.

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

INVESTMENTS (CONTINUED)

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, 2023:

	City Primary Government	Fiduciary Funds Pension Trust	Total
Cash Equivalents			
Florida governmental investment pools	$ 35,872,259	$ --	$ 35,872,259
Investments			
Money market mutual funds	36,065,533	9,007,335	45,072,868
U.S. Government securities	53,248,575	7,257,093	60,505,668
Collateralized mortgage obligations	--	9,273,427	9,273,427
Domestic and international corporate bonds & notes	62,093,589	1,839,795	63,933,384
Fixed income mutual funds	--	56,649,786	56,649,786
Global asset allocation investment funds	--	11,463,043	11,463,043
Domestic and foreign equity securities	--	117,434,511	117,434,511
Domestic and international equity mutual funds	--	75,099,135	75,099,135
Domestic equity index funds	--	30,235,500	30,235,500
Pooled domestic equity index funds	--	79,230,974	79,230,974
Real estate investment funds	--	21,464,421	21,464,421
International emerging market funds	--	3,347,124	3,347,124
Fixed income investment fund	--	4,857,555	4,857,555
Total Investments	151,407,697	427,159,699	578,567,396
Total Cash Equivalents and Investments	$ 187,279,956	$ 427,159,699	$ 614,439,655

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

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

INVESTMENTS (CONTINUED)

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 funds, 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.

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

INVESTMENTS (CONTINUED)

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, 2023, 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 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 fiscal year ended September 30, 2023.

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

INVESTMENTS (CONTINUED)

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, 2023. Investments in money market mutual funds are reported at amortized cost and included in the following fair value schedule for reconciliation purposes only. The fair value of investments at September 30, 2023 is summarized as follows:

	Fair Value at September 30, 2023			
	Level 1	Level 2	Level 3	Total
Fixed Income Securities				
U.S. Government securities	$ 3,782,399	$ 56,723,269	$ --	$ 60,505,668
Collateralized mortgage obligations	--	9,273,427	--	9,273,427
Domestic and international corporate bonds & notes	--	63,933,384	--	63,933,384
Fixed income mutual funds	56,649,786	--	--	56,649,786
Global fixed income investment fund	11,463,043	--	--	11,463,043
Total Fixed Income Securities	71,895,228	129,930,080	--	201,825,308
Equity Investments				
Domestic and foreign equity securities	116,821,944	612,567	--	117,434,511
Domestic and international equity mutual funds	53,108,160	--		53,108,160
Domestic equity index funds	52,226,475	--	--	52,226,475
Total Equity Securities	222,156,579	612,567	--	222,769,146
Total Investments at Fair Value	$ 294,051,807	$ 130,542,647	$ --	424,594,454
Investment Measured at Amortized Cost				
Money market mutual funds				45,072,868
Investment Measured at NAV				
Alternative investment funds:				
Pooled equity index funds				79,230,974
Real estate investment funds				21,464,421
International emerging market portfolio				3,347,124
Fixed income investment fund				4,857,555
Total Investments at NAV				108,900,074
Total Investments				$ 578,567,396

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

INVESTMENTS (CONTINUED)

At September 30, 2023, certain alternative investment funds had future funding commitments of approximately $8,554,193. No withdrawals are permitted during the term of certain alternative investment funds which range from 2024 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, 2023, 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, 2023, 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, 2023.

	NRSRO Rating	Fair Value
Primary Government		
Florida governmental investment pools	AAAm	$ 35,872,259
Money market mutual funds	Unrated	36,065,533
U.S. Government securities	AA	53,248,575
Domestic and international corporate notes and bonds	A-BBB+	62,093,589

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

INVESTMENTS (CONTINUED)

Pension Trust Funds		
Money market mutual funds	AAAm	$ 9,007,335
U.S. Government securities	AA	7,257,093
Domestic and international corporate bonds & notes	A-BBB+	1,839,795
Collateralized mortgage obligations	Unrated	9,273,427
International allocation investment fund	Unrated	11,463,043
Participant directed pooled investment funds (DROP)	Unrated	13,070,330
Fixed income investment fund	Unrated	56,649,786
Fixed income alternative investment fund	Unrated	4,857,555

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	3.6	$ 52,464,769
U.S. Government Agency securities	0.3	783,806
Supranational Agency notes	0.5	2,274,290
Mortgage and asset backed securities	3.2	22,800,233
Collateralized mortgage obligations	3.5	7,150,494
Corporate obligations	3.6	29,868,572
Pension Trust Funds		
U.S. Government securities	2.4	$ 7,257,093
Domestic and international corporate obligations	3.5	1,839,795
Global asset allocation investment funds	3.0	11,463,043
Fixed income mutual funds	6.4	56,649,786
Fixed income alternative investment fund	Not available	4,857,555

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

INVESTMENTS (CONTINUED)

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, 2023.

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, 2023:

	Governmental Activities	Business-type Activities
Accounts Receivable		
General Fund - Intergovernmental	$ 6,293,709	$ --
Neighborhood Services Fund	77	--
Community Redevelopment Agency Fund	63,808	--
Water and Sewer Fund	--	6,067,081
Sanitation Fund	--	1,063,507
Non-Major Funds	182,730	48,855
Internal Services Funds	16,414	--
Allowance for doubtful accounts	(2,904,011)	(1,641,451)
Total Accounts Receivable	$ 3,652,727	$ 5,537,992

NOTE 5 – LEASES RECEIVABLE

Effective October 1, 2021, the City adopted the provisions of GASB Statement No. 87, *Leases*, which required the City to recognize a lease receivable and deferred inflow of resources for the present value of the expected lease payments under these agreements. The City was engaged in five (5) GASB 87 leases as the lessor within its governmental activities and two (2) leases within its business-type activities. The City leases include land and all access and utility easements (the "Premises") for communication towers (cell phone towers), parks and property. The lease terms under these agreements ranged from 49 months to 39 years. In addition, certain leases have extension and/or termination options, for which the City has made determinations as to if those options are reasonably certain to be exercised, and those determinations are reflected in the calculations presented, in accordance with GASB 87.

The following is a summary of the leases:

Cell Phone Tower – The City entered into a 49-month lease agreement as Lessor for the use of cell phone Tower. An initial lease receivable was recorded in the amount of $124,886. As of September 30, 2023, the value of the lease receivable is $65,317. The lessee is required to make monthly fixed payments of $2,625. The lease has an interest rate of 0.4350%. The value of the deferred inflow of resources as of September 30, 2023 was $63,759.

PCS Site – The City entered into a 57-month lease as Lessor for the use of PCS Site Delray Police. An initial lease receivable was recorded in the amount of $216,844. As of September 30, 2023, the value of the lease receivable is $129,910. The lessee is required to make monthly fixed payments of $3,612. The lease has an interest rate of 0.5820%. The value of the deferred inflow of resources as of September 30, 2023 was $125,541.

Barwick Park – The City entered into a 86-month lease as Lessor for the use of Barwick Park. An initial lease receivable was recorded in the amount of $242,789. As of September 30, 2023, the value of the lease receivable is $182,449. The lessee is required to make monthly fixed payments of $2,566. The lease has an interest rate of 0.8720%. The value of the deferred inflow of resources as of September 30, 2023 was $175,787. The lessee has one (1) extension option for an additional 60-month term.

Old School Square 2nd Avenue - The City entered into a 472-month lease as Lessor for the use of Old School Square 2nd Avenue property. An initial lease receivable was recorded in the amount of $27,876. As of September 30, 2023, the value of the lease receivable is $26,627. The lessee is required to make annual variable principal and interest payments of $979, which increases annually based on a CPI index. The lease has an interest rate of 1.7220%. The value of the deferred inflow of resources as of September 30, 2023 was $26,460.

NOTE 5 – LEASES RECEIVABLE (CONTINUED)

300 West Atlantic Avenue – The City entered into a 120-month lease as Lessor for the use of 300 West Atlantic Avenue property. An initial lease receivable was recorded in the amount of $363,450. As of September 30, 2023, the value of the lease receivable is $302,548. The lessee is required to make monthly fixed payments of $2,798. The lease has an interest rate of 1.1640%. The value of the deferred inflow of resources as of September 30, 2023 was $290,760. The lessee has one (1) extension option for an additional 60-month term.

During the fiscal year ended September 30, 2023, the City recognized the following related to these lease agreements:

Lease revenue	$ 146,770
Interest Income	7,898
Total	$ 154,668

Future principal and interest payment requirements related to the City's leases receivable at September 30, 2023 are as follows:

Fiscal Year Ending September 30,	Principal Receipt	Interest Income	Future Minimum Rent
2024	$ 141,917	$ 6,129	$ 148,046
2025	146,468	5,045	151,513
2026	109,667	3,980	113,646
2027	73,355	3,154	76,509
2028	76,387	2,388	78,775
2029 - 2033	138,059	4,274	142,333
2034 - 2038	3,195	1,700	4,895
2039 - 2043	3,480	1,415	4,895
2044 - 2048	3,790	1,105	4,895
2049 - 2053	4,128	767	4,895
2054 - 2058	4,496	399	4,895
2059 - 2061	1,909	49	1,958
Total	$ 706,851	$ 30,406	$ 737,257

NOTE 5 – LEASES RECEIVABLE (CONTINUED)

The following are leases in the business type activities:

Florida East Coast Railroad – The City entered into a 228-month lease as Lessor for the use of land for Florida East Coast Railroad property. An initial lease receivable was recorded in the amount of $2,585,162. As of September 30, 2023, the value of the lease receivable is $2,311,524. The lessee is required to make annual variable principal and interest payments of $154,924 based on a CPI index. The lease has an interest rate of 1.4900%. The value of the deferred inflow of resources as of September 30, 2023 was $2,313,040.

2200 Highland Avenue – The City entered into a 118-month lease as Lessor for the use of 2200 Highland Avenue property. An initial lease receivable was recorded in the amount of $194,648. As of September 30, 2023, the value of the lease receivable is $160,926. The lessee is required to make monthly fixed payments of $1,512. The lease has an interest rate of 1.1640%. The value of the deferred inflow of resources as of September 30, 2023 was $155,281. The lessee has 1 extension option an additional 60-month term.

During the fiscal year ended September 30, 2023, the City recognized the following related to these lease agreements:

Lease revenue	$ 136,061
Interest Income	72,797
Total	$ 208,858

Future principal and interest payment requirements related to the City's leases receivable at September 30, 2023 are as follows:

Fiscal Year Ending September 30,	Principal Receipt	Interest Income	Future Minimum Rent
2024	$ 137,998	$ 36,231	$ 174,229
2025	140,581	34,228	174,809
2026	143,216	32,188	175,404
2027	145,907	30,112	176,019
2028	148,653	27,999	176,652
2029 - 2033	734,236	107,524	841,760
2034 - 2038	719,562	55,059	774,621
2039 - 2043	302,297	6,790	309,087
Total	$ 2,472,450	$ 330,131	$ 2,802,581

NOTE 5 – LEASES RECEIVABLE (CONTINUED)

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

The CRA, as a Lessor, leases a real property and land pursuant to two ground leases and two property leases. The lease agreements commenced at various dates beginning February 2012 and ending September 30, 2061. The CRA had the following lease commitments as lessor at September 30, 2023 that meet the criteria of a lease receivable pursuant to GASB 87.

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 developed, constructed and operates 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. The lease expires on April 1, 2052. 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, 2023 was approximately $2,418,000. The lease receivable is $2,596,445 at September 30, 2023.

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 lease is currently operating as a month-to-month agreement under the same terms while a new lease is being negotiated. The ground lease was recorded pursuant to GASB 87. The carrying value of the property at September 30, 2023 was approximately $365,000. The lease receivable is $1,165,716 at September 30, 2023.

NOTE 5 – LEASES RECEIVABLE (CONTINUED)

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

Upper Cutz Barbershop and Salon, Inc.

On August 24, 2017, the CRA entered into an agreement to lease the property located at 135 NW 5th Avenue, Unit C5, to Upper Cutz Barbershop and Salon, Inc. The lease term is for a three-year period, commencing on October 1, 2017 with a monthly base rent amount of $1,000 with an increase of 6% to the monthly base rent on each anniversary. The lease was amended to extend the lease period until September 30, 2025. The carrying value of the leased property at September 30, 2023 was approximately $98,000. The lease receivable is $30,259 at September 30, 2023.

Jerk & Lime at Nicole's House, LLC

On December 9, 2021, the CRA entered into an agreement to lease the property located at 182 NW 5th Avenue, to Jerk & Lime at Nicole's House, LLC. The lease term is for a four-year period, commencing on December 1, 2021 with a monthly base rent amount of $1,933 with an increase of 6.25% to the monthly base rent on third year anniversary of the lease term through expiration on December 1, 2025. The carrying value of the leased property at September 30, 2023 was approximately $382,000. The lease receivable is $51,518 at September 30, 2023.

During the fiscal year ended September 30, 2023, the CRA recognized the following related to these lease agreements:

Lease revenue	$ 106,552
Interest Income	101,528
Total	$ 208,080

NOTE 5 – LEASES RECEIVABLE (CONTINUED)

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

Future principal and interest payment requirements related to the CRA's leases receivable at September 30, 2023 are as follows:

Fiscal Year Ending September 30,	Principal Receipt	Interest Income	Future Minimum Rent
2024	$ 90,919	$ 82,589	$ 173,508
2025	95,009	79,814	174,823
2026	61,061	77,128	138,189
2027	52,741	107,705	160,446
2028	55,118	106,086	161,204
2029 - 2033	331,628	503,201	834,829
2034 - 2038	470,675	443,140	913,815
2039 - 2043	607,554	362,091	969,645
2044-2048	746,341	261,037	1,007,378
2049-2053	723,228	140,066	863,294
2054-2058	349,152	66,718	415,870
2059-2061	260,512	12,300	272,812
Total	$ 3,843,938	$ 2,241,875	$ 6,085,813

NOTE 6 – NOTES RECEIVABLE

Notes receivable consist of the following at September 30, 2023:

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.	$ 6,425,988
CRA notes receivable	5,100,299
Total Governmental Activities	$ 11,526,287

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

The CRA's outstanding notes receivable at September 30, 2023 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, 2023, the total advances receivable from the CLT were $175,249 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

NOTE 6 – NOTES RECEIVABLE (CONTINUED)

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

Note Receivable from Delray Beach Chamber of Commerce (continued)
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, 2023, the balance of the note receivable from the Chamber was $125,086.

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, 2023 was $2,625,000.

Note Receivable from Hatcher Construction & Development, Inc.
On February 9, 2022, the CRA entered into a promissory note with Hatcher Construction & Development, Inc. ("borrower") for $1,400,000. Disbursements of the loan shall be made once the borrower has expended 20% of the total cost of the project. One May 24, 2022, an amended and restated promissory note was executed. Commencing May 1, 2022 and each consecutive month thereafter, the borrower shall make interest only payments of 3.0% on the total draw amounts received by the borrower until such time as the borrower

NOTE 6 – NOTES RECEIVABLE (CONTINUED)

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

Note Receivable from Hatcher Construction & Development, Inc. (continued)
receives a Certificate of Occupancy and provides a Final Release of Lien and Contractors Affidavit to the CRA. Commencing on the first day of each month subsequent to the borrower's receipt of the Certificate of Occupancy, and each consecutive month thereafter, the borrower shall make consecutive monthly for 83 months until the 84th month at which all outstanding principal and interest shall be due. Principal and interest is due the first day of each month. The note is collateralized by first leasehold mortgage and security agreement on the property. The outstanding draws on the note and the outstanding balance of the note receivable at September 30, 2023 was $1,239,330.

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, 2023, the amount of the individual second mortgages originated in 2008 through 2023, 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, 2023.

City Note Receivable from CRA

The City has an outstanding note receivable from the Delray Beach Community Redevelopment Agency (CRA) at September 30, 2023, 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:

NOTE 6 – NOTES RECEIVABLE (CONTINUED)

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

City Note Receivable from CRA (continued)

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 $361,419, and is included in due from other funds in the General Fund at September 30, 2023.

NOTE 7 – DUE FROM OTHER GOVERNMENTS

The total amount due from other governments of $2,544,081 at September 30, 2023, represents the amount due from federal, state and local sources for intergovernmental revenues and grant reimbursements in the Neighborhood Services Fund, One-Cent Sales Tax Fund, Beach Restoration Fund and the Capital Projects Fund for Governmental Activities.

NOTE 8 – CAPITAL ASSETS

The major components of capital assets for the City are summarized as follows at September 30, 2023:

	Beginning Balances *	Increases	Decreases	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 70,867,307	$ 3,265,054	$ --	$ 74,132,361
Construction in progress	39,197,572	12,558,578	(25,199,848)	26,556,302
Total capital assets not being depreciated	110,064,879	15,823,632	(25,199,848)	100,688,663
Capital assets being depreciated/amortized				
Buildings	52,856,765	32,205	--	52,888,970
Improvements other than buildings	168,573,951	29,268,067	--	197,842,018
Equipment	62,755,184	4,175,125	(5,778,611)	61,151,698
Leases (right-to-use assets)	279,549	--	(33,591)	245,958
Subscription based (right-to-use assets)	2,826,651	2,795,537	--	5,622,188
Total capital assets being depreciated/amortized	287,292,100	36,270,934	(5,812,202)	317,750,832
Less: accumulated depreciation for				
Buildings	(30,402,257)	(1,317,915)	--	(31,720,172)
Improvements other than buildings	(97,670,266)	(5,417,739)	--	(103,088,005)
Equipment	(42,710,433)	(5,586,388)	4,996,120	(43,300,701)
Less: accumulated amortization				
Leases (right-to-use assets)	(102,371)	(91,206)	33,591	(159,986)
Subscription based (right-to-use assets)	--	(1,010,903)	--	(1,010,903)
Total accumulated depreciation and amortization	(170,885,327)	(13,424,151)	5,029,711	(179,279,767)
Capital assets, net of accumulated Depreciation and amortization	116,406,773	22,846,783	(782,491)	138,471,065
Total Capital Assets, Net	$ 226,471,652	$ 38,670,415	$ (25,982,339)	$ 239,159,728

* Beginning balance was revised for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

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	6,732,721	2,873,823	(959,758)	8,646,786
Total capital assets not being depreciated	12,401,545	2,873,823	(959,758)	14,315,610
Capital assets being depreciated				
Building	13,774,348	--	--	13,774,348
Improvements other than buildings	195,561,728	1,110,337	(6,845)	196,665,220
Machinery and equipment	22,617,202	21,750	(859,796)	21,779,156
Leases (right-to-use assets)	179,886	--	--	179,886
Total capital assets being depreciated	232,133,164	1,132,087	(866,641)	232,398,610
Less: accumulated depreciation for				
Buildings	(11,105,291)	(261,171)	--	(11,366,462)
Improvements other than buildings	(110,986,284)	(3,680,706)	(111,171)	(114,778,161)
Equipment	(12,925,257)	(1,435,200)	835,673	(13,524,784)
Less: accumulated amortization				
Leases (right-to-use assets)	(14,381)	(45,021)	--	(59,402)
Total accumulated depreciation and amortization	(135,031,213)	(5,422,098)	724,502	(139,728,809)
Capital assets, net of accumulated				
Depreciation and amortization	97,101,951	(4,290,011)	(142,139)	92,669,801
Total Capital Assets, Net	$ 109,503,496	$ (1,416,188)	$ (1,101,897)	$ 106,985,411

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense for the fiscal year ended September 30, 2023, was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	$ 2,440,599
Public safety	1,181,975
Physical environment	4,265,648
Parks and recreation	2,129,735
Internal services funds	3,406,194
Total Depreciation/Amortization Expense - Governmental Activities	$ 13,424,151
Business-type Activities	
Water and sewer	$ 4,504,691
Stormwater	620,377
Municipal Golf Course	221,801
Lakeview Golf Course	71,510
City marina	3,719
Total Depreciation/Amortization Expense - Business-type Activities	$ 5,422,098

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.

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

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, 2023, accounts payable of the Water and Sewer Fund and business-type activities included $247,598 due to the Board. For the fiscal year ended September 30, 2023, the City paid $3,122,002 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, 2023, the City's 50% equity interest in the net position of the Board totaled $15,555,880 and has been reported as "Investment in regional plant (joint venture)" in the City's financial statements.

The Board issues separate financial statements. 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 fiscal year ended September 30, 2023, is as follows:

Net Position	
Current and other assets	$ 8,359,000
Capital assets, net	35,957,000
Total Assets	44,316,000
Current liabilities	2,031,000
Noncurrent liabilities	9,653,000
Total Liabilities	11,684,000
Deferred inflows of resources	1,520,000
Net Position	$ 31,112,000

Change in Net Position	
Charges for services	$ 7,345,000
Operating grants and contributions	1,401,000
Capital grants and contributions	1,729,000
Total Program Revenues	10,475,000
Program expenses	10,824,000
Net Program Expenses	(349,000)
Investment income	21,000
Miscellaneous	142,000
Change in Net Position	$ (186,000)

NOTE 10 – INTERFUND TRANSACTIONS AND BALANCES

Total interfund receivables/payables and transfers were as follows as of and for the fiscal year ended September 30, 2023:

	Due From Other Funds	Due To Other Funds	Transfers In	Transfers Out
Major Governmental Funds				
General fund	$ 22,165,350	$ 1,532,787	$ 6,211,872	$ 9,153,912
Neighborhood services	43,653	--	195,000	24,975
Community Redevelopment Agency	--	5,831,465	--	--
One-cent sales tax	1,532,787	1,857,496	--	--
Non-major Governmental Funds				
Special Revenue Fund:				
Beautification	--	--	1,072,440	29,033
Special projects	--	656,432	--	--
Local option gas tax	--	--	--	1,100,000
Building permit	--	--	--	288,000
Utilities tax	--	--	--	
Debt Service Fund:				
Utilities tax	--	--	3,428,900	--
Capital Projects Fund:				
Beautification	15,763	--	--	--
Beach restoration	--	--	500,000	--
Capital improvement	4,320,048	--	3,350,000	--
2004 GO Bond	--	2,257	--	--
Total Governmental Funds	$ 28,077,601	$ 9,880,437	$ 14,758,212	$ 10,595,920
Major Proprietary Funds				
Water and sewer	$ --	$ --	$ 122,258	$ 4,180,524
Non-major Proprietary Funds				
Stormwater	--	8,134,163	500,000	498,782
Sanitation	--	913,659	--	226,053
Municipal Golf Course	--	--	--	33,958
Lakeview Golf Course	--	--	--	20,550
City Marina	--	487,012	--	74,834
Cemetery	--	260,027	--	50,819
Internal Service Fund:				
Insurance	--	1,644,508	--	--
Central garage	--	6,757,795	300,970	--
Total Proprietary Funds	--	18,197,164	923,228	5,085,520
Total Primary Government	$ 28,077,601	$ 28,077,601	$ 15,681,440	$ 15,681,440

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 6.

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, 2023 were as follows:

	Beginning Balances *	Additions	Reductions	Ending Balances	Due Within One Year
Governmental Activities					
Revenue bonds	$ 49,262,747	$ --	$ (6,727,185)	$ 42,535,562	$ 6,300,562
General obligation bonds	4,110,000	--	(2,015,000)	2,095,000	2,095,000
Unamortized bond premium	1,824,811	--	(192,086)	1,632,725	--
Total Bonds Payable, Net	55,197,558	--	(8,934,271)	46,263,287	8,395,562
Installment agreements	923,551	--	(544,722)	378,829	378,829
Lease liability	177,063	--	(90,842)	86,221	74,251
Subscription liability	2,709,251	2,750,537	(1,693,621)	3,766,167	1,553,117
Compensated absences	9,695,830	936,265	(5,142)	10,626,953	776,737
Insurance claims payable	8,315,199	15,568,405	(15,207,469)	8,676,135	3,581,135
Total Governmental Activities	$ 77,018,452	$19,255,207	$ (26,476,067)	$ 69,797,592	$ 14,759,631

* Beginning balance was revised for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Business-type Activities					
Lease liability	$ 169,433	$ --	$ (42,768)	126,665	$ 44,483
Compensated absences	951,362	64,508	(12,314)	1,003,556	148,406
Total Business-type Activities	$ 1,120,795	$ 64,508	$ (55,082)	$ 1,130,221	$ 192,889

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.

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

Noncurrent liabilities, including current maturities, consisted of the following at September 30, 2023:

Revenue Bonds	Governmental Activities	Business-Type Activities
$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.	$ 417,807	$ --
$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.	202,755	--
Subtotal (Forward)	$ 620,562	$ --

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

Revenue Bonds (continued)	Governmental Activities	Business-Type Activities
Subtotal (Forward)	$ 620,562	$ --
$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.	28,400,000	--
$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%.	13,515,000	--
Total Revenue Bonds	42,535,562	--
Unamortized Bond Premium	1,632,725	--
Total Revenue Bonds, Net	$ 44,168,287	$ --

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.	$ 1,135,000	$ --
$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.	960,000	--
Total General Obligation Bonds	2,095,000	--
Installment agreements for equipment, 2.43% to 2.85% interest, maturing in 2024	378,829	--
Lease liability	86,221	126,665
Subscription liability	3,766,167	
Compensated absences payable	10,626,953	1,003,556
Insurance claims payable (see Note 14)	8,676,135	--
Total Noncurrent Liabilities, including Current Portion	$ 69,797,592	$ 1,130,221

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

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.

Pledged Governmental Revenues: The City has pledged the future utilities service tax revenues of the City to repay the outstanding Utility Tax Revenue Refunding 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 $33,964,650 at September 30, 2023. Principal and interest paid during the current year was $2,280,000 and $1,148,900, respectively.

The City has also pledged the future non ad-valorem revenues of the City to repay the outstanding Capital Improvement Revenue Bonds, Series 2017 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 $14,051,305 at September 30, 2023. Non-ad valorem revenues received for the current year were approximately $104.7 million. Principal and interest paid for the current year was $3,220,000 and $296,450, respectively.

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

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, 2023, was $628,573, payable through October 1, 2023. For the current year, principal and interest paid and the total tax increment revenues were $1,266,072 and $31,983,601, 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 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 fiscal year ended September 30, 2023 were $1,693,662,581 and $1,786,283, respectively, all of which was expensed.

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

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, 2023:

Fiscal Year Ending September 30,	Revenue Bonds		General Obligation Bonds		
	Principal	Interest	Principal	Interest	Total
2024	$ 6,300,562	$ 1,275,661	$ 2,095,000	$ 39,041	$ 9,710,264
2025	5,865,000	1,082,725	--	-	6,947,725
2026	6,050,000	890,526	--	--	6,940,526
2027	6,260,000	691,004	--	--	6,951,004
2028	2,855,000	573,500	--	--	3,428,500
2029-2033	13,255,000	1,493,850	--	--	14,748,850
2034-2035	1,950,000	101,700	--	--	2,051,700
Total	$ 42,535,562	$ 6,108,966	$ 2,095,000	$ 39,041	$ 50,778,569

INSTALLMENT AGREEMENTS

The installment agreements financed the purchase of equipment. At September 30, 2023, the cost of the equipment held under these agreements was approximately $3,778,400 and the accumulated amortization was approximately $2,157,997. 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, 2023, are as follows:

Fiscal Year Ending September 30	Amount
2024	$ 387,545
Total minimum payments	387,545
Less amount representing interest	(8,716)
Outstanding Balance at September 30, 2023	$ 378,829

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

CAPITAL LEASES

The City adopted GASB Statement No. 87, Lease and recorded various leases agreements for copiers. Prior to October 1, 2021, the City entered into various lease agreements with lease terms from 14 months to 48 months with various monthly payments from $61 to $4,056. An initial lease liability was recorded in the amount of $279,549. As of September 30, 2023, the lease liability is $86,221. The leases have interest rate of 0.19% to 3.94%. The value of the right to use asset as of September 30, 2023 was $245,958 with accumulated amortization of $159,986.

Fiscal Year Ending September 30	Principal	Interest	Total
2024	$ 74,251	$ 154	$ 74,405
2025	11,970	4	11,974
Total	$ 86,221	$ 158	$ 86,379

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into various subscription-based information technology agreements for software programs. The agreements require annual payments varying from $8,236 to $586,904 over two to five years with an interest rate of 2.36% to 3.30% and final payments due September 30, 2027. During the year ended September 30, 2023, principal and interest paid were $1,693,621 and $14,884 respectively. Future principal and interest payments as of September 30, 2023, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2024	$ 1,553,117	$ 113,798	$ 1,666,914
2025	1,248,486	66,623	1,315,109
2026	916,165	29,417	945,581
2027	48,400	1,600	50,000
Total	$ 3,766,167	$ 211,437	$ 3,977,604

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

BUSINESS-TYPE ACTIVITIES

Interest Expense: Total interest costs incurred and paid on business-type activities debt for the fiscal year ended September 30, 2023 was $5,906.

LEASES (RIGHT-TO-USE ASSETS)

The City adopted GASB Statement No. 87, Lease and recorded various leases agreements for golf carts. Prior to October 1, 2021, the City entered into a lease agreement with lease term of 60 months ending June 2026. The lease requires monthly payments of $4,056. An initial lease liability was recorded in the amount of $179,886. As of September 30, 2023, the lease liability is $126,665. The leases have interest rate of 3%. The value of the right to use asset as of September 30, 2023 of $179,886 with accumulated amortization of $59,402.

Fiscal Year Ending September 30	Principal	Interest	Total
2024	$ 44,484	$ 4,191	$ 48,675
2025	46,267	2,407	48,674
2026	35,914	592	36,506
Total	$ 126,665	$ 7,190	$ 133,855

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, 2023 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
2024	$ 361,419	$ 58,730	$ 420,149
Total	$ 361,419	$ 58,730	$ 420,149

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' Retirement 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. The General Employees' Retirement Plan is administered by a retirement committee and the Firefighters' and Police Officers' Plans are administered by an independent Board and are 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' Retirement Plan - The benefit provisions and all other requirements of the General Employees' Retirement Plan 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 and income from investment of accumulated funds. The operations of the fund are administered and managed by the General Employees' Retirement Plan Retirement Committee, which consists the City's Chief Financial Officer and four additional members 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.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

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 the DROP. When entering the 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 $4,162,632 at September 30, 2023.

Other Benefits - The plan 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.

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

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

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.

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.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

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 (subject to a maximum annual benefit of 87.5% or average final compensation).

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).

B) Police officers hired after July 7, 2015 receive 3.00% times the police officer's final average monthly earnings for continuous service on or after October 25, 2022. The benefit multiplier for service earned before October 25, 2022 will remain at 2.75%. Compensation times all years of credited services (subject to a maximum annual benefit of $108,000 and further subject to a maximum of 75.00% of their average final compensation).

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 $11,362,806 at September 30, 2023.

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 salary (members hired after July 7, 2015 are required to contribute 10% of salary). 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 as increased 2% each October 1 beginning October 1, 2016, 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 as increased 2% each October 1 beginning October 1, 2016, 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 as increased 2% each October 1 beginning October 1, 2016, but not less than 2.0% times average final compensation for each year of credited service).

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

DESCRIPTION OF THE PLANS (CONTINUED)

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

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 $14,916,287 at September 30, 2023.

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, 2023:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
Net pension asset	$ (641,472)	$ --	$ --	$ (641,472)
Net pension liability	$ --	$ 61,587,264	$ 60,322,505	$ 121,909,769
Deferred outflows of resources	$ 2,600,161	$ 8,306,821	$ 11,664,372	$ 22,571,354
Deferred inflows of resources	$ 75,808	$ --	$ 239,254	$ 315,062
Pension expense (income)	$ 3,285,959	$ 11,105,749	$ 12,149,499	$ 26,541,207

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

MEMBERSHIP

Membership data of the City's pension plans as of October 1, 2022, 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	359	162	149
Inactive plan members entitled to benefits but not receiving them	90	10	1
Active plan members	415	135	131
Total	864	307	281

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, 2023 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	18.0%	20.0%	17.5%
Real estate	--	10.0%	10.0%
Alternative	10.5%	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 14.54%, 12.02% and 11.32%, respectively, for the fiscal year ended September 30, 2023. 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, 2023, the measurement date, were as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Total pension liability	$ 159,692,599	$ 185,316,912	$ 203,684,126
Less: Plan fiduciary net position	(160,334,071)	(123,729,648)	(143,361,621)
Net pension liability (asset)	$ (641,472)	$ 61,587,264	$ 60,322,505
Plan fiduciary net position as a percentage of the total pension liability	100.4%	66.8%	70.4%

Actuarial Assumptions: The total pension liability for the City's pension plans was determined by actuarial valuations as of October 1, 2022, based on the following actuarial assumptions:

	General Employees Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Measurement date	September 30, 2023	September 30, 2023	September 30, 2023
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	5 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:			
Investment rate of return	6.75%	6.75%	6.625%
Projected salary increases	3.75%-6.75% based on service	5.25%-6.75% based on service	4.5%-8.25% 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%

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

NET PENSION LIABILITY (ASSET) (CONTINUED)

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, 2023 (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

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 fiscal year ended September 30, 2023:

	Increase (Decrease)		
General Employees' Pension Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at October 1, 2022	$ 153,228,056	$ 143,851,697	$ 9,376,359
Changes for the current year:			
Service cost	3,298,952	--	3,298,952
Interest	10,283,312	--	10,283,312
Difference between actual and expected experience	1,245,558	--	1,245,558
Contributions - City	--	2,357,598	(2,357,598)
Contributions - employee	--	1,665,136	(1,665,136)
Net investment income (loss)	--	20,953,749	(20,953,749)
Benefit payments, including refunds of employee contributions	(8,363,279)	(8,363,279)	--
Administration expenses	--	(130,830)	130,830
Net Changes	6,464,543	16,482,374	(10,017,831)
Balances at September 30, 2023	$ 159,692,599	$ 160,334,071	$ (641,472)

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, 2022	$ 179,581,211	$ 109,396,630	$ 70,184,581
Changes for the current year:			
Service cost	3,362,525	--	3,362,525
Interest	12,012,936	--	12,012,936
Changes of benefit terms	17,725		17,725
Difference between actual and expected experience	291,141	--	291,141
Contributions - City	--	7,882,933	(7,882,933)
Contributions - State of Florida	--	1,036,799	(1,036,799)
Contributions - employee	--	1,252,569	(1,252,569)
Net investment income (loss)	--	14,291,832	(14,291,832)
Benefit payments, including refunds of employee contributions	(9,948,626)	(9,948,626)	--
Administration expenses	--	(182,489)	182,489
Net Changes	5,735,701	14,333,018	(8,597,317)
Balances at September 30, 2023	$ 185,316,912	$ 123,729,648	$ 61,587,264

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Firefighters' Retirement System	Increase (Decrease) Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at October 1, 2022	$ 196,225,173	$ 127,536,755	$ 68,688,418
Changes for the current year:			
Service cost	3,961,550	--	3,961,550
Interest	12,914,131	--	12,914,131
Change of benefit terms	--		--
Difference between actual and expected experience	1,096,147	--	1,096,147
Change of assumptions	--	--	--
Contributions - City	--	8,300,261	(8,300,261)
Contributions - State of Florida	--	1,796,317	(1,796,317)
Contributions - employee	--	1,301,713	(1,301,713)
Net investment income (loss)	--	15,105,285	(15,105,285)
Benefit payments, including refunds of employee contributions	(10,512,875)	(10,512,875)	--
Administration expenses	--	(165,835)	165,835
Net Changes	7,458,953	15,824,866	(8,365,913)
Balances at September 30, 2023	$ 203,684,126	$ 143,361,621	$ 60,322,505

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	$ 17,698,406	$ 85,413,337	$ 84,863,129
Current discount rate	$ (641,472)	$ 61,587,264	$ 60,322,505
One percentage point higher than current discount rate	$ (16,073,285)	$ 41,834,761	$ 40,119,326

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of $3,285,959, $11,105,749 and $12,149,499 for the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, respectively. At September 30, 2023, 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	$ 75,808	$ 1,033,797
Changes in assumptions	--	--
Net difference between projected and actual investment earnings on pension plan investments	--	1,566,364
Total	$ 75,808	$ 2,600,161

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	$ --	$ 1,647,571
Changes in assumptions	--	74,238
Net difference between projected and actual investment earnings on pension plan investments	--	6,585,012
Total	$ --	$ 8,306,821

Firefighters' Retirement System	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	$ --	$ 4,810,571
Changes in assumptions	239,254	1,792,973
Net difference between projected and actual investment earnings on pension plan investments	--	5,060,828
Total	$ 239,254	$ 11,664,372

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

Fiscal Year Ending September 30	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
2024	$ (494,394)	$ 2,447,596	$ 3,208,219
2025	(26,917)	2,056,968	2,565,210
2026	5,308,683	5,169,625	6,455,252
2027	(2,263,019)	(1,367,368)	(803,563)
Total	$ 2,524,353	$ 8,306,821	$ 11,425,118

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 fiscal year ended September 30, 2023, are as follows:

Statements of Fiduciary Net Position

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Assets			
Cash	$ 56,724	$ 121,715	$ 61,600
Investments:			
Money market mutual funds	4,108,883	1,651,931	3,246,521
U.S. Government securities	7,257,093	--	--
Collateralized mortgage obligations	9,273,427	--	--
Domestic corporate bonds	1,839,795	--	--
Fixed income mutual funds	20,524,931	10,835,400	25,289,455
Global asset allocation investment fund	--	11,463,043	--
Domestic equity securities	30,472,044	35,609,731	36,389,695
Domestic equity mutual funds	21,990,975	11,185,472	5,715,900
Domestic equity index funds	--	14,289,646	15,945,854
Pooled domestic equity index funds	55,808,542	9,890,824	13,531,608
International equity mutual funds	--	14,073,317	22,133,471
Foreign stocks	5,722,982	1,678,283	7,561,776
Real estate investment funds	--	9,846,938	11,617,483
Fixed income alternative investment fund	3,347,124	2,935,496	1,922,059
Interest and dividends receivable	153,291	21,158	37,934
Pending trades receivable	419,101	328,936	596,432
Total Assets	160,974,912	123,931,890	144,049,788
Accounts payable	203,668	77,199	84,034
Refunds due to members	--	11,742	--
Pending trades payable	437,173	113,301	604,133
Total Liabilities	640,841	202,242	688,167
Fiduciary Net Position - Restricted for Pension Benefits	$ 160,334,071	$ 123,729,648	$ 143,361,621

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	$ 2,357,598	$ 7,882,933	$ 8,300,261
State of Florida	--	1,036,799	1,796,317
Plan members	1,665,136	1,252,569	1,301,713
Total contributions	4,022,734	10,172,301	11,398,291
Investment earnings:			
Net appreciation in fair value of investments	17,181,480	10,042,209	12,345,891
Interest, dividends and investment fund income	4,104,974	5,032,663	3,561,577
Other investment income	2,515	1,668	283
	21,288,969	15,076,540	15,907,751
Less: investment expenses	(335,220)	(772,967)	(802,466)
Net investment earnings	20,953,749	14,303,573	15,105,285
Total Additions	24,976,483	24,475,874	26,503,576
Deductions			
Benefits	8,238,834	9,915,657	10,286,274
Refunds of contributions	124,445	32,969	226,601
Administrative expenses	130,830	182,489	165,835
Total Deductions	8,494,109	10,131,115	10,678,710
Change in Fiduciary Net Position	16,482,374	14,344,759	15,824,866
Net Position Restricted for Pension Benefits at October 1, 2022	143,851,697	109,384,889	127,536,755
Net Position Restricted for Pension Benefits at September 30, 2023	$ 160,334,071	$ 123,729,648	$ 143,361,621

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, 2023.

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.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

OTHER EMPLOYEE BENEFIT PLANS (CONTINUED)

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 fiscal year ended September 30, 2023, is summarized as follows:

Balance at October 1, 2022	$ 1,095,339
Employer contributions	74,703
Employee contributions	74,703
Investment gain, net of expenses	151,509
Distributions	(20,488)
Balance at September 30, 2023	$ 1,375,766

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 $428 for single coverage to a maximum of $1,998 for family coverage.

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

DESCRIPTION OF THE PLANS (CONTINUED)

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.

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.

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

PLAN MEMBERSHIP

The membership in the City's OPEB Plan and the Retiree Benefit Fund as of October 1, 2022 and September 30, 2023, 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	78	185
Inactive employees entitled to but not yet receiving benefit payments	--	--
Active employees	801	321
Total Members	879	506

OPEB LIABILITY

The City's OPEB liability, deferred outflows/inflows of resources related to OPEB and OPEB expense for both OPEB plans are summarized as follows at September 30, 2023:

	City OPEB Plan	Retiree Benefit Fund	Total
Net OPEB liability	$ 11,763,420	$ 7,698,713	$ 19,462,133
Deferred outflows of resources	$ 4,192,694	$ 722,443	$ 4,915,137
Deferred inflows of resources	$ 12,304,299	$ 703,994	$ 13,008,293
OPEB expense	$ 591,716	$ 1,045,152	$ 1,636,868

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

OPEB LIABILITY (CONTINUED)

The City's OPEB liability of $19,462,133 was measured as of September 30, 2023 for the City OPEB Plan and the Retiree Benefit Plan as determined by actuarial valuations as of October 1, 2022 and September 30, 2023, respectively.

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

	City OPEB Plan	Retiree Benefit Fund
Valuation date	October 1, 2022	September 30, 2021
Measurement date	September 30, 2023	September 30, 2023
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	11 years	22 years
Asset valuation method	N/A[(1)]	Market Value of Assets

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

OPEB LIABILITY (CONTINUED)

	City OPEB Plan	Retiree Benefit Fund
Actuarial assumptions:		
Discount rate	4.75%(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.

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

INVESTMENTS

Investment Policy (Retiree Benefit Fund): 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.

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, 2023 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

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

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 fiscal year ended September 30, 2023 were as follows:

	City OPEB Plan	Retiree Benefit Fund	Total
Total OPEB Liability			
Total OPEB liability at September 30, 2022	$ 14,277,527	$ 14,850,954	$ 29,128,481
Changes in the total OPEB liability for the year:			
Service cost	218,889	224,875	443,764
Interest	661,870	1,099,015	1,760,885
Changes of assumptions and other inputs	(2,708,037)	32,943	(2,675,094)
Benefit payments	(686,829)	(860,129)	(1,546,958)
Change in total OPEB liability	(2,514,107)	496,704	(2,017,403)
OPEB Liability at September 30, 2023	$ 11,763,420	$ 15,347,658	$ 27,111,078

	City OPEB Plan	Retiree Benefit Plan	Total
Fiduciary Net Position			
Balances at October 1, 2022	$ --	$ 6,692,310	$ 6,692,310
Changes in fiduciary net position for the current year:			
Employer contributions	686,829	956,133	1,642,962
Net investment income	--	920,409	920,409
Benefit payments	(686,829)	(860,129)	(1,546,958)
Administrative expenses	--	(59,778)	(59,778)
Changes in fiduciary net position	--	956,635	956,635
Total Fiduciary Net Position at September 30, 2023	--	7,648,945	7,648,945
OPEB Liability balances at September 30, 2023	$ 11,763,420	$ 7,698,713	$ 19,462,133

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

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

Changes of Assumptions: Effective October 1, 2022, the discount rate for the City OPEB Plan was increased from 4.59% to 4.75%.

Sensitivity of the OPEB Liability to Changes in the Discount Rate: The following table presents the 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	$ 14,143,765	$ 9,302,763
Current discount rate	$ 11,763,420	$ 7,698,713
One percentage point higher than current discount rate	$ 9,983,633	$ 6,336,177

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the 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 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	$ 9,821,051	N/A
Current healthcare cost trend rate	$ 11,763,420	N/A
One percentage point higher than current trend rate	$ 14,404,608	N/A

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

CHANGES IN THE OPEB LIABILITY (CONTINUED)

For the fiscal year ended September 30, 2023, the City recognized OPEB expense of $591,716 and $1,045,152 for the City OPEB Plan and the Retiree Benefit Fund, respectively. At September 30, 2023, 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	$ 12,304,299	$ 4,192,694
Retiree Benefit Fund		
Differences between projected and actual experience	227,212	107,022
Net difference between projected and actual earnings	--	--
Changes in assumptions and other inputs	476,782	615,421
Total	$ 703,994	$ 722,443

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

Fiscal Year Ending September 30,	City OPEB Plan	Retiree Benefit Fund
2024	$ (185,236)	$ 37,659
2025	(159,284)	(9,898)
2026	(159,284)	179,758
2027	(469,202)	(195,448)
2028	(1,000,567)	5,313
Thereafter	(6,138,032)	1,065
Total	$ (8,111,605)	$ 18,449

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 recently transferred its general and auto coverage to a Fully Insured Liability Program. 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 amount of settlements did not exceed insurance coverage for any of the past three years. The City also maintains a self-insured health plan with Cigna Healthcare as the third-party administrator. The City is self-insured up to an individual stop loss of $200,000 per individual every fiscal year. In addition, the City has aggregate stop loss insurance should claims exceed 120% of $14,337,552 per fiscal year. Any claims in excess would be reimbursed to the City.

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 fiscal year ended September 30, 2023, charges of $21,708,474 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 $8,676,135 ($3,581,135 current and $5,095,000 noncurrent) at September 30, 2023, which is an increase of approximately $361,000 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.

NOTE 14 – RISK MANAGEMENT (CONTINUED)

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

Balance at September 30, 2021	$ 7,629,764
Claims incurred	14,023,843
Claims paid	(13,338,408)
Balance at September 30, 2022	8,315,199
Claims incurred	15,568,405
Claims paid	(15,207,469)
Balance at September 30, 2023	$ 8,676,135

The claims liability at September 30, 2023 and 2022, is summarized as follows:

	2023	2022
Current	$ 3,581,135	$ 3,011,199
Noncurrent	5,095,000	5,304,000
Total	$ 8,676,135	$ 8,315,199

As a political subdivision of the State of Florida, the City has sovereign immunity under the Florida Constitution for tort actions. Pg 10Therefore, 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. For the fiscal year ended September 30, 2023, the CRA's tax increment revenues include $13,427,840 received from the City. CRA expenditures for the fiscal year ended September 30, 2023, include charges of $4,211,815 for contractual services provided by the City to the CRA in connection with various administrative and redevelopment activities, $2,847,283 for construction services related to redevelopment projects, and $905,000 for sponsorship of City tennis tournaments.

At September 30, 2023, the City had a receivable from the CRA of $5,470,046 for various administrative services and notes receivable from the CRA of $361,419 (see Note 6 - Notes Receivable and Note 11 – Noncurrent Liabilities). These amounts are included in due from/due to other funds. The CRA also entered into an interlocal agreement with the City to provide funding for certain construction projects and related professional services totaling $9,357,710. As of September 30, 2023, approximately $6,872,815 of the commitment was still outstanding.

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, 2023, were as follows:

Capital Projects Funds	$ 14,397,137
Water and Sewer Fund	2,795,967
Stormwater Fund	337,290
Community Redevelopment Agency Fund	28,470,045
Total Contract Commitments	$ 46,000,439

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.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

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.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

Tax Increment Incentive Agreements: The CRA reimbursed $43,162 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, 2023:

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 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 2023. The final grant payment was made during September 30, 2023.

Grant Funding Commitments: The CRA also entered into agreements with the following organizations to provide funding for their operations during the year ended September 30, 2023:

EPOCH dba Spady Cultural	$	81,750
Delray Beach Community Land Trust, Inc.		130,583
Creative City Collaborative / Arts Garage		275,000
Delray Beach Public Library		437,920
Delray Beach Historical Society		75,000
Total Grant Commitments	$	1,000,253

NOTE 17 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The City's expenditures exceeded appropriations by $3,508,066 for subscriptions and $927,754 for debt service for the fiscal year ended September 30, 2023. For the CRA, expenditures exceeded appropriations by $8,931 for the General Government.

NOTE 18 – SUBSEQUENT EVENTS

On September 19, 2022 Referendum Resolution No. 154-22 was adopted by the City Commission for the issuance of a $100 million Public Safety General Obligation Bond referendum as well as a $20 million Parks General Obligation Bond. The bonds will pay for a new police station, improvements to existing fire stations, and improvements to parks and recreational facilities. The issuance of the $20 million Parks General Obligations Bonds was adopted on March 5, 2024 through Resolution No. 56-24. The Official Notice of Sale for the Series 2024 bonds is expected to be published in May 2024.

S&P Global Ratings recently assigned its 'AAA' long-term rating to the City's yet-to-be-issued $20 million Series 2024 general obligation bonds (parks projects). The City also received a credit upgrade of its issuer rating from Aa2 to Aa1 from Moody's Investors Service.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELRAY BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 102,864,352	$ 102,864,352	$ 103,226,055	$ 361,703
Fees and permits	9,763,767	10,014,081	11,434,936	1,420,855
Intergovernmental	13,583,050	14,248,584	15,106,173	857,589
Charges for services	17,118,074	17,118,074	17,895,235	777,161
Fines and forfeitures	1,053,500	1,053,500	1,716,830	663,330
Miscellaneous	13,052,571	14,022,498	14,794,150	771,652
Transfers in	6,689,784	6,689,784	6,211,872	(477,912)
Prior year surplus	2,500,000	3,971,345	--	(3,971,345)
Total Revenues	166,625,098	169,982,218	170,385,251	403,033
Expenditures				
General government				
City commission	536,336	536,336	435,492	100,844
City manager	1,781,839	1,649,721	1,113,217	536,504
Economic development	693,264	766,070	471,026	295,044
Human resources	1,076,466	1,097,766	1,027,986	69,780
City clerk	824,653	850,773	718,285	132,488
Finance	2,884,878	2,884,878	2,803,309	81,569
Information technology	5,258,290	5,722,899	4,861,728	861,171
Subscriptions	--	--	3,508,066	(3,508,066)
City attorney	1,448,584	1,448,584	1,289,292	159,292
Nondepartmental	2,408,882	2,382,882	2,025,924	356,958
Transfers to component units	18,566,537	18,566,537	18,555,761	10,776
Public safety				
Police	44,955,857	44,880,201	44,128,885	751,316
Fire	41,524,339	41,940,608	41,903,694	36,914
Development services	2,401,636	2,501,336	1,838,057	663,279
Neighborhood & community services	3,740,002	4,248,587	3,869,959	378,628
Physical environment				
Public works	11,547,332	11,829,275	11,027,257	802,018
Parks and recreation	17,525,487	19,134,287	17,768,384	1,365,903
Debt service	409,566	387,566	1,315,320	(927,754)
Transfers out	9,041,150	9,153,912	9,153,912	--
Total Expenditures	166,625,098	169,982,218	167,815,554	2,166,664
Excess of Revenues Over (Under) Expenditures	$ --	$ --	2,569,697	$ 2,569,697
Fund Balance - October 1, 2022			52,365,864	
Difference between GAAP and budgetary basis			3,866,951	
Fund Balance - September 30, 2023			$ 58,802,512	

See notes to budgetary comparison schedules.

CITY OF DELRAY BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD SERVICES FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 1,074,267	$ 2,701,082	$ 906,995	$ (1,794,087)
Miscellaneous	356,742	1,257,429	158,089	(1,099,340)
Transfers in	195,000	195,000	195,000	--
Total Revenues	1,626,009	4,153,511	1,260,084	(2,893,427)
Expenditures				
General government				
Personal services	474,897	526,159	463,197	62,962
Operating	421,127	5,995,050	1,045,456	4,949,594
Grants and aid	64,839	786,047	78,745	707,302
SHIP	640,171	812,817	452,463	360,354
Transfers out	24,975	24,975	24,975	--
Total Expenditures	1,626,009	8,145,048	2,064,836	6,080,212
Excess of Revenues Over (Under) Expenditures	--	(3,991,537)	(804,752)	3,186,785
Other Financing Sources (Uses)				
Appropriated fund balance	--	3,991,537	--	3,991,537
Total other financing sources	--	3,991,537	--	3,991,537
Net Change in Fund Balance	$ --	$ --	(804,752)	$ (804,752)
Fund Balance - October 1, 2022			5,262,077	
Fund Balance - September 30, 2023			$ 4,457,325	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Tax increment revenue				
City of Delray Beach	$ 18,709,113	$ 18,555,761	$ 18,555,761	$ --
Palm Beach County	13,634,547	13,427,840	13,427,840	--
Total Tax Increment Revenue	32,343,660	31,983,601	31,983,601	--
Charges for services				
Green Market	70,000	53,936	53,936	--
Arts Warehouse	100,000	174,153	173,101	(1,052)
Total Charges for Services	170,000	228,089	227,037	(1,052)
Miscellaneous revenue				
Other reimbursements	5,000	180,098	195,095	14,997
Rental income	160,000	224,245	300,296	76,051
Interest and other income	72,060	365,664	365,058	(606)
Total Miscellaneous Revenue	237,060	770,007	860,449	90,442
Total Revenues	32,750,720	32,981,697	33,071,087	89,390
Other Financing Sources				
General Fund carryforward fund balance	30,001,648	(13,058,389)	--	13,058,389
Total Other Financing Sources	30,001,648	(13,058,389)	--	13,058,389
Total Revenues and Other Financing Sources	62,752,368	19,923,308	33,071,087	13,147,779
Expenditures				
General government				
Personnel	2,143,000	1,466,122	1,475,772	(9,650)
Supplies and materials	25,000	16,655	16,661	(6)
Office space	120,000	98,202	97,477	725
Administration/Operations	673,000	288,719	288,719	--
Equipment, property and maintenance	217,000	51,995	51,995	--
Total General Government	3,178,000	1,921,693	1,930,624	(8,931)
Economic development				
Areawide and Neighborhood Plans	36,997,183	6,587,727	5,737,401	850,326
Redevelopment Projects	12,111,500	2,970,727	2,847,283	123,444
Community Improvement and Economic Development	8,545,536	6,756,939	6,775,229	(18,290)
Total Economic Development	57,654,219	16,315,393	15,359,913	955,480
Debt service				
Principal and interest	1,920,149	1,686,222	1,685,168	1,054
Total Expenditures	62,752,368	19,923,308	18,975,705	947,603
Excess of Revenues Over Expenditures	$ --	$ --	14,095,382	$ 14,095,382
Fund balance - October 1, 2022			39,263,555	
Difference between GAAP and budgetary basis			361,419	
Fund balance - September 30, 2023			$ 53,720,356	

See notes to budgetary comparison schedules.

CITY OF DELRAY BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 $3,357,120 and $6,519,039, respectively, during the fiscal year ended September 30, 2023.

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 $42,829,060, during the year ended September 30, 2023.

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, principal paid on the CRA note to the City are included in budgeted expenditures, 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, Neighborhood Service Fund and the CRA Fund can be reconciled as follows:

	Revenues	Expenditures
General Fund		
Transfers	$ 6,211,872	$ 9,153,912
On-behalf payments for pension benefits	(2,833,116)	(2,833,116)
Encumbrances	--	1,831,343
Prior year encumbrances paid in current year	--	(1,100,898)
Net Differences - GAAP and Budgetary Basis	3,378,756	7,051,241
GAAP Basis	167,006,495	160,764,313
Budgetary Basis	$ 170,385,251	$ 167,815,554

NOTE 2 - BUDGET AND ACTUAL COMPARISONS (CONTINUED)

	Revenues	Expenditures
Neighborhood Services Fund		
Transfers	$ 195,000	$ 24,975
GAAP Basis	1,065,084	2,039,861
Budgetary Basis	$ 1,260,084	$ 2,064,836
Community Redevelopment Agency (CRA) Fund		
Principal paid on CRA note payable to the City	$ --	$ 361,419
GAAP Basis	33,071,087	18,614,286
Budgetary Basis	$ 33,071,087	$ 18,975,705

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 TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ 3,298,952	$ 3,178,953	$ 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	10,283,312	9,957,953	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	1,245,558	(148,006)	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	(8,363,279)	(8,214,230)	(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	6,464,543	4,774,670	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	153,228,056	148,453,386	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)	$ 159,692,599	$ 153,228,056	$ 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	$ 2,357,598	$ 2,882,706	$ 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	1,665,136	1,316,257	1,229,630	1,098,892	1,206,890	799,106	717,598	618,705	948,466	1,126,054
Net investment income (loss)	20,953,749	(24,704,835)	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	(8,363,279)	(8,214,230)	(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	(130,830)	(130,772)	(119,862)	(121,470)	(172,197)	(73,250)	(77,550)	(82,336)	(73,705)	(79,025)
Net Change in Plan Fiduciary Net Position	16,482,374	(28,850,874)	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	143,851,697	172,702,571	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)	$ 160,334,071	$ 143,851,697	$ 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)]	$ (641,472)	$ 9,376,359	$ (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	100.4%	93.9%	116.3%	97.9%	94.8%	104.8%	102.2%	98.2%	94.8%	101.9%
Covered Payroll	$ 24,720,627	$ 23,765,081	$ 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	(2.6)%	39.5 %	(106.1)%	14.5 %	36.4 %	(33.7)%	(17.7)%	13.3 %	36.8 %	(12.2)%

CITY OF DELRAY BEACH, FLORIDA

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

LAST TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - Note 1										
Service cost	$ 3,362,525	$ 3,254,371	$ 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	12,012,936	11,614,886	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	17,725	--	--	--	--	--	--	(1,121,765)	(347,798)	--
Differences between expected and actual experience	291,141	731,033	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	(9,948,626)	(9,674,201)	(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	5,735,701	5,926,089	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	179,581,211	173,655,122	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)	$ 185,316,912	$ 179,581,211	$ 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	$ 7,882,933	$ 8,119,171	$ 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	1,036,799	896,146	834,187	868,062	835,929	786,320	742,419	1,909,358	1,896,237	1,951,084
Plan members	1,252,569	1,159,973	1,063,696	1,196,828	1,160,807	1,126,780	924,337	1,806,021	1,634,828	1,594,712
Net investment income (loss)	14,291,832	(23,212,695)	24,325,114	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	(9,948,626)	(9,674,201)	(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	(182,489)	(171,447)	(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	14,333,018	(22,883,053)	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	109,396,630	132,279,683	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)	$ 123,729,648	$ 109,396,630	$ 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)]	$ 61,587,264	$ 70,184,581	$ 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	66.8%	60.9%	76.2%	64.5%	63.2%	65.4%	68.4%	66.5%	64.2%	67.0%
Covered Payroll	$ 12,962,713	$ 12,245,085	$ 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	475.1%	573.2%	359.0%	488.7%	475.6%	447.3%	377.7%	429.1%	471.9%	460.8%

(1) The Plan fiduciary net position above does not agree to the Plan fiduciary net position presented in the statement of fiduciary net position as of September 30, 2022. The difference of $11,741 was caused by an adjustment that was made after the actuary finalized their GASB No. 67 report.

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 TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - Note 1										
Service cost	$ 3,961,550	$ 3,920,642	$ 3,992,364	$ 3,280,458	$ 2,996,276	$ 2,325,806	$ 2,278,992	$ 4,161,533	$ 4,116,670	$ 4,215,639
Interest	12,914,131	12,225,044	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	1,096,147	4,340,624	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	(10,512,875)	(9,738,936)	(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	7,458,953	10,747,374	8,936,949	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	196,225,173	185,477,799	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)	$ 203,684,126	$ 196,225,173	$ 185,477,799	$ 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	$ 8,300,261	$ 8,169,314	$ 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	1,796,317	1,322,142	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	1,301,713	1,489,819	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)	15,105,285	(21,882,378)	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	(10,512,875)	(9,738,936)	(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	(165,835)	(134,090)	(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	15,824,866	(20,774,129)	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	127,536,755	148,310,884	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)	$ 143,361,621	$ 127,536,755	$ 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)]	$ 60,322,505	$ 68,688,418	$ 37,166,915	$ 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	70.4%	65.0%	80.0%	67.2%	64.0%	66.3%	69.0%	66.5%	64.2%	67.0%
Covered Payroll	$ 13,185,223	$ 13,028,198	$ 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	457.5%	527.2%	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 TEN 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
2023	$ 159,692,599	$ 160,334,071	$ (641,472)	100.4%	$ 24,720,627	(2.6)%
2022	153,228,056	143,851,697	9,376,359	93.9%	23,765,081	39.5 %
2021	148,453,386	172,702,571	(24,249,185)	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
2023	$ 185,316,912	$ 123,729,648	$ 61,587,264	66.8%	$ 12,962,713	475.1 %
2022	179,581,211	109,396,630	70,184,581	60.9%	12,245,085	573.2 %
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
2023	$ 203,684,126	$ 143,361,621	$ 60,322,505	70.4%	$ 13,185,223	457.5 %
2022	196,225,173	127,536,755	68,688,418	65.0%	13,028,198	527.2 %
2021	185,477,799	148,310,884	37,166,915	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 TEN FISCAL YEARS

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Employees' Pension Plan										
Actuarially determined contribution	$ 2,357,598	$ 2,882,706	$ 3,123,630	$ 2,866,796	$ 2,360,582	$ 2,151,438	$ 1,969,163	$ 2,046,827	$ 2,168,946	$ 2,093,769
Contributions in relation to actuarially determined contribution	2,357,598	2,882,706	3,123,630	2,866,796	2,360,582	2,151,438	1,969,163	2,046,827	2,168,946	2,093,769
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Covered payroll	$ 24,720,627	$ 23,765,081	$ 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	9.5%	12.1%	13.7%	13.7%	11.8%	11.9%	12.7%	13.3%	13.6%	12.7%
Police Officers' Retirement System [1]										
Actuarially determined contribution	$ 8,489,528	$ 8,725,766	$ 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]	8,489,528	8,725,766	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	$ 12,962,713	$ 12,245,085	$ 11,523,962	$ 12,084,406	$ 12,084,406	$ 11,125,424	$ 10,738,126	$ 19,643,308	$ 18,107,436	$ 16,474,658
Contributions as a percentage of covered payroll	65.5%	71.3%	75.0%	62.3%	56.7%	51.4%	55.0%	57.5%	62.6%	58.0%
Firefighters' Retirement System [1]										
Actuarially determined contribution	$ 9,608,007	$ 9,313,165	$ 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]	9,507,255	9,376,308	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)	$ 100,752	$ (63,143)	$ (71,737)	$ 400,538	$ --	$ 1,088,805	$ (1,523,856)	$ --	$ (49,056)	$ (352,663)
Covered payroll	$ 13,185,223	$ 13,028,198	$ 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	72.1%	72.0%	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 TEN 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	10/1/2021	10/1/2021	10/1/2021
Measurement date	9/30/2023	9/30/2023	9/30/2023

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	6.625% / 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 TEN 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 TEN FISCAL 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
2023	14.54 %	12.02 %	11.32 %
2022	(14.46)%	(16.82)%	(14.40)%
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
DELRAY BEACH POLICE FIREFIGHTERS AND PARAMEDICS RETIREE BENEFIT FUND
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

LAST SIX FISCAL YEARS

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 224,875	$ 225,552	$ 221,129	$ 227,892	$ 223,424	$ 213,605
Interest	1,099,015	1,064,783	1,118,888	1,074,582	1,010,021	972,220
Difference between expected and actual experience	32,943	--	(416,557)	--	288,312	--
Changes of assumptions or other inputs	--	--	(874,102)	--	--	--
Benefit payments	(860,129)	(807,274)	(744,226)	(667,099)	(663,795)	(718,460)
Net change in total OPEB liability	496,704	483,061	(694,868)	635,375	857,962	467,365
Total OPEB liability, beginning of fiscal year	14,850,954	14,367,893	15,062,761	14,427,386	13,569,424	13,102,059
Total OPEB Liability, End of Fiscal Year (a)	$ 15,347,658	$ 14,850,954	$ 14,367,893	$ 15,062,761	$ 14,427,386	$ 13,569,424
Plan Fiduciary Net Position						
Contributions						
Employer	$ 956,133	$ 882,557	$ 894,387	$ 854,845	$ 775,823	$ 873,731
Net investment income (loss)	920,409	(1,642,674)	1,632,929	250,427	163,247	297,055
Benefit payments	(860,129)	(807,274)	(744,226)	(667,099)	(663,795)	(718,460)
Other	--	--	--	--	(42,907)	--
Administrative expense	(59,778)	(58,200)	(25,717)	(32,074)	(25,217)	(27,868)
Net Change in Plan Fiduciary Net Position	956,635	(1,625,591)	1,757,373	406,099	207,151	424,458
Plan Fiduciary Net Position, Beginning of Fiscal Year	6,692,310	8,317,901	6,560,528	6,154,429	5,947,278	5,479,913
Plan Fiduciary Net Position, End of Fiscal Year (b)	$ 7,648,945	$ 6,692,310	$ 8,317,901	$ 6,560,528	$ 6,154,429	$ 5,904,371
Net OPEB Liability, End of Fiscal Year [(a)-(b)]	$ 7,698,713	$ 8,158,644	$ 6,049,992	$ 8,502,233	$ 8,272,957	$ 7,665,053
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	49.8%	45.1%	57.9%	43.6%	42.7%	43.5%
Covered Employee Payroll	$ 31,501,532	$ 30,285,117	$ 28,807,164	$ 31,542,349	$ 27,135,701	$ 23,545,096
Net OPEB Liability as a Percentage of Covered Employee Payroll	24.4%	26.9%	21.0%	27.0%	30.5%	32.6%

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:

2023	7.5%
2022	7.5%
2021	7.5%
2020	7.5%
2019	7.5%
2018	7.5%

CITY OF DELRAY BEACH, FLORIDA

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

LAST SIX FISCAL YEARS

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 218,889	$ 250,370	$ 472,583	$ 272,380	$ 203,314	$ 878,492
Interest	661,870	986,033	577,077	565,929	479,804	581,386
Changes of assumptions or other inputs	(2,708,037)	(8,080,096)	(4,082,217)	4,099,784	4,952,769	(804,506)
Benefit payments	(686,829)	(721,980)	(648,233)	(710,808)	(665,299)	(123,575)
Net change in total OPEB liability	(2,514,107)	(7,565,673)	(3,680,790)	4,227,285	4,970,588	531,797
Total OPEB liability, beginning of fiscal year	14,277,527	21,843,200	25,523,990	21,296,705	16,326,117	15,794,320
Total OPEB Liability, End of Fiscal Year	$ 11,763,420	$ 14,277,527	$ 21,843,200	$ 25,523,990	$ 21,296,705	$ 16,326,117
Covered Employee Payroll	$ 60,513,476	$ 58,328,653	$ 58,328,653	$ 52,284,538	$ 52,284,538	$ 49,971,711
Total OPEB Liability as a Percentage of Covered Employee Payroll	19.4%	24.5%	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

2022	4.75%
2022	4.59%
2021	2.29%
2020	2.26%
2019	3.00%
2018	3.83%

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
SCHEDULES OF CITY CONTRIBUTIONS

LAST SIX FISCAL YEARS

	Fiscal Year					
	2023	2022	2021	2020	2020	2018
Delray Beach Police, Firefighters & Paramedics Retiree Benefit Fund						
Actuarially determined contribution	$ 1,259,689	$ 1,041,404	$ 1,014,738	$ 1,153,772	$ 1,000,387	$ 976,925
Contributions in relation to actuarially determined contribution	956,133	882,557	894,387	854,845	775,823	873,731
Contribution Deficiency (Excess)	$ 303,556	$ 158,847	$ 120,351	$ 298,927	$ 224,564	$ 103,194
Covered Employee Payroll	$ 31,501,532	$ 30,285,117	$ 28,807,164	$ 31,542,349	$ 27,135,701	$ 23,545,096
Contributions as a Percentage of Covered Employee Payroll	3.0%	2.9%	3.1%	2.7%	2.9%	3.7%

Notes to Schedule:

Actuarial Assumptions:

Actuarial valuation date	9/30/2022
Measurement date	9/30/2023

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% - 8.25%
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.

Local Option Gas Tax Fund – To account for gas tax revenues restricted for roadway program expenditures.

Building Permit Fund – This fund accounts for commercial and residential plan review, permitting and inspection of all construction activity including permit and impact fees.

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.

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

CITY OF DELRAY BEACH, FLORIDA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue						Debt Service		Capital Projects			
	Law Enforcement Trust	Developers Land Contribution	Beautification	Local Option Gas Tax	Building Permit	Special Projects	General Obligation Debt Service	Utilities Tax	2004 GO Bond	Beach Restoration	Capital Improvement	Total Non-Major Governmental Funds
Assets												
Cash and cash equivalents	$ 786,811	$ 1,083,253	$ 2,248,482	$ 128,855	$ 7,156,820	$ --	$ 150,357	$ 1,504,044	$ --	$ 97,402	$ 2,846,202	$ 16,002,226
Investments	--	--	--	--	1,857,012	6,009,337	--	--	--	--	7,209,445	15,075,794
Accounts receivable, net	--	--	--	--	--	182,730	--	--	--	--	--	182,730
Interest receivable	--	--	--	--	12,863	41,625	--	--	--	--	49,934	104,422
Due from other governments	--	--	--	--	--	--	--	--	--	202,117	1,091,753	1,293,870
Due from other funds	--	--	15,763	--	--	--	--	--	--	--	4,320,048	4,335,811
Prepaid items	--	--	--	--	7,904	--	--	--	--	--	--	7,904
Total Assets	$ 786,811	$ 1,083,253	$ 2,264,245	$ 128,855	$ 9,034,599	$ 6,233,692	$ 150,357	$ 1,504,044	$ --	$ 299,519	$ 15,517,382	$ 37,002,757
LIABILITIES, DEFERRED INFLOWS OF Liabilities and Fund Balances												
Liabilities												
Accounts payable and accrued items	$ --	$ 38,747	$ 31,495	$ --	$ 83,099	$ 169,562	$ --	$ --	$ --	$ 86,350	$ 1,331,367	$ 1,740,620
Due to other funds	--	--	--	--	--	656,432	--	--	2,257	--	--	658,689
Deposits payable	--	--	--	--	--	17,069	--	--	--	--	--	17,069
Total Liabilities	--	38,747	31,495	--	83,099	843,063	--	--	2,257	86,350	1,331,367	2,416,378
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue	--	--	--	--	--	1,519,098	--	--	--	--	1,898,866	3,417,964
Fund Balances												
Nonspendable:												
Prepaid items	--	--	--	--	7,904	--	--	--	--	--	--	7,904
Restricted for:												
Debt service	--	--	--	--	--	--	150,357	1,504,044	--	--	--	1,654,401
Law enforcement	786,811	--	--	--	--	351,647	--	--	--	--	--	1,138,458
Capital improvements	--	--	--	--	--	1,547,417	--	--	(2,257)	--	--	1,545,160
Community development	--	--	--	--	--	201,696	--	--	--	--	--	201,696
Assigned to:												
Public safety	--	--	--	--	--	205,673	--	--	--	--	--	205,673
Parks and recreation	--	--	--	--	--	805,037	--	--	--	--	--	805,037
Capital improvements	--	1,044,506	2,232,750	128,855	8,943,596	760,061	--	--	--	213,169	12,287,149	25,610,086
Total Fund Balances	786,811	1,044,506	2,232,750	128,855	8,951,500	3,871,531	150,357	1,504,044	(2,257)	213,169	12,287,149	31,168,415
Total Liabilities and Fund Balances	$ 786,811	$ 1,083,253	$ 2,264,245	$ 128,855	$ 9,034,599	$ 6,233,692	$ 150,357	$ 1,504,044	$ --	$ 299,519	$ 15,517,382	$ 37,002,757

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, 2023

	Special Revenue						Debt Service		Capital Projects			
	Law Enforcement Trust	Developers Land Contribution	Beautification	Local Option Gas Tax	Building Permit	Special Projects	General Obligation Debt Service	Utilities Tax	2004 GO Bond	Beach Restoration	Capital Improvement	Total Non-Major Governmental Funds
Revenues												
Taxes	$ --	$ --	$ --	$ 1,488,126	$ --	$ --	$ 2,162,758	$ --	$ --	$ --	$ --	$ 3,650,884
Intergovernmental	--	--	--	--	--	--	--	--	--	235,177	1,365,486	1,600,663
Charges for services	--	--	--	--	9,058,086	466,472	--	--	--	--	--	9,524,558
Fines and forfeitures	32,104	--	--	--	104,892	55,885	--	--	--	--	--	192,881
Miscellaneous	--	289,000	51,139	--	57,944	290,425	--	--	--	--	4,918,025	5,606,533
Total Revenues	32,104	289,000	51,139	1,488,126	9,220,922	812,782	2,162,758	--	--	235,177	6,283,511	20,575,519
Expenditures												
Current:												
General government	--	431,754	--	--	4,843,930	61,054	--	--	59,124	--	1,784,390	7,180,252
Public safety	5,000	--	--	--	--	13,042	--	--	--	--	--	18,042
Physical environment	--	--	1,028,452	--	--	--	--	--	--	--	--	1,028,452
Parks and recreation	--	--	--	--	--	958,222	--	--	--	569,685	--	1,527,907
Capital outlay	--	--	--	718,386	381,672	168,534	--	--	--	--	10,772,300	12,040,892
Debt service:				--								
Principal retirement	--	--	--	--	94,111	--	2,015,000	2,280,000	--	--	713,207	5,102,318
Interest and fiscal charges	--	--	--	--	7,164	--	115,461	1,148,900	--	--	12,362	1,283,887
Total Expenditures	5,000	431,754	1,028,452	718,386	5,326,877	1,200,852	2,130,461	3,428,900	59,124	569,685	13,282,259	28,181,750
Excess of Revenues Over (Under) Expenditures	27,104	(142,754)	(977,313)	769,740	3,894,045	(388,070)	32,297	(3,428,900)	(59,124)	(334,508)	(6,998,748)	(7,606,231)
Other Financing Sources/(Uses)												
Subscriptions based financing arrangements	--	--	--	--	343,456	--	--	--	--	--	1,989,285	2,332,741
Transfers in	--	--	1,072,440	--	--	--	--	3,428,900	--	500,000	3,350,000	8,351,340
Transfers out	--	--	(29,033)	(1,100,000)	(288,000)	--	--	--	--	--	--	(1,417,033)
Total Other Financing Sources/(Uses)	--	--	1,043,407	(1,100,000)	55,456	--	--	3,428,900	--	500,000	5,339,285	9,267,048
Net Change in Fund Balance	27,104	(142,754)	66,094	(330,260)	3,949,501	(388,070)	32,297	--	(59,124)	165,492	(1,659,463)	1,660,817
Fund Balances - October 1, 2022	759,707	1,187,260	2,166,656	459,115	5,001,999	4,259,601	118,060	1,504,044	56,867	47,677	13,946,612	29,507,598
Fund Balances - September 30, 2023	$ 786,811	$ 1,044,506	$ 2,232,750	$ 128,855	$ 8,951,500	$ 3,871,531	$ 150,357	$ 1,504,044	$ (2,257)	$ 213,169	$ 12,287,149	$ 31,168,415

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.

Stormwater Fund – This fund is used to account for the stormwater drainage charges to residents and other users for 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, 2023

	Stormwater	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Assets						
Current Assets:						
Cash and cash equivalents	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Investments	10,334,676	--	--	2,168,437	1,441,780	13,944,893
Accounts receivable, net	14,574	2,117	--	--	12,268	28,959
Lease receivable	--	160,926	--	--	--	160,926
Interest receivable	71,586	157	--	15,020	9,987	96,750
Inventories	--	70,619	14,112	--	--	84,731
Prepaid expenses	--	195,077	57,323	--	--	252,400
Total Current Assets	10,466,998	1,756,921	1,306,011	2,183,457	1,464,035	17,177,422
Noncurrent Assets:						
Property, land and equipment						
Land	1,271,853	1,415,483	1,963,894	42,840	--	4,694,070
Buildings	1,904,722	2,309,543	140,718	--	--	4,354,983
Improvements other than buildings	18,609,444	1,255,063	899,663	1,173,492	--	21,937,662
Equipment	1,254,749	1,461,268	312,892	86,026	--	3,114,935
Construction in progress	1,226,830	--	--	--	171,715	1,398,545
Accumulated depreciation	(11,057,378)	(4,103,028)	(1,080,337)	(1,198,966)	--	(17,439,709)
Other asset						
Net pension asset	7,377	--	--	--	--	7,377
Total Noncurrent Assets	13,217,597	2,338,329	2,236,830	103,392	171,715	18,067,863
Total Assets	23,684,595	4,095,250	3,542,841	2,286,849	1,635,750	35,245,285
Deferred Outflows of Resources						
Deferred amount related to OPEB liability	24,318	--	--	--	--	24,318
Deferred amount related to pensions	29,902	--	--	--	--	29,902
Total Deferred Outflows of Resources	54,220	--	--	--	--	54,220
Liabilities						
Current Liabilities:						
Accounts payable and accrued expenses	110,305	256,681	-	-	12,830	379,816
Unearned revenue	956,323	--	--	2,577	--	958,900
Current lease liability	--	26,620	17,863	--	--	44,483
Current portion of compensated absences	634	--	--	--	--	634
Due to other funds	8,134,163	--	--	487,012	260,027	8,881,202
Refundable deposits payable	--	10,697	--	22,831	--	33,528
Total Current Liabilities	9,201,425	293,998	17,863	512,420	272,857	10,298,563
Noncurrent Liabilities:						
Lease liability	--	49,179	33,003	--	--	82,182
Compensated absences payable	74,175	--	--	--	--	74,175
Net OPEB liability	68,228	--	--	--	--	68,228
Net pension liability	--	--	--	--	--	--
Total Noncurrent Liabilities	142,403	49,179	33,003	--	--	224,585
Total Liabilities	9,343,828	343,177	50,866	512,420	272,857	10,523,148
Deferred Inflows of Resources						
Deferred amount related to OPEB liability	71,365	--	--	--	--	71,365
Deferred amount related to pensions	872	--	--	--	--	872
Deferred amount related to leases	--	155,281	--	--	--	155,281
Total Deferred Inflows of Resources	72,237	155,281	--	--	--	227,518
Net Position						
Net investment in capital assets	13,210,220	2,262,530	2,185,964	103,392	171,715	17,933,821
Restricted for:						
Net pension asset	7,377	--	--	--	--	7,377
Unrestricted	1,105,153	1,334,262	1,306,011	1,671,037	1,191,178	6,607,641
Total Net Position	$ 14,322,750	$ 3,596,792	$ 3,491,975	$ 1,774,429	$ 1,362,893	$ 24,548,839

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, 2023

	Stormwater	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Operating Revenues						
Charges for services	$ 1,986,744	$ 3,030,190	$ 1,026,763	$ 267,673	115,625	$ 6,426,995
Other operating revenue	21,813	35,828	7,171	1,908	--	66,720
Total Operating Revenues	2,008,557	3,066,018	1,033,934	269,581	115,625	6,493,715
Operating Expenses						
Personal services	486,594	--	--	--	--	486,594
Operating expenses	919,675	2,822,590	784,230	77,260	1,357	4,605,112
Depreciation	620,377	221,801	71,510	3,719	--	917,407
Total Operating Expenses	2,026,646	3,044,391	855,740	80,979	1,357	6,009,113
Operating Income (loss)	(18,089)	21,627	178,194	188,602	114,268	484,602
Nonoperating Revenues (Expenses)						
Investment earnings	299,205	1,773	--	62,506	41,560	405,044
Rent revenue	--	32,910	--	--	--	32,910
Interest expense	--	(3,246)	(2,178)	--	--	(5,424)
Gain on disposal of equipment	--	5,174	--	--	--	5,174
Total Nonoperating Revenues (Expenses)	299,205	36,611	(2,178)	62,506	41,560	437,704
Income Before Transfers	281,116	58,238	176,016	251,108	155,828	922,306
Transfers in	500,000	--	--	--	--	500,000
Transfers out	(498,782)	(33,958)	(20,550)	(74,834)	(50,819)	(678,943)
Change In Net Position	282,334	24,280	155,466	176,274	105,009	743,363
Net Position - October 1, 2022	14,040,416	3,572,512	3,336,509	1,598,155	1,257,884	23,805,476
Net Position - September 30, 2023	$ 14,322,750	$ 3,596,792	$ 3,491,975	$ 1,774,429	$ 1,362,893	$ 24,548,839

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Stormwater	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Cash Flows From Operating Activities						
Receipts from customers and users	$ 2,954,593	$ 2,995,985	$ 1,035,953	$ 281,437	$ 115,625	$ 7,383,593
Receipts from others	--	30,743	--	--	233,264	264,007
Payments to suppliers	(1,246,047)	(2,874,951)	(809,341)	(18,605)	(1,357)	(4,950,301)
Payments to employees	(477,557)	--	--	--	--	(477,557)
Net Cash Provided by Operating Activities	1,230,989	151,777	226,612	262,832	347,532	2,219,742
Cash Flows From Noncapital Financing Activity						
Transfers from other funds	500,000	--	--	--	--	500,000
Transfers to other funds	(498,782)	(33,958)	(20,550)	(74,834)	(50,819)	(678,943)
Net Cash Provided by (Used in) Noncapital Financing Activity	1,218	(33,958)	(20,550)	(74,834)	(50,819)	(178,943)
Cash Flows From Capital and Related Financing Activities						
Acquisition and construction of capital assets	(337,517)	(25,431)	(5,775)	--	(171,715)	(540,438)
Principal paid on capital debt	--	(25,883)	(17,175)	--	--	(43,058)
Interest paid on capital debt	--	(3,246)	(2,178)	--	--	(5,424)
Net Cash Used in Capital and Related Financing Activities	(337,517)	(54,560)	(25,128)	--	(171,715)	(588,920)
Cash Flows From Investing Activities						
Purchases of investments	(1,146,887)	--	--	(240,640)	(160,000)	(1,547,527)
Interest on investments	252,197	1,789	--	52,642	35,002	341,630
Net Cash Provided by (Used in) Investing Activities	(894,690)	1,789	--	(187,998)	(124,998)	(1,205,897)
Net Change in Cash and Cash Equivalents	--	65,048	180,934	--	--	245,982
Cash and Cash Equivalents - October 1, 2022	46,162	1,262,977	1,053,642	--	--	2,362,781
Cash and Cash Equivalents - September 30, 2023	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Reconciliation of cash and cash equivalents to statement of net position:						
Unrestricted cash and cash equivalents	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Cash and cash equivalents - September 30, 2023	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	$ (18,089)	$ 21,627	$ 178,194	$ 188,602	$ 114,268	$ 484,602
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	620,377	221,801	71,510	3,719	--	917,407
Rent revenue	--	32,910	--	--	--	32,910
Change in assets, liabilities and deferred inflows/outflows:						
Accounts receivable	(10,287)	(1,853)	--	--	--	(12,140)
Lease receivable	--	17,516	--	--	--	17,516
Inventories	--	6,485	2,019	--	--	8,504
Prepaid expenses	--	(65,113)	(24,917)	--	--	(90,030)
Deferred amount related to OPEB liability	(1,071)	--	--	--	--	(1,071)
Deferred amount related to pensions	112,411	--	--	--	--	112,411
Deferred amount related to leases	--	(19,683)	--	--	--	(19,683)
Accounts payable and accrued expenses	(21,536)	12,752	(194)	(320)	12,055	2,757
Unearned revenue	956,323	--	--	--	--	956,323
Refundable deposits payable	--	(74,665)	--	11,856	--	(62,809)
Compensated absences payable	56,657	--	--	--	--	56,657
Net OPEB liability	(53,131)	--	--	--	--	(53,131)
Net pension asset	(105,829)	--	--	--	--	(105,829)
Due to other funds	(304,836)	--	--	58,975	221,209	(24,652)
Total adjustments	1,249,078	130,150	48,418	74,230	233,264	1,735,140
Net Cash Provided by Operating Activities	$ 1,230,989	$ 151,777	$ 226,612	$ 262,832	$ 347,532	$ 2,219,742

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, 2023

	Insurance	Central Garage	Total Internal Service Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ --	$ 100	$ 100
Investments	11,776,456	6,724,460	18,500,916
Accounts receivable, net	16,414	--	16,414
Interest receivable	81,701	46,579	128,280
Inventories	--	123,974	123,974
Total Current Assets	11,874,571	6,895,113	18,769,684
Noncurrent Assets:			
Property and equipment			
Buildings	--	88,185	88,185
Equipment	114,047	36,250,670	36,364,717
Subscriptions based IT arrangements	--	154,342	154,342
Accumulated depreciation and amortization	(114,047)	(25,769,071)	(25,883,118)
Other asset			
Net pension asset	8,147	14,946	23,093
Total Noncurrent Assets	8,147	10,739,072	10,747,219
Total Assets	11,882,718	17,634,185	29,516,903
Deferred Outflows of Resources			
Deferred amount related to OPEB	24,318	53,247	77,565
Deferred amount related to pensions	33,022	60,584	93,606
Total Deferred Outflows of Resources	57,340	113,831	171,171
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	537,157	97,123	634,280
Current maturities of installment agreements	--	224,278	224,278
Current portion of compensated absences	3,211	19,547	22,758
Current portion of subscription liability	--	6,992	6,992
Current portion of insurance claims payable	3,581,135	--	3,581,135
Due to other funds	1,644,508	6,757,795	8,402,303
Total Current Liabilities	5,766,011	7,105,735	12,871,746
Noncurrent Liabilities:			
Compensated absences payable	56,188	89,079	145,267
Subscription liability, net of current portion	--	39,039	39,039
Insurance claims payable	5,095,000	--	5,095,000
Total OPEB liability	68,228	149,395	217,623
Total Noncurrent Liabilities	5,219,416	277,513	5,496,929
Total Liabilities	10,985,427	7,383,248	18,368,675
Deferred Inflows of Resources			
Deferred amount related to OPEB	71,365	156,265	227,630
Deferred amount related to pensions	963	1,766	2,729
Total Deferred Inflows of Resources	72,328	158,031	230,359
Net Position			
Net investment in capital assets	--	10,499,848	10,499,848
Restricted for:			
Net pension assets	8,147	14,946	23,093
Unrestricted (deficit)	874,156	(308,057)	566,099
Total Net Position	$ 882,303	$ 10,206,737	$ 11,089,040

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, 2023

	Insurance	Central Garage	Total Internal Service Funds
Operating Revenues			
Charges for services	$ 21,708,474	$ 2,983,677	$ 24,692,151
Other operating revenue	1,229,554	2,452,990	3,682,544
Total Operating Revenues	22,938,028	5,436,667	28,374,695
Operating Expenses			
Personal services	1,007,720	1,250,185	2,257,905
Other operating expenses	22,215,634	2,445,629	24,661,263
Depreciation and amortization	--	3,406,194	3,406,194
Total Operating Expenses	23,223,354	7,102,008	30,325,362
Operating Loss	(285,326)	(1,665,341)	(1,950,667)
Nonoperating Revenues (Expenses)			
Investment earnings	339,454	193,828	533,282
Interest expense	--	(7,983)	(7,983)
Gain on disposal of equipment	--	174,870	174,870
Total Nonoperating Revenues	339,454	360,715	700,169
Income (Loss) Before Transfers and Contributions	54,128	(1,304,626)	(1,250,498)
Capital contributions	--	387,238	387,238
Transfers in	--	300,970	300,970
Change In Net Position	54,128	(616,418)	(562,290)
Net Position - October 1, 2022	828,175	10,823,155	11,651,330
Net Position - September 30, 2023	$ 882,303	$ 10,206,737	$ 11,089,040

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Insurance	Central Garage	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from customers and users	$ 23,615,556	$ 6,782,749	$ 30,398,305
Payments to suppliers	(21,863,296)	(1,650,804)	(23,514,100)
Payments to employees	(915,216)	(1,274,841)	(2,190,057)
Net Cash Provided by Operating Activities	837,044	3,857,104	4,694,148
Cash Flows From Noncapital Financing Activity			
Transfers from other funds	--	300,970	300,970
Net Cash Provided by Noncapital Financing Activity	--	300,970	300,970
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	--	(3,455,900)	(3,455,900)
Proceeds from the sale of capital assets	--	216,099	216,099
Principal paid on installment agreements	--	(218,973)	(218,973)
Principal paid on subscription liability	--	(108,311)	(108,311)
Interest paid on installment agreements	--	(7,983)	(7,983)
Net Cash Used in Capital and Related Financing Activities	--	(3,575,068)	(3,575,068)
Cash Flows From Investing Activities			
Sale of investments	(1,306,887)	(746,247)	(2,053,134)
Interest on investments	285,888	163,241	449,129
Net Cash Used in Investing Activities	(1,020,999)	(583,006)	(1,604,005)
Net Change in Cash and Cash Equivalents	(183,955)	--	(183,955)
Cash and Cash Equivalents - October 1, 2022	183,955	100	184,055
Cash and Cash Equivalents - September 30, 2023	$ --	$ 100	$ 100
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	$ (285,326)	$ (1,665,341)	$ (1,950,667)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	--	3,406,194	3,406,194
Change in assets, liabilities and deferred inflows/outflows			
Accounts receivable	25	--	25
Due from other funds	11,600	--	11,600
Prepaid expenses	--	889,033	889,033
Deferred amount related to OPEB	33,461	20,369	53,830
Deferred amount related to pensions	144,405	246,963	391,368
Accounts payable and accrued expenses	(8,598)	(94,208)	(102,806)
Due to other funds	665,903	1,346,082	2,011,985
Compensated absences payable	11,653	(5,142)	6,511
Insurance claims payable	360,936	--	360,936
Total OPEB liability	33,962	(59,057)	(25,095)
Net pension asset	(130,977)	(227,789)	(358,766)
Total adjustments	1,122,370	5,522,445	6,644,815
Net Cash Provided by Operating Activities	$ 837,044	$ 3,857,104	$ 4,694,148
Non-Cash Capital and Related Financing and Investing Activities			
Equipment contributed from governmental capital assets	$ --	$ 387,238	$ 387,238
Subscriptions initiations	$ --	$ 154,342	$ 154,342

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, 2023

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
Assets				
Cash	$ 56,724	$ 121,715	$ 61,600	$ 240,039
Investments:				
Money market mutual funds	4,108,883	1,651,931	3,246,521	9,007,335
U.S. Government securities	7,257,093	--	--	7,257,093
Collateralized mortgage obligations	9,273,427	--	--	9,273,427
Domestic corporate bonds	1,839,795	--	--	1,839,795
Fixed income mutual fund	20,524,931	10,835,400	25,289,455	56,649,786
Global asset allocation investment fund	--	11,463,043	--	11,463,043
Domestic equity securities	30,472,044	35,609,731	36,389,695	102,471,470
Domestic equity mutual funds	21,990,975	11,185,472	5,715,900	38,892,347
Domestic equity index funds	--	14,289,646	15,945,854	30,235,500
Pooled domestic equity index funds	55,808,542	9,890,824	13,531,608	79,230,974
International equity mutual funds	--	14,073,317	22,133,471	36,206,788
Foreign stocks	5,722,982	1,678,283	7,561,776	14,963,041
Real estate investment funds	--	9,846,938	11,617,483	21,464,421
Fixed income alternative investment fund	3,347,124	2,935,496	1,922,059	8,204,679
Interest and dividends receivable	153,291	21,158	37,934	212,383
Pending trades receivable	419,101	328,936	596,432	1,344,469
Total Assets	160,974,912	123,931,890	144,049,788	428,956,590
LIABILITIES				
Accounts payable	203,668	77,199	84,034	364,901
Pending trades payable	437,173	11,742	604,133	1,053,048
Refunds due to members	--	113,301	--	113,301
Total Liabilities	640,841	202,242	688,167	1,531,250
NET POSITION				
Restricted for pension benefits	$ 160,334,071	$ 123,729,648	$ 143,361,621	$ 427,425,340

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
Additions				
Contributions				
Employer	$ 2,357,598	$ 7,882,933	$ 8,300,261	$ 18,540,792
State of Florida	--	1,036,799	1,796,317	2,833,116
Plan members	1,665,136	1,252,569	1,301,713	4,219,418
Total contributions	4,022,734	10,172,301	11,398,291	25,593,326
Investment earnings				
Net appreciation in fair value of investments	17,181,480	10,042,209	12,345,891	39,569,580
Interest, dividends and investment fund income	4,104,974	5,032,663	3,561,577	12,699,214
Other investment income	2,515	1,668	283	4,466
	21,288,969	15,076,540	15,907,751	52,273,260
Less investment expenses	(335,220)	(772,967)	(802,466)	(1,910,653)
Net investment earnings	20,953,749	14,303,573	15,105,285	50,362,607
Total Additions	24,976,483	24,475,874	26,503,576	75,955,933
Deductions				
Benefits	8,238,834	9,915,657	10,286,274	28,440,765
Refunds of contributions	124,445	32,969	226,601	384,015
Administrative expenses	130,830	182,489	165,835	479,154
Total Deductions	8,494,109	10,131,115	10,678,710	29,303,934
Change In Net Position	16,482,374	14,344,759	15,824,866	46,651,999
Net Position Restricted for Pension Benefits at October 1, 2022	143,851,697	109,384,889	127,536,755	380,773,341
Net Position Restricted for Pension Benefits at September 30, 2023	$ 160,334,071	$ 123,729,648	$ 143,361,621	$ 427,425,340

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY SCHEDULES

CITY OF DELRAY BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenue				
Taxes:				
Ad valorem	$ 91,197,447	$ 91,197,447	$ 90,551,572	$ (645,875)
Utility	7,572,500	7,572,500	8,559,078	986,578
Communications services tax	3,199,405	3,199,405	3,282,326	82,921
Business tax receipts	895,000	895,000	833,079	(61,921)
Total taxes	102,864,352	102,864,352	103,226,055	361,703
Fees and permits:				
Building permits	--	--	72,868	72,868
Franchise fees	6,128,767	6,379,081	6,930,375	551,294
Miscellaneous	3,465,000	3,465,000	4,319,910	854,910
License fees	170,000	170,000	111,783	(58,217)
Total fees and permits	9,763,767	10,014,081	11,434,936	1,420,855
Intergovernmental:				
Federal shared revenue:				
Homeland Security Grants	155,044	155,044	53,209	(101,835)
FEMA Grants	--	--	483,284	483,284
ARPA Funds	3,369,740	3,369,740	3,369,740	--
Hazmat Sustainment	--	--	71,899	71,899
PEMT Funds	971,243	971,243	425,069	(546,174)
Highway Safety Grants	--	--	130,000	130,000
Justice Assistance Grants	10,000	10,000	80,790	70,790
Total federal shared revenue	4,506,027	4,506,027	4,613,991	107,964
State shared revenue:				
State revenue sharing	2,641,846	2,942,380	3,076,142	133,762
Local government sales tax	6,075,977	6,440,977	6,911,462	470,485
Alcoholic beverage licenses tax	95,000	95,000	96,018	1,018
Municipal fuel tax refund	51,500	51,500	57,692	6,192
Mobile home licenses tax	300	300	605	305
Fire incentive	82,400	82,400	71,231	(11,169)
State grants	--	--	7,717	7,717
Total state shared revenue	8,947,023	9,612,557	10,220,867	608,310
Shared revenue from local units:				
County occupational licenses	130,000	130,000	145,117	15,117
Palm Beach County grants	--	--	126,198	126,198
Total shared revenue from local units	130,000	130,000	271,315	141,315
Total intergovernmental	13,583,050	14,248,584	15,106,173	857,589

(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, 2023

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenue (continued):				
Charges for services:				
General government	$ 1,209,100	$ 1,209,100	$ 919,099	$ (290,001)
Public safety	9,762,728	9,762,728	10,485,433	722,705
Physical environment	85,000	85,000	142,079	57,079
Parking	3,444,496	3,444,496	3,960,840	516,344
Culture and recreation	2,616,750	2,616,750	2,387,784	(228,966)
Total charges for services	17,118,074	17,118,074	17,895,235	777,161
Fines and forfeitures:				
Court	815,000	815,000	1,351,110	536,110
Penalties on licenses and permits	78,500	78,500	70,163	(8,337)
Violations of local ordinances	160,000	160,000	295,557	135,557
Total fines and forfeitures	1,053,500	1,053,500	1,716,830	663,330
Miscellaneous:				
Interest	904,400	1,946,400	3,053,661	1,107,261
Rents and special assessments	335,000	364,657	333,022	(31,635)
Sale of capital assets	101,730	--	--	--
Contributions and donations	6,112,759	6,112,759	5,814,300	(298,459)
Recovery of administrative costs	5,304,592	5,304,592	5,292,684	(11,908)
Other	294,090	294,090	300,483	6,393
Total miscellaneous	13,052,571	14,022,498	14,794,150	771,652
Total Revenue	157,435,314	159,321,089	164,173,379	4,852,290
Other Financing Sources:				
Prior year surplus	2,500,000	3,971,345	--	(3,971,345)
Transfers in:				
Water and Sewer Fund	4,285,643	4,285,643	4,070,868	(214,775)
Municipal Golf Course Fund	54,508	54,508	54,508	--
City Marina Fund	74,834	74,834	74,834	--
Sanitation Fund	103,795	103,795	103,795	--
Stormwater Utility Fund	728,996	728,996	465,859	(263,137)
LOGT Fund	1,100,000	1,100,000	1,100,000	--
Building Fund	288,000	288,000	288,000	--
Neighborhood Services Fund	24,975	24,975	24,975	--
Beautification Fund	29,033	29,033	29,033	--
Total transfers in	6,689,784	6,689,784	6,211,872	(477,912)
Total Other Financing Sources	9,189,784	10,661,129	6,211,872	(4,449,257)
Total Revenue and Other Financing Sources	$ 166,625,098	$ 169,982,218	170,385,251	$ 403,033
Reconciliation to GAAP Basis Statements				
On-behalf payments			2,833,116	
Proceeds from sale of capital assets			1,400	
Issuance of subscriptions			3,135,106	
Revenue and Other Financing Sources - GAAP Basis			$ 176,354,873	

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, 2023

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
General Government						
City commission	$ 536,336	$ 536,336	$ 435,492	$ --	$ 435,492	$ 100,844
City manager	1,492,374	1,646,721	1,028,170	20,194	1,048,364	598,357
Communications	289,465	3,000	64,853	--	64,853	(61,853)
Economic development	693,264	766,070	471,026	--	471,026	295,044
Human resources	1,076,466	1,097,766	1,027,986	--	1,027,986	69,780
City clerk	824,653	850,773	718,285	--	718,285	132,488
Finance	2,884,878	2,884,878	2,748,354	54,955	2,803,309	81,569
Information technology	5,258,290	5,722,899	4,488,768	372,960	4,861,728	861,171
Subscriptions	--	--	3,135,106	372,960	3,508,066	(3,508,066)
City attorney	1,448,584	1,448,584	1,289,292	--	1,289,292	159,292
Grants and Aids:						
Library	1,453,500	1,453,500	1,453,500	--	1,453,500	--
Other grants and aids	294,910	294,910	271,010	--	271,010	23,900
Miscellaneous and contingency	660,472	634,472	301,414	--	301,414	333,058
Tax increment payments to CRA	18,566,537	18,566,537	18,555,761	--	18,555,761	10,776
Total General Government	$ 35,479,729	$ 35,906,446	$ 35,989,017	$ 821,069	$ 36,810,086	$ (903,640)
Public Safety						
Police	$ 44,955,857	$ 44,880,201	$ 43,987,170	$ 141,715	$ 44,128,885	$ 751,316
Fire	41,524,339	41,940,608	41,684,954	218,740	41,903,694	36,914
Development services						
Planning and zoning	2,401,636	2,501,336	1,837,619	438	1,838,057	663,279
Neighborhood and Community						
Services:						
Administration	438,347	463,347	420,803	--	420,803	42,544
Clean and Safe	1,501,525	1,472,275	1,345,229	--	1,345,229	127,046
Code compliance	1,800,130	1,804,380	1,623,564	--	1,623,564	180,816
Communications	--	508,585	480,363	--	480,363	28,222
Total Public Safety	$ 92,621,834	$ 93,570,732	$ 91,379,702	$ 360,893	$ 91,740,595	$ 1,830,137
Physical Environment						
Public works:						
Engineering	$ 1,735,345	$ 1,804,623	$ 1,269,108	$ 210,473	$ 1,479,581	$ 325,042
Programs	412,936	433,175	261,829	--	261,829	171,346
Project management	593,077	593,077	603,328	--	603,328	(10,251)
Administration	775,982	775,982	800,808	--	800,808	(24,826)
Street maintenance	1,714,035	1,689,433	1,314,197	--	1,314,197	375,236
Traffic operations	454,201	455,451	460,036	1,250	461,286	(5,835)
Street lighting	827,521	837,001	951,398	9,480	960,878	(123,877)
Parking facilities	2,249,213	1,965,413	1,877,531	--	1,877,531	87,882
Building maintenance	2,785,022	3,275,120	2,977,743	290,076	3,267,819	7,301
Total Physical Environment	$ 11,547,332	$ 11,829,275	$ 10,515,978	$ 511,279	$ 11,027,257	$ 802,018

(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, 2023

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
Parks and Recreation						
Administration	$ 1,458,329	$ 1,458,329	$ 1,266,455	$ --	$ 1,266,455	$ 191,874
Out of school program	334,225	334,225	359,042	--	359,042	(24,817)
Teen center	412,644	412,644	354,144	--	354,144	58,500
Catherine Strong Park	478,482	478,482	445,034	--	445,034	33,448
Community center	431,935	447,980	385,997	--	385,997	61,983
Veteran's park recreation facility	240,113	240,113	234,703	--	234,703	5,410
Pompey Park recreation facility	1,103,271	1,130,613	1,152,268	4,800	1,157,068	(26,455)
Parks maintenance	4,803,442	4,838,078	4,673,032	82,544	4,755,576	82,502
Special events	1,002,009	2,027,009	1,758,241	--	1,758,241	268,768
Cemetery	548,320	597,188	555,181	--	555,181	42,007
Tennis centers	2,085,015	2,415,005	2,323,549	38,178	2,361,727	53,278
Tennis stadium	3,344,510	3,468,825	2,931,766	--	2,931,766	537,059
Aquatics	640,998	643,602	513,939	--	513,939	129,663
Athletics	642,194	642,194	676,931	12,580	689,511	(47,317)
Total Parks and Recreation	$ 17,525,487	$ 19,134,287	$ 17,630,282	$ 138,102	$ 17,768,384	$ 1,365,903
Debt Service						
Principal retirement	391,380	369,380	1,194,581	--	1,194,581	(825,201)
Interest and fiscal charges	18,186	18,186	120,739	--	120,739	(102,553)
Total Debt Service	409,566	387,566	1,315,320	--	1,315,320	(927,754)
Total Expenditures and Encumbrances	157,583,948	160,828,306	156,830,299	1,831,343	158,661,642	2,166,664
Other Financing Uses						
Transfers out to other funds:						
Neighborhood Services Fund	195,000	195,000	195,000	--	195,000	--
Beautification Fund	1,067,250	1,067,250	1,067,250	--	1,067,250	--
Utilities Tax Fund	3,428,900	3,428,900	3,428,900	--	3,428,900	--
Capital Improvement Fund	3,350,000	3,350,000	3,350,000	--	3,350,000	--
Beach Restoration Fund	500,000	500,000	500,000	--	500,000	--
Central Garage Fund	--	112,762	112,762	--	112,762	--
Stormwater Fund	500,000	500,000	500,000	--	500,000	--
Total Other Financing Uses	9,041,150	9,153,912	9,153,912	--	9,153,912	--
Total Expenditures, Encumbrances and Other Financing Uses	$ 166,625,098	$ 169,982,218	$ 165,984,211	$ 1,831,343	167,815,554	$ 2,166,664
Reconciliation to GAAP Basis Statements						
Current year encumbrances outstanding					(1,831,343)	
Prior year encumbrances paid in current year					1,100,898	
On-behalf payments					2,833,116	
Expenditures and Other Financing Uses - GAAP Basis					$ 169,918,225	

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	Installment Agreements	Total Requirements
2024	$ 2,134,041	$ 7,576,223	$ 387,545	$ 10,097,809
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	$ 2,134,041	$ 48,644,528	$ 387,545	$ 51,166,114

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
2024	$ 2,095,000	$ 39,041	$ 2,134,041	$ --
Total	$ 2,095,000	$ 39,041	$ 2,134,041	

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
2024	$ 1,135,000	$ 28,625	$ --	$ 1,163,625	$ --	5.04%
Total	$ 1,135,000	$ 28,625	$ --	$ 1,163,625		

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
2024	960,000	10,416	--	970,416	--	2.17%
Total	$ 960,000	$ 10,416	$ --	$ 970,416		

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
2024	$ 6,300,562	$ 1,275,661	$ 7,576,223	$ 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	$ 42,535,562	$ 6,108,966	$ 48,644,528	

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	Interest		Total	Balance Outstanding at End of Fiscal Year	Interest Rate
	October 1	April 1	October 1			
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	$ 13,515,000	$ 334,376	$ 201,929	$ 14,051,305		

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
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	5.00
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	3.00
2033	930,000	49,219	49,219	1,028,438	2,051,700	3.13
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	--	3.25
Total	$ 28,400,000	$ 2,782,325	$ 2,782,325	$ 33,964,650		

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

SCHEDULE OF INSTALLMENT AGREEMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2024	$ 378,829	$ 8,716	$ 387,545	$ --
Total	$ 378,829	$ 8,716	$ 387,545	

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.

Community Leasing Partners – Original amount of principal—$988,279, 3-year term, 4.694% interest, payable annually November 15, 2020 through November 15, 2022, secured by a SCBA equipment.

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
2024	$ 620,562	$ 8,011	$ 628,573	$ --	2.78 - 2.88 %
Totals	$ 620,562	$ 8,011	$ 628,573		

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..... 156-164

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 165-167

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

Debt Capacity..... 168-171

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..... 172-173

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 174-176

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	$ 69,969,843	$ 67,883,652	$ 83,352,304	$ 94,498,408	$ 133,947,140	$ 142,771,519	$ 151,463,017	$ 166,850,944	$ 184,694,457	$ 202,434,515
Restricted	1,745,885	2,991,799	3,102,189	5,747,894	9,743,679	10,201,536	7,084,293	27,350,234	8,658,205	11,365,928
Unrestricted (deficit)	51,496,227	(6,748,871)	(10,566,092)	(16,349,766)	(24,386,173)	(24,273,405)	(24,607,721)	(27,276,080)	(2,942,464)	11,557,213
Total Governmental Activities Net Position	$ 123,211,955	$ 64,126,580	$ 75,888,401	$ 83,896,536	$ 119,304,646	$ 128,699,650	$ 133,939,589	$ 166,925,098	$ 190,410,198	$ 225,357,656
Business-type Activities										
Net investment in capital assets	$ 85,086,776	$ 88,760,143	$ 97,070,159	$ 100,024,904	$ 104,384,378	$ 107,509,243	$ 107,576,983	$ 108,687,933	$ 109,285,531	$ 106,858,746
Restricted	2,222,394	3,880,165	3,572,645	3,604,806	3,744,085	3,494,654	3,558,286	8,879,997	--	163,255
Unrestricted	49,393,057	50,522,734	53,312,727	57,526,842	57,215,688	59,051,311	62,960,813	58,378,089	64,373,734	68,246,608
Total Business-type Activities Net Position	$ 136,702,227	$ 143,163,042	$ 153,955,531	$ 161,156,552	$ 165,344,151	$ 170,055,208	$ 174,096,082	$ 175,946,019	$ 173,659,265	$ 175,268,609
Primary Government										
Net investment in capital assets	$ 155,056,619	$ 156,643,795	$ 180,422,463	$ 194,523,312	$ 238,331,518	$ 250,280,762	$ 259,040,000	$ 275,538,877	$ 293,979,988	$ 309,293,261
Restricted	3,968,279	6,871,964	6,674,834	9,352,700	13,487,764	13,696,190	10,642,579	36,230,231	8,658,205	11,529,183
Unrestricted	100,889,284	43,773,863	42,746,635	41,177,076	32,829,515	34,777,906	38,353,092	31,102,009	61,431,270	79,803,821
Total Primary Government Net Position	$ 259,914,182	$ 207,289,622	$ 229,843,932	$ 245,053,088	$ 284,648,797	$ 298,754,858	$ 308,035,671	$ 342,871,117	$ 364,069,463	$ 400,626,265

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	$ 23,014,006	$ 18,050,754	$ 22,968,532	$ 26,679,900	$ 31,680,429	$ 35,617,235	$ 34,027,104	$ 34,363,721	$ 45,145,274	$ 49,337,385
Public safety	58,417,444	62,013,271	65,918,444	70,348,624	75,694,658	85,620,516	88,253,173	82,397,287	93,794,719	99,097,368
Physical environment	7,984,163	8,143,146	7,714,515	10,366,782	14,065,033	16,268,827	14,746,699	12,286,732	15,527,974	16,972,978
Parks and recreation	15,370,063	13,400,031	13,311,802	14,195,210	15,653,597	16,821,403	18,143,786	15,435,019	19,818,336	22,602,565
Economic development	--	--	--	--	11,244,955	10,920,391	20,293,239	20,002,537	11,885,823	12,778,978
Interest on long-term debt	2,090,947	3,259,673	2,229,468	2,306,897	2,806,144	2,592,730	2,333,202	2,058,988	1,794,690	1,470,834
Total Governmental Activities Expenses	106,876,623	104,866,875	112,142,761	123,897,413	151,144,816	167,841,102	177,797,203	166,544,284	187,966,816	202,260,108
Business-type activities:										
Water and Sewer	24,462,318	24,335,317	24,467,001	26,741,734	25,899,650	27,638,570	29,678,332	30,768,550	36,432,302	36,772,765
Stormwater	1,476,036	1,631,007	1,546,867	1,893,877	1,889,375	1,861,488	2,230,218	1,928,660	2,623,745	2,043,504
Sanitation	4,677,510	6,326,114	3,748,162	5,195,029	6,534,537	4,435,509	4,505,066	4,551,556	5,011,087	6,703,059
Municipal Golf Course	3,073,076	2,934,725	3,098,149	2,909,445	2,952,039	3,072,842	2,533,254	2,442,025	2,847,100	3,072,988
Lakeview Golf Course	575,059	556,711	566,898	563,587	593,209	626,703	591,710	663,202	718,357	865,054
City Marina	93,963	94,090	88,509	107,813	158,492	165,383	35,908	63,539	176,332	81,653
Cemetery	--	--	--	800	3,339	64,121	367,714	400,292	77,337	1,368
Total Business-type Activities Expenses	34,357,962	35,877,964	33,515,586	37,412,285	38,030,641	37,864,616	39,942,202	40,817,824	47,886,260	49,540,391
Total Primary Government Expenses	$ 141,234,585	$ 140,744,839	$ 145,658,347	$ 161,309,698	$ 189,175,457	$ 205,705,718	$ 217,739,405	$ 207,362,108	$ 235,853,076	$ 251,800,499
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 6,104,202	$ 7,583,178	$ 7,378,380	$ 10,451,376	$ 10,051,233	$ 10,692,718	$ 8,896,565	$ 12,048,045	$ 18,441,201	$ 24,208,553
Public safety	7,971,996	8,912,161	9,031,132	9,481,433	9,362,635	11,157,736	10,086,236	10,640,390	11,824,570	12,395,144
Physical environment	1,985,081	2,048,277	2,063,648	1,706,116	2,244,409	3,351,124	2,250,915	3,324,106	9,485,076	4,175,787
Parks and recreation	1,860,432	2,125,935	1,825,824	1,686,662	1,448,739	1,856,465	1,579,026	2,193,262	2,182,600	2,387,784
Economic development	--	--	--	--	424,354	161,313	125,106	143,469	177,097	227,037
Operating grants and contributions:										
General government	4,031,439	3,711,327	960,763	3,474,068	5,825,944	6,933,078	10,770,073	12,553,365	8,916,021	24,244,801
Public safety	2,162,469	2,717,267	2,604,202	2,123,336	2,310,771	2,405,993	3,587,887	3,879,956	2,218,288	2,833,116
Physical environment	--	--	--	--	--	--	--	--	528,692	483,284
Parks and recreation	7,334,572	102,871	210,948	24,990	81,561	171,519	168,846	847,352	110,500	126,198
Economic development	--	--	--	--	260,589	524,571	89,331	89,331	--	--
Capital grants and contributions:										
General government	435,039	615,926	944,673	429,737	2,467,808	328,922	199,779	431,800	3,335,517	2,830,420
Physical environment	120,248	--	--	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	--	11,044,131	9,001,868	2,337,835	--
Total Governmental Activities Program Revenues	$ 32,005,478	$ 27,816,942	$ 25,019,570	$ 29,377,718	$ 34,478,043	$ 37,583,439	$ 48,797,895	$ 55,152,944	$ 59,557,397	$ 73,912,124

(Continued)

CITY OF DELRAY BEACH, FLORIDA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues (continued)										
Business-type activities:										
Charges for services:										
Water and Sewer	$ 31,571,968	$ 32,482,206	$ 32,815,643	$ 34,135,162	$ 33,491,651	$ 33,564,702	$ 33,509,707	$ 34,888,415	$ 35,980,441	$ 38,975,480
Stormwater	2,128,772	2,108,862	2,111,117	2,160,127	2,181,550	2,151,690	2,133,063	2,017,866	1,997,739	1,986,744
Sanitation	4,969,127	4,693,015	4,132,645	4,200,945	4,348,694	4,720,889	4,762,445	4,700,264	4,985,459	6,517,441
Municipal Golf Course	3,005,811	3,127,554	3,129,388	3,113,583	2,992,596	3,169,381	2,423,699	2,458,442	2,832,596	3,030,190
Lakeview Golf Course	635,489	662,453	610,903	646,391	637,666	732,439	665,559	850,341	987,121	1,026,763
City Marina	243,234	219,286	223,401	239,205	252,524	139,209	--	78,494	260,071	267,673
Cemetery	--	--	--	92,890	84,238	98,323	141,399	163,029	198,750	115,625
Operating grants and contributions:										
Water and Sewer	343,532	55,970	430,950	986,210	701,424	1,009	511,105	1,936	2,278	55,892
Stormwater	12,334	23,466	22,986	11,239	--	12,404	1,525,589	--	10,473	21,813
Sanitation	207,656	206,278	254,232	235,566	427,388	111,603	202,828	1,079,534	230,576	155,520
Municipal Golf Course	60,962	63,652	78,803	58,649	57,985	65,958	57,778	66,102	62,850	68,738
Lakeview Golf Course	4,612	5,378	8,544	5,649	5,010	5,435	4,616	5,809	5,869	7,171
City Marina	2,570	2,281	11,743	2,543	1,115	1,160	1,450	2,440	3,060	1,908
Cemetery	--	--	--	600	--	--	--	--	10	--
Capital grants and contributions:										
Water and Sewer	877,588	1,354,457	1,092,373	842,618	1,204,893	767,550	702,276	473,921	1,372,568	1,898,401
Stormwater	48,442	13,294	--	65,810	349,371	82,853	140,202	120,546	39,394	--
Municipal Golf Course	--	--	--	--	--	--	--	--	--	--
Total Business-type Activities Programs Revenues	44,112,097	45,018,152	44,922,728	46,797,187	46,736,105	45,624,605	46,781,716	46,907,139	48,969,255	54,129,359
Total Primary Government Program Revenues	$ 76,117,575	$ 72,835,094	$ 69,942,298	$ 76,174,905	$ 81,214,148	$ 83,208,044	$ 95,579,611	$ 102,060,083	$ 108,526,652	$ 128,041,483
Net (Expense) Revenue										
Governmental activities	$ (74,871,145)	$ (77,049,933)	$ (87,123,191)	$ (94,519,695)	$ (116,666,773)	$ (130,257,663)	$ (128,999,308)	$ (111,391,340)	$ (128,409,419)	$ (128,347,984)
Business-type activities	9,754,135	9,140,188	11,407,142	9,384,902	8,705,464	7,759,989	6,839,514	6,089,315	1,082,995	4,588,968
Total Primary Government Net Expense	$ (65,117,010)	$ (67,909,745)	$ (75,716,049)	$ (85,134,793)	$ (107,961,309)	$ (122,497,674)	$ (122,159,794)	$ (105,302,025)	$ (127,326,424)	$ (123,759,016)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 47,695,425	$ 51,971,057	$ 56,876,767	$ 59,282,428	$ 83,602,342	$ 90,261,662	$ 95,139,737	$ 102,996,884	$ 107,942,352	$ 122,535,173
Franchise fees	5,134,527	5,269,680	5,132,170	5,209,446	5,240,982	5,317,253	5,114,526	5,898,386	6,218,454	6,930,375
Utility service taxes	9,307,370	9,462,152	9,383,744	9,468,782	9,842,605	10,032,079	9,926,040	10,336,932	10,580,371	11,841,404
Sales taxes	1,341,267	1,397,627	1,426,451	3,654,505	3,561,644	3,633,681	3,542,170	3,447,611	3,627,718	3,650,884
Local business tax	737,231	786,579	839,208	911,668	883,112	876,577	850,765	836,610	875,656	833,079
Intergovernmental, unrestricted	6,795,748	7,143,751	7,174,725	7,381,660	7,543,300	7,797,976	7,561,740	8,511,582	10,170,930	9,987,604
Investment earnings	258,802	308,589	306,237	873,235	1,852,523	4,205,582	2,552,908	224,418	976,616	3,053,661
Gain on disposal of capital assets	--	29,100	37,765	28,361	--	48,681	20,330	1,538,253	(1,152,186)	-
Miscellaneous	7,533,386	12,793,025	16,829,794	13,411,235	12,438,792	13,250,807	5,652,219	6,287,108	8,977,858	-
Transfers	3,724,750	3,562,620	878,151	2,306,510	3,475,651	4,228,369	3,878,812	4,299,065	3,676,750	4,463,262
Total Governmental Activities	82,528,506	92,724,180	98,885,012	102,527,830	128,440,951	139,652,667	134,239,247	144,376,849	151,894,519	163,295,442
Business-type activities										
Investment earnings	132,999	270,617	248,146	122,629	75,389	1,179,437	1,080,172	59,687	425,060	1,478,464
Gain (loss) on disposal of capital assets	16,958	--	15,352	--	--	--	--	--	(118,059)	5,174
Transfers	(3,724,750)	(3,562,620)	(878,151)	(2,306,510)	(3,475,651)	(4,228,369)	(3,878,812)	(4,299,065)	(3,676,750)	(4,463,262)
Total Business-type Activities	(3,574,793)	(3,292,003)	(614,653)	(2,183,881)	(3,400,262)	(3,048,932)	(2,798,640)	(4,239,378)	(3,369,749)	(2,979,624)
Total Primary Government	$ 78,953,713	$ 89,432,177	$ 98,270,359	$ 100,343,949	$ 125,040,689	$ 136,603,735	$ 131,440,607	$ 140,137,471	$ 148,524,770	$ 160,315,818

(Continued)

CITY OF DELRAY BEACH, FLORIDA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues (continued)										
Changes in Net Position										
Governmental activities	$ 762,914	$ 7,657,361	$ 15,674,247	$ 11,761,821	$ 8,008,135	$ 11,774,178	$ 9,395,004	$ 5,239,939	$ 23,485,100	$ 34,947,458
Business-type activities	6,197,678	6,179,342	5,848,185	10,792,489	7,201,021	5,305,202	4,711,057	4,040,874	(2,286,754)	1,609,344
Total Primary Government	$ 6,960,592	$ 13,836,703	$ 21,522,432	$ 22,554,310	$ 15,209,156	$ 17,079,380	$ 14,106,061	$ 9,280,813	$ 21,198,346	$ 36,556,802

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
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
2022	80,357,911	31,212,159	6,218,454	10,580,371	3,627,718	875,656	132,872,269
2023	90,551,572	31,983,601	6,930,375	11,841,404	3,650,884	833,079	145,790,915

(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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable:										
Inventories	$ 22,270	$ 20,467	$ 20,091	$ 18,465	$ 52,610	$ 74,653	$ 14,064	$ 19,844	$ 14,499	$ 25,128
Prepaid items	803,979	912,548	669,738	32,809	60,108	48,530	624,612	469,796	572,416	514,447
Long-term notes receivable	3,139,659	7,282,742	3,500	--	--	--	--	--		
Restricted for:										
Capital improvements	5,984	5,984	5,985	5,984	5,985	5,985	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	500,000	500,000	500,000	500,000
Assigned to:										
General government	373,543	--	--	152,070	1,054,033	57,334	85,347	113,542	327,647	821,069
Public safety	--	--	--	578,755	399,084	267,151	133,608	175,757	357,772	360,893
Physical environment	--	--	--	1,110,890	466,039	501,087	276,013	376,106	280,343	511,279
Parks and recreation	--	--	--	36,597	44,076	4,748	145,125	130,761	135,136	138,102
Subsequent year's budget	--	--	400,000	--	3,148,441	1,034,959	5,235,823	5,235,823	2,500,000	7,257,403
Unassigned	23,700,352	31,843,644	36,984,767	39,273,110	37,908,768	42,538,044	37,992,606	42,914,320	47,672,066	48,668,206
Total General Fund	$ 29,045,787	$ 41,065,385	$ 39,084,081	$ 42,208,680	$ 44,139,144	$ 45,532,491	$ 45,013,183	$ 49,941,934	$ 52,365,864	$ 58,802,512
All Other Governmental Funds										
Nonspendable:										
Prepaid items	$ --	$ 935	$ 750	$ --	$ 29,314	$ 81,886	$ --	$ 5,089	$ 5,431	$ 118,378
Long-term notes receivable	--	--	--	--	--	--	--	--	4,038,931	-
Restricted for:										
Debt service	519,593	1,514,496	1,512,898	1,555,006	1,549,816	1,530,068	1,564,902	1,593,479	1,622,104	1,654,401
Law enforcement	946,004	1,195,724	1,307,711	1,166,924	1,109,178	1,214,333	1,297,619	1,334,197	1,193,549	1,138,458
Capital improvements	274,304	275,595	275,595	34,519,980	36,078,700	35,421,150	27,200,787	23,534,371	22,571,567	21,603,867
Community development	556,557	1,890,147	1,995,011	1,618,720	1,715,729	1,637,261	1,614,749	961,892	5,458,000	13,994,302
Committed for:										
Economic development	--	--	--	--	--	3,859,229	3,823,987	4,336,151	--	-
Assigned to:										
Public safety	127,523	124,615	137,876	178,284	192,590	174,553	192,709	285,132	206,665	205,673
Physical environment	--	--	--	--	--		--	--	--	--
Parks and recreation	1,404,962	1,586,977	1,773,431	302,628	281,695	489,693	1,058,823	976,659	1,283,709	805,037
Capital improvements	20,530,505	22,686,037	17,304,033	17,041,318	24,209,669	19,691,591	27,287,858	31,581,464	28,689,368	25,610,086
Subsequent year's budget	--	--	--	--	6,977,412	16,404,645	19,260,521	22,679,957	30,001,648	44,274,601
Total all Other Governmental Funds	$ 24,359,448	$ 29,274,526	$ 24,307,305	$ 56,382,860	$ 72,144,103	$ 80,504,409	$ 83,301,955	$ 87,288,391	$ 95,070,972	$ 109,404,803

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	$ 59,081,293	$ 63,617,415	$ 68,526,170	$ 73,317,383	$ 97,889,703	$ 104,803,999	$ 109,458,712	$ 117,618,037	$ 123,026,097	$ 138,860,540
Licenses and permits	10,431,335	12,124,145	11,364,551	14,557,921	14,150,027	14,799,891	12,942,583	16,544,078	10,486,582	11,434,936
Intergovernmental	20,324,228	13,675,216	10,950,638	13,004,054	15,761,576	17,308,566	17,677,610	20,821,235	27,058,305	27,300,896
Charges for services	11,357,851	12,148,312	12,468,984	12,461,409	13,147,960	15,689,112	13,718,981	16,533,044	27,920,348	27,646,830
Fines and forfeitures	1,267,052	1,666,774	1,597,619	1,515,703	1,474,365	2,047,606	1,390,810	1,170,536	1,633,336	1,909,711
Miscellaneous	7,900,378	14,592,475	17,785,403	15,230,734	14,891,618	17,935,376	23,712,529	20,836,025	15,515,618	22,202,297
Total Revenues	110,362,137	117,824,337	122,693,365	130,087,204	157,315,249	172,584,550	178,901,225	193,522,955	205,640,286	229,355,210
Expenditures										
Current										
General government	21,181,580	18,948,238	23,125,406	24,211,901	28,034,121	31,145,975	30,291,065	34,293,485	41,086,122	44,189,855
Public safety	56,479,283	61,070,530	65,947,616	67,581,678	69,350,959	78,484,385	81,090,925	83,272,983	88,075,383	94,299,866
Physical environment	5,474,282	5,828,266	5,557,126	7,371,526	10,359,928	11,010,999	10,027,960	9,586,044	10,502,266	11,824,773
Parks and recreation	12,942,976	11,718,153	11,936,500	11,973,800	12,652,879	13,235,662	14,432,115	14,446,274	16,027,183	19,293,325
Economic development	--	--	--	--	11,244,955	10,920,391	20,051,187	20,002,537	11,885,823	12,778,978
Capital outlay	7,184,219	7,950,057	9,839,169	11,806,866	12,658,192	10,261,376	13,042,023	17,365,711	21,586,719	23,287,749
Debt service										--
Principal retirement	5,489,848	14,676,629	11,197,870	3,468,713	7,390,732	8,533,634	8,108,299	8,994,808	8,890,243	10,744,084
Interest and other fiscal charges	2,128,407	2,157,085	2,350,249	2,151,910	2,750,170	2,693,240	2,477,899	2,211,804	1,959,236	1,797,640
Bond issue costs	42,030	620,925	--	70,560	--	--	--	--	--	--
Total Expenditures	110,922,625	122,969,883	129,953,936	128,636,954	154,441,936	166,285,662	179,521,473	190,173,646	200,012,975	218,216,270
Excess of Revenues Over (Under) Expenditures	(560,488)	(5,145,546)	(7,260,571)	1,450,250	2,873,313	6,298,888	2,873,313	(620,248)	5,627,311	11,138,940
Other Financing Sources (Uses)										
Issuance of bonds	8,810,000	42,285,456	--	31,500,000	1,250,000	1,950,000	--	--	--	--
Bond anticipation note issued	6,190,036	1,799,244	--	--	--	--	--	--	--	--
Installment agreement issued	--	--	--	--	1,004,607	--	--	1,011,144	--	--
Proceeds from the sale of capital assets	--	934	790	42,309	1,443,597	46,013	2,870	2,007,876	652,979	1,400
Leases (right of use assets) acquired	--	--	--	--	--	--	--	--	279,549	--
Subscriptions based financing arrangements	--	--	--	--	--	--	--	--	--	5,467,847
Redemption of bonds	(8,767,970)	(25,568,032)	--	--	--	--	--	--	--	--
Transfers in	7,096,181	6,159,463	10,953,739	13,395,520	12,559,561	9,498,922	9,147,019	12,206,146	13,854,787	14,758,212
Transfers out	(3,371,431)	(2,596,843)	(10,644,483)	(11,187,925)	(9,163,070)	(8,040,170)	(6,251,403)	(9,659,288)	(10,208,115)	(10,595,920)
Total Other Financing Sources (Uses)	9,956,816	22,080,222	310,046	33,749,904	7,094,695	3,454,765	2,898,486	5,565,878	4,579,200	9,631,539
Net Change in Fund Balances	$ 9,396,328	$ 16,934,676	$ (6,950,525)	$ 35,200,154	$ 9,968,008	$ 9,753,653	$ 5,771,799	$ 4,945,630	$ 10,206,511	$ 20,770,479
Debt Service as a Percentage of Non-Capital Expenditures	7.34%	14.64%	11.28%	4.81%	7.15%	7.20%	6.36%	6.49%	6.08%	6.43%

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
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	850,765	121,084,452
2022	80,357,911	31,212,159	10,580,371	3,627,718	875,656	126,653,815
2023	90,551,572	31,983,601	11,841,404	3,650,884	833,079	138,860,540

(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	Assessed Property	Total					
2014	2013	$ 8,394,493,799	$ 303,495,744	$ 3,999,617	$ 8,701,989,160	$ 2,107,124,944	$ 6,594,864,216	$ 8	$ 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	3,634,745,822	8,799,184,526	7.2107	10,139,528,779	86.78%
2018	2017	13,031,532,052	308,798,636	5,280,088	13,345,610,776	3,735,290,382	9,610,320,394	7.0900	11,025,497,279	87.16%
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	15,254,469,718	370,020,858	7,313,944	15,631,804,520	3,743,436,842	11,888,367,678	6.8497	13,466,726,469	88.28%
2022	2021	16,033,087,922	379,233,767	6,918,805	16,419,240,494	3,917,331,096	12,501,909,398	6.8403	14,107,445,839	88.62%
2023	2022	21,078,209,053	419,832,627	7,769,645	21,505,811,325	7,101,609,935	14,404,201,390	6.6665	16,109,704,234	89.41%

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, Palm 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
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
2022	6.6611	0.1792	6.8403	6.8750	4.8149	1.6386	20.1688
2023	6.5111	0.1554	6.6665	6.5190	4.7439	1.5390	19.4684

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 after April 1

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, 2023

	2023				2014			
	Taxable Assessed Valuation	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxable Assessed Valuation **	Taxes Levied	Rank	Percentage of Total Taxes Levied
Florida Power and Light Co.	$ 159,570,112	3,025,452	1	3.15%	$ 86,404,167	$ 648,584	1	1.20%
Tenet Healthcare Corp	136,327,411	2,733,538	2	2.84%	44,582,660	334,655	5	0.62%
Lifespace Communities Inc	132,042,941	2,781,890	3	2.89%	32,940,779	247,267	9	0.46%
Edwards Atlantic Avenue LLC	116,253,864	2,318,328	4	2.41%	--	--		--
Citation Club Investors	101,019,111	2,006,334	5	2.09%	48,216,312	361,931	4	0.67%
CO BB Delray Owner LLC	102,220,648	1,960,825	6	2.04%	--	--		--
Granite Worthing LLC	91,007,389	1,862,647	7	1.94%	49,737,378	373,349	3	0.69%
CH Realty IX/MF Boca Raton	86,215,593	1,690,459	8	1.76%	--	--		--
Depot FL Partners LLC	68,409,593	1,377,099	9	1.43%	--	--		--
Linton Delray LLC	63,482,505	1,421,982	10	1.48%	38,772,011	291,038	8	0.54%
Alta Congress Owner LLC	--	--		--	40,757,372	305,941	6	0.57%
Fairfield Spring Harbors LLC	--	--		--	56,301,788	422,624	2	0.78%
Ocean Properties Ltd	--	--		--	39,455,700	296,170	7	0.55%
Morse Operations Inc.	--	--		--	28,654,649	215,093	10	0.40%
Totals	$ 1,056,549,167	$ 21,178,554		22.03%	$ 465,822,817	$ 3,496,652		6.48%

Source: Palm Beach County Property Appraiser's Office

Net Tax Levy:

Fiscal Year	2023	96,146,015
Fiscal Year	2014	54,077,708

City Millage Rate:

Fiscal Year	2023	6.6665
Fiscal Year	2014	7.5064

CITY OF DELRAY BEACH, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending 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
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	63,449,113	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	73,464,528	96.50%
2021	81,433,074	78,552,211	96.46%	111,321	78,663,532	96.60%
2022	85,518,601	82,464,055	96.43%	57,985	82,522,040	96.50%
2023	96,146,015	92,537,948	96.25%	176,382	92,714,330	96.43%

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

*Total Tax Levy for fiscal year are shown net of allowance for discounts for years 2008-2013 and gross for 2014-2017.

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	Leases (Right-of-use Assets	Subscription Liability	Revenue Bonds	Capital Appreciation Bonds	Obligation Under Installment Agreements	Capital Leases			
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	2.96%	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	--	--	5,624,999	--	115,066	--	87,965,744	2.51%	1,257
2020	7,935,000	64,326,172	1,460,400	--	--	3,805,000	--	48,168	--	77,574,740	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
2022	4,110,000	51,087,558	923,551	177,063	--	--	--	--	169,433	56,467,605	1.67%	834
2023	2,095,000	44,168,287	378,829	86,221	3,766,167	--	--	--	126,665	50,621,169	1.37%	737

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
2014	$ 17,970,000	$ --	$ 17,970,000	$ 6,594,864,216	0.27%	62,700	$ 287
2015	16,435,000	--	16,435,000	7,239,395,652	0.23%	63,175	260
2016	14,845,000	--	14,845,000	7,975,194,271	0.19%	63,972	232
2017	13,205,000	43,762	13,161,238	8,808,152,637	0.15%	65,804	200
2018	11,505,000	40,372	11,464,628	9,606,443,869	0.12%	69,228	166
2019	9,755,000	22,424	9,732,576	10,415,841,153	0.09%	69,957	139
2020	7,935,000	59,058	7,875,942	11,089,878,317	0.07%	70,767	111
2021	6,055,000	87,635	5,967,365	11,888,367,678	0.05%	71,309	84
2022	4,110,000	118,060	3,991,940	12,501,909,398	0.03%	67,744	59
2023	2,095,000	150,357	1,944,643	14,404,201,390	0.01%	68,650	28

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, 2023

	Total Outstanding	Percentage Applicable to City of Delray Beach[1]	Amount Applicable to City of Delray Beach
Direct:			
City of Delray Beach	$ 50,621,169	100.00%	$ 50,621,169
Overlapping:			
Palm Beach County	16,370,000	4.90%	802,130
Palm Beach County School District Certificates of Participation	1,369,995	5.63%	77,131
Total overlapping debt	17,739,995		879,261
Total direct and overlapping debt	**$ 68,361,164**		**$ 51,500,430**
Population			68,650
Total direct and overlapping debt per capita			$ 750

[1] Estimates based on 2022 ratio of net 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 Service (3)	Current Coverage
2014		$ 32,002,573	$ 18,831,725	$ 13,170,848	$ 11,480,122	1.15
2015	(4)	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		35,198,509	21,903,576	13,294,933	2,058,376	6.46
2018		34,240,093	21,342,061	12,898,032	2,058,364	6.27
2019		34,302,688	22,759,259	11,543,429	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
2022		36,224,251	31,055,522	5,168,729	-	N/A
2023		39,931,706	31,717,778	9,211,995	-	N/A

(1) Includes interest revenue and rents (does not include capital contributions).

(2) Excludes depreciation expense, interest expense and amortization expense.

(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 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

	Fiscal Year 2023			Fiscal Year 2014		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Delray Medical Center	1,280	1	3.42%	1,520	1	N/A
Palm Beach County School District	1,029	2	2.75%	990	2	N/A
City of Delray Beach	856	3	2.28%	803	-	N/A
Publix Supermarkets	725	4	1.93%	586	3	N/A
Seo Every Where	500	5	1.33%	-	-	-
Ed Morse Delray Toyota & Scion	450	6	1.20%	350	7	N/A
Annco Services	400	7	1.07%	400	6	N/A
Meisner Electric Inc of FL	370	8	0.99%	-	-	-
Shullman Technology Group	350	9	0.93%	-	-	-
Home Depot, Inc.	318	10	0.85%	318	9	N/A
Palm Beach County	-	-	-	520	4	N/A
Delray Motors	-	-	-	300	10	N/A
Target	-	-	-	350	7	N/A
Jetflite Inc	-	-	-	425	5	N/A
Totals	6,273		16.75%	6,562		

Note: Total Employment, Delray Beach: 2023 37,480
2014 Data is not available for 2014

Source: Business Development Board of Palm Beach County.
Delray Beach Office of Economic Development

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]
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	67,645	1,447,457	49,684	3,360,874,180	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	7,240	3.8%
2022	67,744	1,516,419	49,955	3,384,151,520	47.6	7,127	5.5%
2023	68,650	1,527,592	53,852	3,696,939,800	47.4	7,123	3.1%

Data Sources:

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

(2) Bureau of Economic Analysis

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

(4) The School Enrollment per the Palm Beach County School Board excluding the Delray Full Service Center.

CITY OF DELRAY BEACH, FLORIDA

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	59	62.5	72.5	80.5	74	81	103	79	89	93
Public Safety										
Community Improvement	5	7.5	6	12	14	14	15	13	13	12
Planning & Zoning	12.5	14	15	16	16.5	14	16	16	19	20
Building Inspection	16	14	19	20	20	22	20	24	28	30
Code Compliance	15	18.5	18	18	16.5	18	16	19	19	16
Law Enforcement	225	212.5	216.5	222	230.5	229	227	237	217	207
Fire Control	157	173	182.5	186	196	196	192	202	194	189
Community Development										
Block Grant	6	5	9.5	6	6	3	2	2	3	4
Insurance	4	3	4	2	2	2	3	3	3	3
City Garage	12	10	13	14.5	13	11	13	13	13	19
Physical Environment										
Public Works	27	21.5	20.5	22	36	39	32	39	58	56
Engineering	7	6	6	7	9	9	8	11	15	12
Sanitation	4	4	4	4	3	3	3	3	11	12
Stormwater Utility	6	5	7	6.5	5	6	6	7	5	7
Parks and Recreation	136	110.5	105	107	112.5	89	75	69	67	102
Water & Sewer Utility	117	111	114	111	92	102	103	102	102	78
Total	**809**	**778**	**813**	**835**	**846**	**838**	**834**	**839**	**856**	**860**

CITY OF DELRAY BEACH, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Stations	3	3	3	2	2	1	1	1	1	1
Patrol units	201	209	212	206	214	223	228	212	213	213
Fire										
Fire stations [(1)]	6	6	6	6	6	6	6	6	6	6
Fire trucks	10	9	9	12	12	12	12	11	12	12
ALS rescue vehicles	9	9	9	12	12	12	12	11	11	11
Leisure Services										
Ballfields - lighted	15	15	15	15	15	15	15	15	15	15
Basketball courts	5	5	5	5	5	7	7	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	22	23	24	55	59	59	59	59	59	59
Roads and Streets										
Lane miles [(3)]	321	308	308	309	310	310	310	310	310	310

Sources: City of Delray Beach Departments

The following data is not available:

Sanitation
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) The number of lane miles is based on the City's GIS system.

CITY OF DELRAY BEACH, FLORIDA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Physical arrests	2,012	2,014	1,793	2,262	2,097	2,361	2,146	1,753	1,761	1,516
Traffic violations	10,913	19,702	19,703	17,815	18,472	22,396	17,801	21,064	16,893	18,303
Fire										
Number of calls	13,610	13,255	12,136	16,404	15,877	16,383	16,397	16,214	17,094	17,116
Parks and Recreation										
Library										
Circulation	226,938	191,759	187,400	180,989	170,969	200,348	138,977	205,534	192,329	168,288
Programs offered	808	791	756	1,506	1,982	2,612	2,276	907	1,790	1,735
Program attendance	23,055	24,488	22,232	19,663	26,894	34,891	19,205	8,590	12,113	13,239
Leisure Services [1]										
Youth athletic participants	38,220	35,638	29,573	24,000	36,000	2,405	2,136	1,444	1,711	1,225
Camp program participants	382	2,021	1,845	953	900	364	58	250	247	2,364
Class participants	59,342	50,747	49,786	36,605	25,000	21,096	20,320	9,071	5,187	6,441
Water/Sewer Utility										
Water customers	22,010	22,132	22,212	20,392	22,556	20,985	21,761	21,738	22,219	22,530
Water main breaks	374	477	373	305	268	11	13	6	23	15
Sewer customers	20,505	20,784	20,329	20,475	19,413	19,686	20,625	20,637	20,956	21,188
Sewer main breaks	-	-	1	1	5	2	2	2	-	6
Avg daily water consumption (Million Gallon Day)	10,925	11,000	11,759	12,008	14,960	15,800	11,285	12,519	12,537	12,155

Sources: City Departments/Delray Beach Public Library

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

The following data is not available:

Public Safety
Sanitation
Roads & Streets

N/A Information is not available

REPORTING SECTION

MARCUM
ACCOUNTANTS ▲ ADVISORS

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*

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 (*Government Auditing Standards*), 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, 2023, 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 April 30, 2024.

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.

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

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
April 30, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Delray Beach, Florida (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services*' State Projects Compliance Supplement, that could have a direct and material effect on its major federal program and state projects for the fiscal year ended September 30, 2023. The City's major federal program and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and State projects for the fiscal year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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), and Chapter 10.550, Rules of the Auditor General (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

Marcum LLP / 525 Okeechobee Boulevard / Suite 750 / West Palm Beach, FL 33401 / **Phone** 561.653.7300 / **marcumllp.com**

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 or State project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 or State project 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 or state project 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
April 30, 2023

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 Housing and Urban Development			
Direct Programs:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants Cluster	14.218	B-20-MW-12-0033	$ 53,482
Community Development Block Grants/Entitlement Grants Cluster (CDBG-CV)	14.218	B-22-MC-12-0033	389,518
Total CDBG - Entitlement Grants Cluster			443,000
Total United States Department of Housing and Urban Development			**443,000**
United States Department of Justice			
Direct Programs:			
Public Safety Partnership & Community Policing Grants	16.710	2021BUBX21024912	32,858
Public Safety Partnership & Community Policing Grants	16.710	2020MHWXK022	20,466
Total Public Safety Partnership & Community Policing Grants			53,324
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2020-DJ-BX-0867	27,466
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	15PBJA-21-GG-01375-JAGX	31,395
Total Edward Byrne Memorial Justice Assistance Grant (JAG) Program			58,861
Total United States Department of Justice			**112,185**
United States Department of Transportation			
Indirect Programs:			
Highway Planning and Construction			
Passed through Florida Department of Transportation			
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	G1K33	642,282
Total Highway Planning and Construction			**642,282**
Highway Safety Cluster			
Passed through Florida Department of Transportation			
State and Community Highway Safety	20.600	G2G72	70,000
National Priority Safety Program	20.616	G2G71	60,000
Total Highway Safety Cluster			**130,000**
Total United States Department of Transportation			**772,282**
United States Department of Treasury			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Fund Award	21.027	N/A	3,369,740
Total United States Department of Justice			**3,369,740**
United States Department of Homeland Security			
Indirect Program:			
Passed through Florida Division of Emergency Management:			
Hurricane Irma Federal Assistance	97.036	Z1118	437,135
Homeland Security Grant Program	97.067	EMW-2020-SS-00035-S01	71,899
Passed through Florida Division of Emergency Management:			
Assistance to Firefighters Grant	97.083	EMW-2018-FH-00601	107,834
Total United States Department of Homeland Security			**616,868**
Total Expenditures of Federal Awards			**$ 5,314,075**

Note: No amounts provided to subrecipients.

(Continued)

N/A - None available

See notes to schedule of expenditures of federal awards.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Grantor/Program Title	CSFA Number	Grant Number/ Pass-through Entity Identifying Number	State Expenditures
State Financial Assistance			
Florida Department of Environmental Protection			
Direct Awards			
Beach Management Funding Assistance Program	37.003	21PB2	$ 33,060
Beach Management Funding Assistance Program	37.003	22PB1	202,117
Total Beach Management Funding Assistance Program			235,177
Grants and Aids to Local Governments and Nonstate Entities	37.085	L1802	145,000
Grants and Aids to Local Governments and Nonstate Entities	37.085	L2201	42,627
Grants and Aids to Local Governments and Nonstate Entities	37.085	L2202	104,030
Total Grants and Aids to Local Governments and Nonstate Entities			291,657
Tropic Isle Roadway and Underground Utility Improvements	37.098	22SRP60	1,203,335
Pass-through Awards from South Florida Water Management District			
Alternative Water Supply	37.100	4600004144	134,302
Alternative Water Supply	37.100	4600004358	601,293
Total Alternative Water Supply			735,595
Total Florida Department of Environmental Protection			**2,465,764**
Florida Housing Finance Corporation			
Direct Awards			
State Housing Initiatives Partnership Program	52.901	19.10	454,022
Total Florida Housing Finance Corporation			**454,022**
Total State Financial Assistance			**$ 2,919,786**

Note: No amounts provided to subrecipients.

CITY OF DELRAY BEACH, FLORIDA

NOTES TO SCHEDULE OF EXENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") presents the expenditure activity of all federal awards and state financial assistance of the City of Delray Beach, Florida (the "City") for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the 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) and Chapter 10.550, Rules of the Auditor General. 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, changes in net position/fund balance or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City made no payments to subrecipients from Federal awards for the fiscal year ended September 30, 2023.

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 - SUBRECIPIENTS

No amounts were provided to subrecipients during the fiscal year ended September 30, 2023.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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?	_X_ Yes ___ None reported
Noncompliance material to financial statements noted?	___ Yes _X_ No

Federal Awards and State Financial Assistance

Internal control over major federal program and state projects:	
Material weakness(es) identified?	___ Yes _X_ No
Significant deficiency(ies) identified?	___ Yes _X_ None reported
Type of auditor's report issued on compliance for major federal program and state projects:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?	____ Yes _X_ No

Identification of major federal program and state projects:

Major federal award program:	Assistance Listing No.
United States Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds	21.017
Major state projects:	**CSFA No.**
Tropical Isle Roadway and Underground Utility Improvements	37.098
Alternative Water Supply	37.100
Dollar threshold used to distinguish between Type A and Type B Federal award programs:	$ 750,000
Dollar threshold used to distinguish between Type A and Type B state projects:	$ 750,000
Auditee qualified as low-risk auditee?	X Yes ___ No

SECTION II - FINANCIAL STATEMENT FINDING

SIGNIFICANT DEFICIENCY

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

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 for 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 (REPEAT FINDING) (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.).

Current Year Status

On August 16, 2022, the City Commission approved an agreement with a third-party vendor for time and attendance solutions and services for effective workforce management. Implementation of the time and attendance software will allow the City to eliminate the manual timesheets that are currently in place. Furthermore, the City also intends to integrate Telestaff with the time and attendance software system which will eliminate the manual entry of payroll data for the Police and Fire departments. The City went live in Dimensions UKG with the implementation of Phase 1 (administrative and non-shift personnel) in January 2024 and Phase 2 (employees utilizing time clocks) in February 2024. The City is in the process of implementing Phase 3 (Public Works, Utilities, Development Services) which is currently in the testing stage and expected to go live on May 18, 2024. The final phase (Phase 4 - Police and Fire departments) is currently testing and tentatively schedule to go live in June 2024.

Views Responsible Officials and Planned Corrective Action

See accompanying Corrective Action Plan.

SECTION III – FEDERAL AND STATE 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, 2023

NOTE I – PRIOR YEAR FINANCIAL FINDINGS

SD 2021-001 – Internal Controls Over Payroll Process has not been addressed and is repeated.

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, 2023, and have issued our report thereon dated April 30, 2024.

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.

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); and Chapter 10.550, Rules of the Auditor General (Chapter 10.550).

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 State Project; Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; 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 April 30, 2024, should be considered in conjunction with this management letter.

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 uncorrected audit finding and recommendation reported in the preceding annual financial audit report is summarized in the table below:

Tabulation of Uncorrected Audit Findings

Current Year Finding No.	2022-21 FY Finding No.	2021-20 FY Finding No.
2021-001	2021-001	2021-001

This finding 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, 2023.

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, 2023. 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, other than noted above in the prior audit findings section.

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
April 30, 2024

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, 2023. 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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, 2023.

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
April 30, 2024

DELRAY BEACH FLORIDA All-America City 1993 2001

CORRECTIVE ACTION PLAN

SD 2021-001 – INTERNAL CONTROLS OVER PAYROLL PROCESS

Management concurs with the finding. City has signed an agreement with a third party provider for a time and attendance software. Implementation is ongoing and most departments are already using the software. Final phase (Police and Fire) which includes Telestaff integration is expected to be implemented before the end of the year.

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

1. I am the Chief Financial Officer 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.

Chief Financial Officer

City of Delray Beach

STATE OF FLORIDA

COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 28th day of February 2024.

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

NOTARY PUBLIC

Print Name Elizabeth Brown

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires: 11/7/2025



Village By the Sea

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