ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF DEERFIELD BEACH, FLORIDA

FISCAL YEAR ENDED SEPTEMBER 30, 2025

1898
Originally named Hillsborough
But due to its abundance of deer, the area
Was later renamed to Deerfield

1920
The Old School House
Was completed & housed students for six years

1925

DEERFIELD BEACH IS BORN
The Town of Deerfield was established on June 11, 1925. George Emory Butler, Jr. became its first mayor. In 1939, "Beach" was added to reflect the beach and attract tourists.

1926
Seaboard Air Line Railway Station

1928
Hurricane Devastation
Two major hurricanes in 1926 & 1928



1929



BRAITHWAITE SCHOOL
Rosenwald School, initially for African American students, later became Braithwaite School, named after William Stanley Beaumont Braithwaite, an ex-slave, poet, and writer.

1940
Beach Business
Commerce began to appear on A1A

1942
Nazi Subs off Coast of Deerfield

1947
Deerfield's Big Festival
Pioneer Days began



1952

PIER
Deerfield Beach's iconic pier, built of wood in 1951-52, has long been a beloved destination for locals and visitors.

1953
Chamber of Commerce

1955
Deerfield Island Park

1962
The Observer
Popular newspaper was founded

1973
Historical Society
Founded in 1973, incorporated in 1991



2015

UNDERWATER CAMERA
Spinner the Underwater Sea Camera goes live from a depth of 15 feet beneath the ocean's surface at the end of the International Fishing Pier.

Sullivan Park
Located north of the Hillsboro Bridge, Sullivan Park is developed.

2017



2017

PIONEER GROVE DISTRICT
Pioneer Grove District is adopted. This business district is identified as the future downtown area of Deerfield Beach.

2018
Branhilda Richardson-Knowles
Memorial Park and Cemetery developed



2023

TIGNER CENTER
City breaks ground and begins developing the new state-of-the-art Tigner Center at Oveta McKeithen Park.

CELEBRATING 100 YEARS
DEERFIELD BEACH
EST. 1925

2025

CENTENNIAL CELEBRATION
Deerfield Beach celebrates 100 years of community!

CITY OF DEERFIELD BEACH, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

CITY OF DEERFIELD BEACH, FLORIDA

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INTRODUCTORY SECTION

Deerfield Beach
Florida

June 5th, 2026

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Deerfield Beach, Florida (City) for the fiscal year ended September 30, 2025, with a clean audit opinion with no audit findings.

The ACFR is designed to provide our Residents, Commission, City Staff, Bondholders, and other interested parties insight into how the City is managing public finances and assess accountability by:

- Assessing financial condition and results of operations;
- Comparing actual financial results with legally adopted budget, where appropriate;
- Assisting in determining compliance with finance related laws, rules, and regulations; and
- Assisting in evaluating the efficiency and effectiveness of City operations.

Florida Statute 218.32 and local ordinances require that the City issue a report on the financial position and activity within nine months of the close of each fiscal year. Additionally, the financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and this report must be audited in accordance with generally accepted auditing standards and government auditing standards by an independent firm of certified public accountants.

We believe this report complies with these requirements and continues to present full financial accountability, disclosure, and transparency.

This philosophy is reflected through the informative financial analysis provided by the City's Financial Services Department and the exhibits and statistical tables included within the ACFR. Responsibility for the accuracy, completeness, and fairness of the presentation, including disclosures, rests with City management. Furthermore, we believe the data as presented is accurate in all material respects; presented in a manner designed to fairly represent the financial position and results of operations of the City; and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activity.

Independent Audit and Single Audit Requirements

CBIZ CPAs P.C., a firm of licensed certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining evidence supporting the amounts and disclosures contained in the financial statements on a test basis; assessing the accounting principles used and representations made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified or "clean" opinion that the City's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit was also designed to meet the special needs of federal and state grantor agencies as provided for in the Federal Single Audit Act, Office of Management and Budget (0MB) Uniform Guidance, Florida Single Audit Act in accordance with Chapter 10.550, and Rules of the Auditor General. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These Compliance Reports are included under the Reporting Section of the ACFR.

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

The City of Deerfield Beach

Profile

The City was incorporated in 1925 as the Town of Deerfield. In 1951, the Town of Deerfield was renamed to the City of Deerfield Beach. The City operates under the commission/manager form of government. The City Commission is comprised of the Mayor, Vice-Mayor, and three Commissioners who adopt legislation and policies, approves the City's annual budget, levies taxes, and sets fees. The Commission appoints a professional City Manager who serves as the Chief Administrative and Executive Officer and is responsible for implementing policies adopted by the City Commission and directing city operations through appointment of Department Directors. The Commission also appoints the City Attorney and members of various boards and committees. The Mayor, elected at-large to a four-year term, acts as the formal representative of the City and presides over Commission meetings. The public also elects four City Commissioners by district who serve four-year terms. The Vice Mayor serves for a period of one year and is designated by the Commission as outlined in the City Charter.

Local Economy

Home to over 87,700 residents, the City is a medium-size coastal city located on the east coast of Florida in Broward County. The City is a diverse residential community with a complimentary mix of commercial development such as shopping and retail facilities, office buildings, restaurants, tourist lodgings, distribution, warehousing, manufacturing, and light industry. The major economic influences in this area are predominantly the housing market, travel and tourism, the regional job market, the changing business environment, severe weather events, global inflation and interest rates, and economic uncertainty. Considering these economic indicators play an important role in directing and prioritizing the use of City resources now and in the future.

According to the Broward County Property Appraiser's Office, the final taxable value of the City for the year ended September 30, 2025 reflected an increase of 7.26% over the prior year. In October 2025, the overall residential median real estate sales for the County were up 2.17%, with the City being the 11th highest in the County. The City's total assessed property values have sustained growth for the past several years. The growth in the tax base is attributed to its redevelopment efforts, commercial and residential development projects. The Florida Economic Estimating Conference published statistics in September of 2025 indicating Florida has seen an increased demand for real estate in the past several years, nurtured by interest rates and the cost of borrowing which have climbed to historically high levels in the past year that have begun cooling in 2025. The housing market has continued to slow down, with the report predicting an 0.7% growth rate decline in FY25-26 and leveling off in Fiscal Year 2026-27.

Financial and strategic planning are of paramount importance to the City of Deerfield Beach. For fiscal year 2025, the City focused efforts on implementing its core values and key priorities and further embracing the revised Strategic Plan. This plan covers the 2025 to 2030 period and emphasized key priorities of customer care; improved quality of life; sustainability; financial accountability; and modernization of city processes and infrastructure.

Services

The City provides a broad range of municipal services which include:

- Public Safety (Police, Fire-Rescue Services, Ocean Rescue Services, etc.)
- Code Compliance Services
- Solid Waste Collection and Disposal Services
- Water Production, Distribution, Maintenance, and Construction
- Wastewater Collection System Maintenance and Construction
- Stormwater Management
- Parks and Recreation Facility Management, Recreational, Cultural Programs Aquatic and Special Event Programs and Activities
- Cemetery Management and Services
- Coastal and Environmental Protection and Management
- Public Land/Open Space Management
- Grounds Maintenance and Beautification
- Road and Bridge Maintenance and Construction
- Planning, Zoning, and Building Services
- Community and Social Services and Grants Administration
- General Administrative Services

Reporting Entity

The City government does not provide primary or secondary education or health care, as these are the responsibility of other taxing authorities. Both entities are independent special districts that are not part of the City. As such, financial data for them or for any other government has not been included in the financial statements in this report.

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

Accounting and Internal Controls

This report consists of management's representations concerning the finances of the City. Consequently, the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to safeguard City assets from loss, theft or misappropriation and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The cost of an internal control should not exceed the benefits to be derived; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The valuation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

The annual operating budget and Five-Year Capital Improvement Plan (CIP) serves as the foundation for the City's financial planning and control. All departments are required to submit expenditure requests and revenue projections, as applicable, for appropriation to the City Manager. The City Manager uses these requests and projections as the starting point for developing a proposed balanced budget. The City Manager then presents the proposed budget to the City Commission on or before the 15th of August of each year. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by the 30th of September of each year. The annual operating budget is prepared

and adopted in accordance with Florida Statute Chapter 166.241. The legally adopted budget is prepared by fund (i.e. General Fund), by function (i.e. Public Safety), and department (i.e. Office of Public Safety), for current expenditures with separate appropriations established for the annual capital projects, debt service, interfund transfers, intergovernmental expenditures, and other various Enterprise and Special Revenue Funds. Continuous improvement to the budget revenue and expenditure allocations has provided for further alignment with functional areas to improve transparency and to better track full costs for the various functional services the City provides.

Budgetary control is administered in conformity with state statute, the City's Charter, and adopted ordinances. Generally, amendments to the budget that increase or decrease the overall appropriation, or amend the budget across fund or department require City Commission approval. Budget control is further administered by management at the divisional or budget unit level (i.e. Parking Authority). Budget-to-actual comparisons and analysis of all the City's Governmental and Proprietary Funds are provided to the Commission and management on a monthly basis. For the General Fund and the CRA Fund, a final annual comparison is presented in the Required Supplementary Information (RSI) section of the ACFR.

Major Initiatives

The City was awarded approximately $16.3 million in financial relief through the American Rescue Plan Act (ARPA), with the initial allocation of $8.15 million in FY2021 and the remaining balance disbursed in FY2022. Following the approval of the ARPA Spending Plan by the City Commission in November 2021, the city transitioned from planning to full-scale implementation. This initiative represents a strategic investment in infrastructure, economic recovery, and community resilience. City staff continue to oversee the execution of several priority projects and programs, which remain ongoing and are expected to continue through the federal expenditure deadline of December 31, 2026.
These include:

- West Deerfield Beach Stormwater Improvements
- SE 8th Avenue Stormwater Improvements
- Park Improvements and Aquatic Center Upgrades
- Community Grants for Non-Profit Organizations
- Advanced Meter Reading Infrastructure Improvements
- Regional Beach Re-Nourishment Project

All ARPA-funded activities are being managed in compliance with federal regulations, with an emphasis on transparency, accountability and measurable outcomes.

In addition to the progress made on the ARPA-funded initiatives above, the City continues to move forward on a number of other multi-year capital projects and business and community programs that reflect these priorities.

- **Johnny Tigner Center.** The original Johnny Tigner Center was demolished, making way for a newly constructed community center to meet the needs of our growing community. The new two-story community center totals 23,000 square feet and is located in the same vicinity of the demolished building, adjacent to the Leo Robb Gymnasium. It incorporates a canopy structure to bridge the two buildings. This is a multi-year project. The design-build contract was initiated in FY2022, and the center opened to the public in September of 2024.

- **Construction of Playgrounds.** Playground improvements in FY2025 included the following locations: Crystal Heights North (permitted in November 2024) and Villages of Hillsboro (construction began in November 2024 and was completed February 2025).

- **West Deerfield Beach Stormwater Improvements.** This project will provide additional underground storage and infiltration to Deer Run to reduce the severity and duration of flooding until the area is able to drain to the existing trunk line. Design was initiated in FY2023 for completion in FY2026.

- **SE 8th Avenue Stormwater Improvements.** The goal of this effort is to develop a cost effective and feasible engineering solution to address flooding in the SE 8th Avenue neighborhood. Construction began in May 2024 and is anticipated to be completed in FY2026.

- **Pioneer Park Dock, Rail, and Piling Replacements.** This project will obtain structural evaluation, assessment of dock system and development of construction plans to remediate or reconstruct the dock and Pier 5. (The remainder of the piles and decking for Piers 1, 2, 3 & 4 were reconstructed in FY2022). Design was initiated in FY2023, construction began in March 2026 with anticipated completion in FY2026.

- **Advanced Metering Infrastructure (AMI) Improvements.** This technology will allow remote access to collect consumption information and troubleshoot meters. It will save the City the expense of monthly trips to each physical location to read a meter. In addition, billing will be more accurate and customers will have real-time access to their water consumption. The construction contract was awarded in FY2023 and with anticipated completion in FY 2026.

- **Regional Beach Renourishment Project.** In compliance with a settlement agreement between the City of Deerfield Beach and Town of Hillsboro Beach, the City designed, permitted, and completed a joint renourishment project. The significance of this project is (1) the construction methodology used in which a pipeline pumped sand from the Boca ebb shoal to the renourishment areas, (2) the participation of three cities (Boca Raton, Deerfield Beach, and Hillsboro Beach), and (3) the estimated savings of $3 million compared to truck hauling. Sand placement commenced on April 7, 2023 and was completed on April 24, 2023. The project was completed in May 2023.The City and Town have begun preliminary work to design and permit the second beach nourishment project to be conducted as per the settlement agreement. This project is anticipated to be completed in the Spring of 2028.

- **Community Participation Grants (General Fund).** The City is committed to supporting organizations that contribute to the public welfare of the community. The Community Participation Grant program was established to provide financial resources to local non-profit organizations that assist the City in serving a valid public purpose. In FY2025, grants were awarded to 14 non-profit entities.

Long Range Financial Planning

The City's current General Obligation and Covenant-to-Budget and Appropriate bond ratings are AA+ and AA from Fitch Ratings and Standard & Poor's Global Ratings respectively. The City's Fitch ratings were upgraded to the current level in August 2024 and reaffirmed in January 2026. The methodology that the rating agencies uses combine both qualitative and quantitative measures. Though each vary slightly, the major categories consist of the Economy, Institutional Framework, Financial performance, Liquidity, and Leverage. Some of the comments by the rating agencies indicate a stable outlook with strong management, budget flexibility, and performance. Maintaining a good credit rating helps keep the cost of borrowing low which can be significant factor in the amount of debt which can be used to finance major capital projects.

At the close of fiscal year 2025, the City's General Fund unassigned fund balance was $32.6 million, which is approximately $1.9 million above the closing balance for fiscal year 2024 of $30.7 million. Excess unassigned fund balance above the policy limits can be used to fund capital projects or other one-time needs approved by Commission such as various infrastructure improvement projects, or unanticipated revenue shortfalls stemming from major natural disasters. The City also maintains an Emergency Reserve fund balance of $7.5 million. The emergency reserve fund sets aside funds for the immediate response to events such as hurricanes. The City also maintains a self-insurance reserve fund balance of approximately $7.6 million for any possible future claims. These measures are intended to buffer unforeseen emergent and/or economic challenges.

The City's Capital Improvement Plan (CIP) document is updated and adopted on an annual basis. The CIP prioritizes major capital projects and identifies revenue sources available to finance the improvements. For Fiscal Years 2026-2030, the City Commission adopted a CIP budget of

approximately $298 million. The CIP includes anticipated funding from various available fund balances and debt financing instruments in FY2026 and forward.

As part of the Fiscal Year 2026 Budget development, the City continued its strategy of preparing estimates of its future budgetary needs to support capital investments, operational costs, and fund balance reserves for its major enterprise funds. Master Plans and rate sufficiency studies for the Utility, Stormwater, and Solid Waste Funds were completed in Fiscal Year 2022. The City Commission approved the funding strategies and long-term rate adjustments. The increases have been staggered over the next four Years 2024 to 2027 to minimize the financial impact on residents. Rate adjustments for Fiscal 2025 equaled 5.25% for water and 9.25 % for wastewater.

The Utility Fund rate adjustments will allow the City to address capital improvements necessary to improve aging infrastructure and meet future water quality regulations and standards. The Stormwater Fund rate adjustments will provide the needed funding to address our flood-prone areas. The Solid Fund rate adjustments were to help address the negative net position of the Fund that was also an audit observation in the Fiscal 2021 ACFR and an Auditor General operational audit finding.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Deerfield Beach for its comprehensive annual financial report for the fiscal year ending September 30, 2024. This was the 45th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual financial report. This report satisfied both GAAP and applicable legal requirements.

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

Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for the FY2026 annual, the 30th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Thank you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. This report could not have been prepared without the dedicated service of all of the employees of the Department of Financial Services as well as other departments that provided assistance throughout the preparation of this ACFR. In addition, we appreciate the thoroughness with which our auditors, CBIZ CPAs P.C., performed their audit function.

Finally, we would like to thank the City Commission for their continued guidance and support in our efforts towards fiscal stewardship.

Respectfully submitted,

Rodney Brimlow
City Manager

Oleg Gorokhovsky, CPA
Chief Financial Officer

CITY OF DEERFIELD BEACH, FLORIDA

LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2025

Elected Officials

Mayor	Todd Drosky
Vice Mayor	Michael Hudak
Commissioner – District 2	Ben Preston
Commissioner – District 3	Daniel Shanetzky
Commissioner – District 4	Tom Plaut

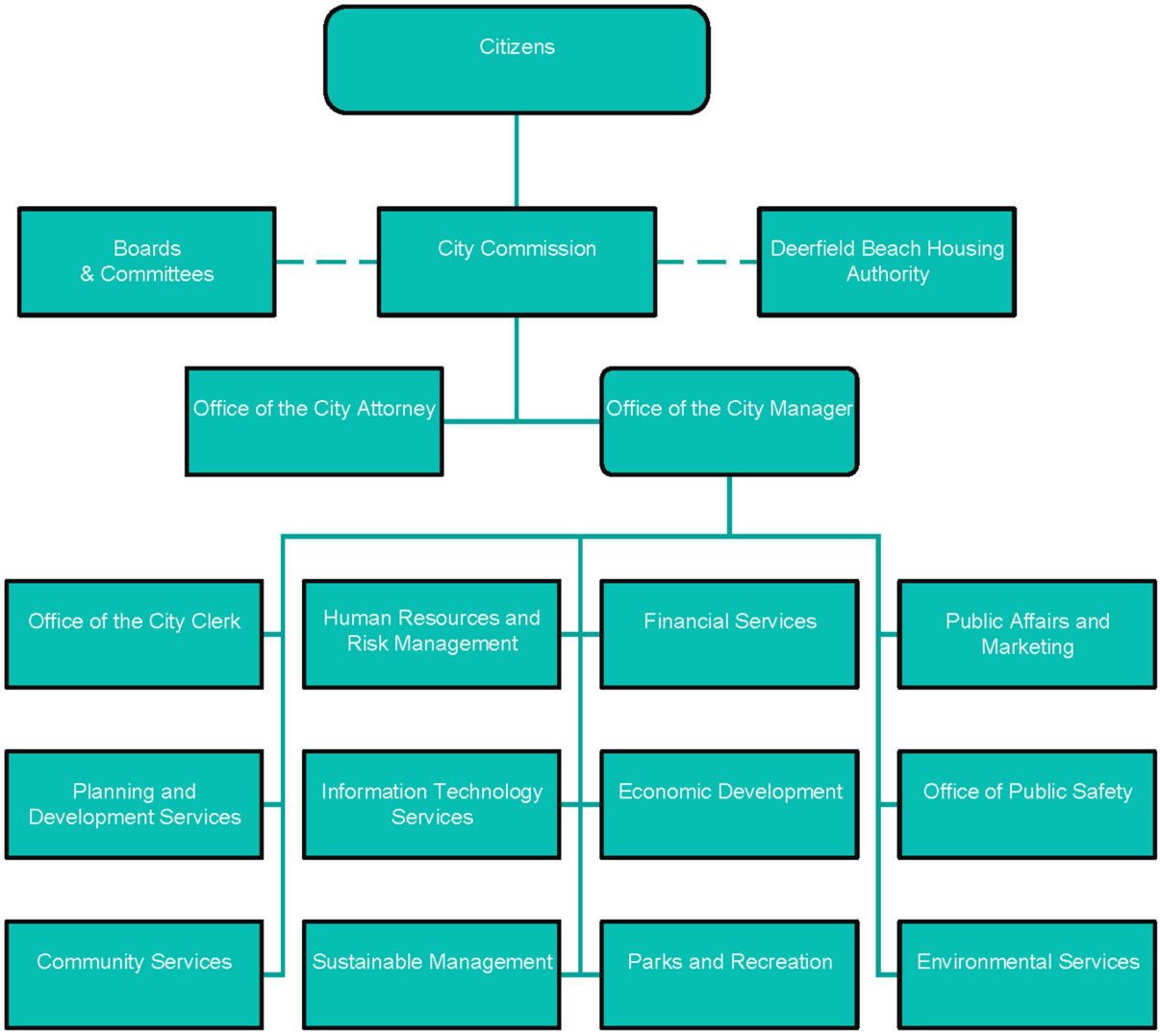
Appointed Officials

City Manager	Rodney Brimlow
City Attorney	Weiss Serota Helfman Cole & Berman Anthony Soroka
Deputy City Manager	Eric Power
City Clerk	Heather Montemayor
Director of Community Development	Jonathan Salas
Chief Financial Officer	Oleg Gorokhovsky, CPA
Director of Human Resources and Risk Management	Jacqui Lindsay
Chief Information Officer	Christophe St. Luce
Director of Parks & Recreation	Greg Warner
Director of Environmental Services	Yaroslav Concepcion
Director of Planning & Development Services	Ramsay Bulkeley
Director of Municipal Services	Chad Grecsek
Director of Public Affairs & Marketing	Dave Hunt
Director Economic Development	Michelle Caba
Director of Public Safety	Sean Gladieux
Transitional Fire Chief	Chantal Botting
Transitional Police Chief	Daniel Morgalo
Fire Chief	Bradley Masters
Police Chief	Adam Hofstein

CITY OF DEERFIELD BEACH, FLORIDA

ORGANIZATION CHART

SEPTEMBER 30, 2025



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Deerfield Beach
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

CBIZ CPAs P.C.

201 East Las Olas Boulevard
21st Floor
Fort Lauderdale, FL 33301

P: 954.320.8000

Independent Auditors' Report

To the Honorable Mayor, City Commission and City Manager
City of Deerfield 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, each major fund, and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, 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, based on our audit and the reports of other auditors, 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, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, 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.

We did not audit the financial statements of the City's Pension Trust Funds (the "Plans"), component units of the City, which represent 90%, 91% and 71%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2025. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans are based solely on the reports of the other auditors.

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 4 through 17, and the schedules of changes in the City's net pension liability and related ratios, the schedules of City contributions, schedule of City's proportionate share of net pension liability, schedule of changes in the City's total OPEB liability and related ratios, and budgetary comparison schedules for the general fund and major special revenue funds on pages 104 through 115, 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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, as listed in the table of contents, 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 GAAS. In our opinion, the combining and individual fund financial statements and schedules, as listed in the table of contents**,** 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 comprehensive financial report. The other information comprises the introductory section and the statistical section 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 June 5, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CBIZ CPAs P.C.

Fort Lauderdale, Florida
June 5, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report is intended to give readers a narrative overview to facilitate both a short and long-term analysis of the financial activities of the City for the fiscal year ended September 30, 2025. This Management's Discussion and Analysis is based on currently known facts, decisions and conditions that existed as of the date of the independent auditors' report. The information presented is in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34) as amended. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this report.

FINANCIAL HIGHLIGHTS

- The total assets on the Government-wide basis of the City at September 30, 2025 increased $37.6 million, or 9.01% from the prior year.
- The City's total liabilities on a Government-wide basis decreased by $31.9 million, or 14.5% from the prior year.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $269.8 million (net position). Of this amount, $148.6 million was from governmental activities and $121.2 million was from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $107.6 million, an increase of $5.3 million, in comparison with the amount reported for the prior fiscal year. Of this amount, $3.8 million was non-spendable, $38.5 million was restricted, $38.5 million was assigned, and $26.8 million was unassigned and therefore available for spending at the City's discretion.
- At the end of the fiscal year, unassigned fund balance in the General Fund was $32.6 million, or 23.4% of total General Fund expenditures and transfers. The City has a reserve policy of maintaining an amount in reserves that is at least 10% and 5% of total General Fund expenditures and transfers for unassigned and assigned emergency reserves respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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 general government, economic environment, public safety, human services, physical environment, transportation, and culture and recreation. The business-type activities of the City include water and sewer, stormwater utility, and solid waste services.

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

The government-wide financial statements can be found on pages 16 - 17 of this report.

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

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

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

The City maintains governmental funds for various sources of revenues. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City as a whole. These financial statements report five major funds: General Fund, American Rescue Plan Fund, Community Redevelopment Agency Fund, General Obligation Debt Service Fund and the General Construction Fund. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund information for each of these nonmajor governmental funds is provided in the form of combining statements that are found on pages 116-123 of this report.

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

The basic governmental fund financial statements can be found on pages 18-21 of this report.

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

The basic proprietary fund financial statements can be found on pages 22 – 24 of this report.

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

The basic fiduciary fund financial statements can be found on pages 27 - 28 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 - 103 of this report and should be read in conjunction with the City's financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees, and budgetary comparisons for the General Fund and the CRA (special revenue) Fund. RSI can be found on pages 104 - 115 of this report.

The combining and individual fund statement and schedules referred to earlier in connection with nonmajor funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 116 - 125 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets plus deferred outflows exceeded liabilities plus deferred inflows by $269.8 million at the close of fiscal year 2025.

The largest portion of the City's net position of $158.6 million, or 58.8% of total net position, reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, utility plants and infrastructure), less any related debt and deferred inflows/outflows used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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.

The following analysis summarizes the net position as September 30, 2025 and 2024:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 124,539,872	$ 116,542,899	$ 71,808,991	$ 64,007,130	$ 196,348,863	$ 180,550,029
Capital assets, net	165,608,031	150,466,612	92,655,445	86,035,964	258,263,476	236,502,576
Total Assets	290,147,903	267,009,511	164,464,436	150,043,094	454,612,339	417,052,605
Deferred Outflows of Resources	18,413,119	24,322,322	960,503	1,939,188	19,373,622	26,261,510
Other liabilities	14,202,951	12,734,931	4,696,581	5,771,423	18,899,532	18,506,354
Noncurrent liabilities	134,130,036	162,702,194	34,490,507	38,214,832	168,620,543	200,917,026
Total Liabilities	148,332,987	175,437,125	39,187,088	43,986,255	187,520,075	219,423,380
Deferred Inflows of Resources	11,668,329	3,449,866	5,009,454	1,931,146	16,677,783	5,381,012
Net Position						
Net investment in capital assets	91,410,770	87,250,558	67,209,038	59,924,710	158,619,808	147,175,268
Restricted	43,052,891	42,740,604	3,116,952	1,139,000	46,169,843	43,879,604
Unrestricted	14,096,045	(17,546,320)	50,902,407	45,001,171	64,998,452	27,454,851
Total Net Position	$ 148,559,706	$ 112,444,842	$ 121,228,397	$ 106,064,881	$ 269,788,103	$ 218,509,723

An additional portion of the City's net position, $46.2 million or approximately 17.1%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, approximately $65 million, continues to be impacted by the implementation of GASB Statement No. 75 which had a significant negative impact on the City's unrestricted net position for the governmental activities but is recovering.

The net position of business-type activities increased by $15.2 million to $121.2 million in 2025. This increase was primarily due to an increase in sale revenue in the Water and Sewer Utility and Solid Waste Funds. Rate increases were implemented for the Water and Sewer Utility Fund. The Solid Waste Fund had increased sales in their commercial operations.

The City's current and other assets increased by $15.8 million from $180.6 million to $196.3 million. The increase was primarily due to the issuance of new debt during FY 2025 for projects that will begin in FY 2026.

Current liabilities remained consistent with prior year.

Noncurrent liabilities decreased by $32.3 million from $200.9 million to $168.6 million in FY2025. A significant portion of this decrease is due to the change in net pension liability due to market changes.

The following analysis summarizes the changes in net position for the years ended September 30, 2025 and 2024:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues						
Charges for services	$ 45,891,585	$ 45,842,291	$ 61,667,049	$ 59,053,542	$ 107,558,634	$ 104,895,833
Operating grants and contributions	4,137,465	2,806,663	--	--	4,137,465	2,806,663
Capital grants and contributions	1,724,118	2,534,936	--	--	1,724,118	2,534,936
General Revenues						
Taxes	104,222,109	99,012,288	--	--	104,222,109	99,012,288
Miscellaneous revenues	1,867,287	1,050,835	--	--	1,867,287	1,050,835
Intergovernmental	4,349,590	4,421,596	--	--	4,349,590	4,421,596
Unrestricted investment earnings	5,280,681	6,919,580	1,910,818	1,860,590	7,191,499	8,780,170
Total Revenues	167,472,835	162,588,189	63,577,867	60,914,132	231,050,702	223,502,321
Expenses						
General government	17,382,333	14,279,905	--	--	17,382,333	14,279,905
Economic environment	3,724,707	3,499,853	--	--	3,724,707	3,499,853
Public safety	71,479,599	82,235,652	--	--	71,479,599	82,235,652
Human services	3,826,683	3,645,343	--	--	3,826,683	3,645,343
Physical environment	13,341,730	12,104,286	--	--	13,341,730	12,104,286
Transportation	4,176,332	5,868,777	--	--	4,176,332	5,868,777
Culture and recreation	9,897,418	10,398,437	--	--	9,897,418	10,398,437
Interest on long-term debt	4,951,337	3,266,545	--	--	4,951,337	3,266,545
Water and sewer	--	--	28,731,147	28,335,929	28,731,147	28,335,929
Solid waste	--	--	21,069,097	22,163,924	21,069,097	22,163,924
Stormwater utility	--	--	1,191,939	384,017	1,191,939	384,017
Total Expenses	128,780,139	135,298,798	50,992,183	50,883,870	179,772,322	186,182,668
Increase (Decrease) in Net Position Before Transfers	38,692,696	27,289,391	12,585,684	10,030,262	51,278,380	37,319,653
Transfers	(2,577,832)	(6,125,168)	2,577,832	6,125,168	--	--
Change in Net Position	36,114,864	21,164,223	15,163,516	16,155,430	51,278,380	37,319,653
Net Position - Beginning of Year	112,444,842	91,280,619	106,064,881	89,909,451	218,509,723	181,190,070
Net Position - Ending of Year	$ 148,559,706	$ 112,444,842	$ 121,228,397	$ 106,064,881	$ 269,788,103	$ 218,509,723

Governmental Activities: Governmental activities increased the City's net position by $36.1 million. This increase is a result of the following.

Taxes increased by $5.2 million from $99.0 million to $104.2 million. The revenue category Taxes is made up of Property, Utility, Sales and Use, Franchise, Alcoholic beverages and Mobile home taxes.

Charges for Services increased by $.1 Millions from $45.8 million in FY2024 to $45.9 million due to increase in the total receipts for occupational business taxes and building permits.

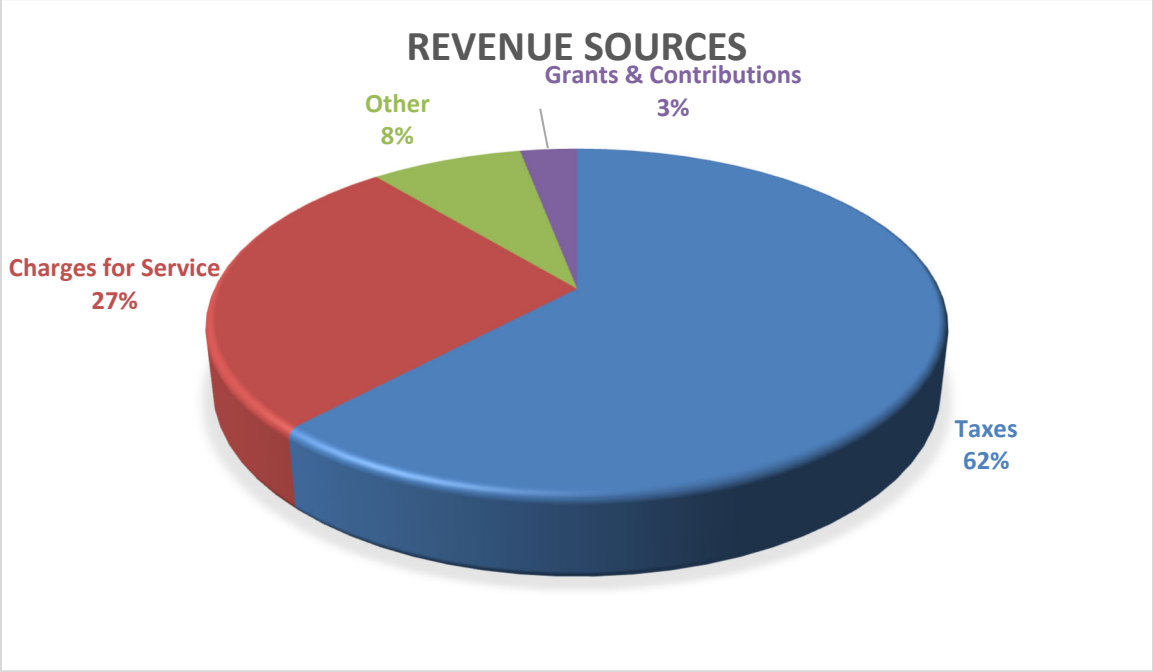
Investment earnings decreased by $1.6 million from $6.9 million to $5.3 million in FY2025 due to the overall market activity.

There was a $11 million decrease in public safety expenses from FY2024 to FY2025. A significant portion of this decrease is from the net pension liability in FY2025 due to overall market conditions.

Additionally, there was a decrease in transfers out in the amount of $3.5 millions.

When analyzed by source, revenues for FY2025 were as follows: 62% is generated from taxes, 27% is from charges for services, operating and capital grants/contributions comprise 3%, intergovernmental, investment earnings and miscellaneous revenues make up the remaining 8%.

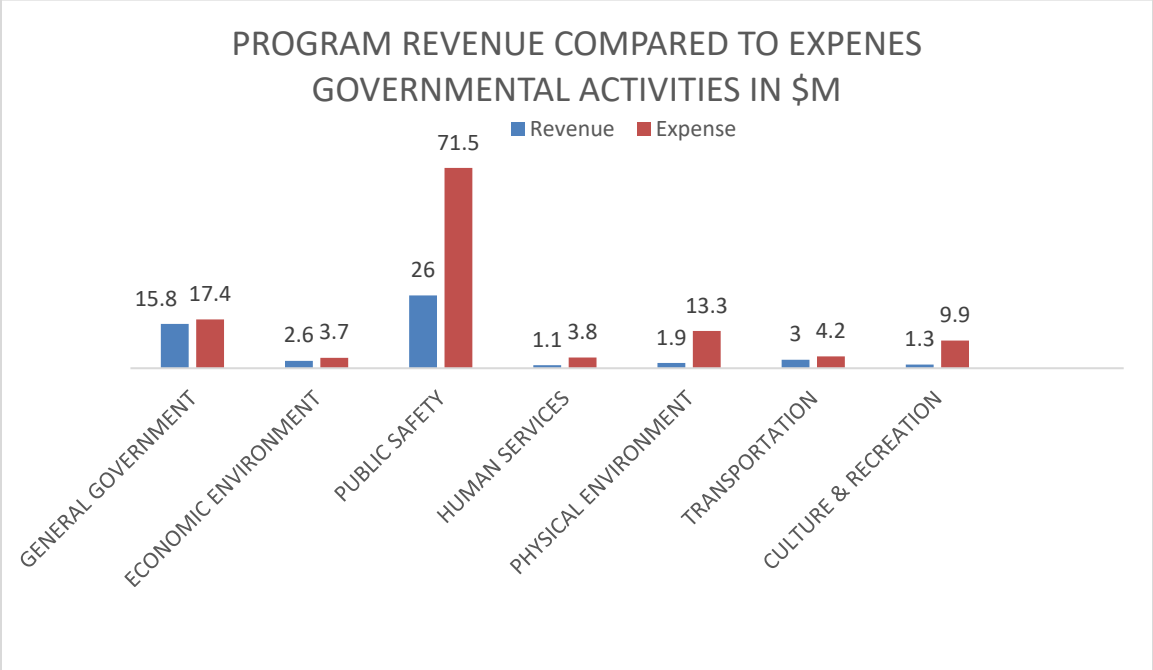
Program and General Revenues by Source – Governmental Activities



The City's expenses cover a broad range of services, with approximately 56% of governmental activity expenses related to public safety (fire/rescue and police protection). Public safety expenses constitute the largest component of total expenses due to the service level requirements. The public safety function consists of the Office of Public Safety which in FY 2025 oversaw the Broward Sheriff Office (BSO) contracts related to Law Enforcement, Fire and Rescue Services, Emergency Management Services, Parking Authority, School Crossing Guards, and Ocean Rescue Services.

When compared with the previous year, expenses increased in governmental funds for FY2025. A significant portion of these increases were as a direct result of the change in the net pension liabilities and related deferred outflows/inflows for the year. The City also had increases in physical environment, transportation and culture and recreation expenses. These increases were affected by higher prices of operational supplies as well as a return to hosting outdoor activities by the Parks and Recreation Department.

The chart below compares program revenues and expenses for the individual governmental activities for the fiscal year.



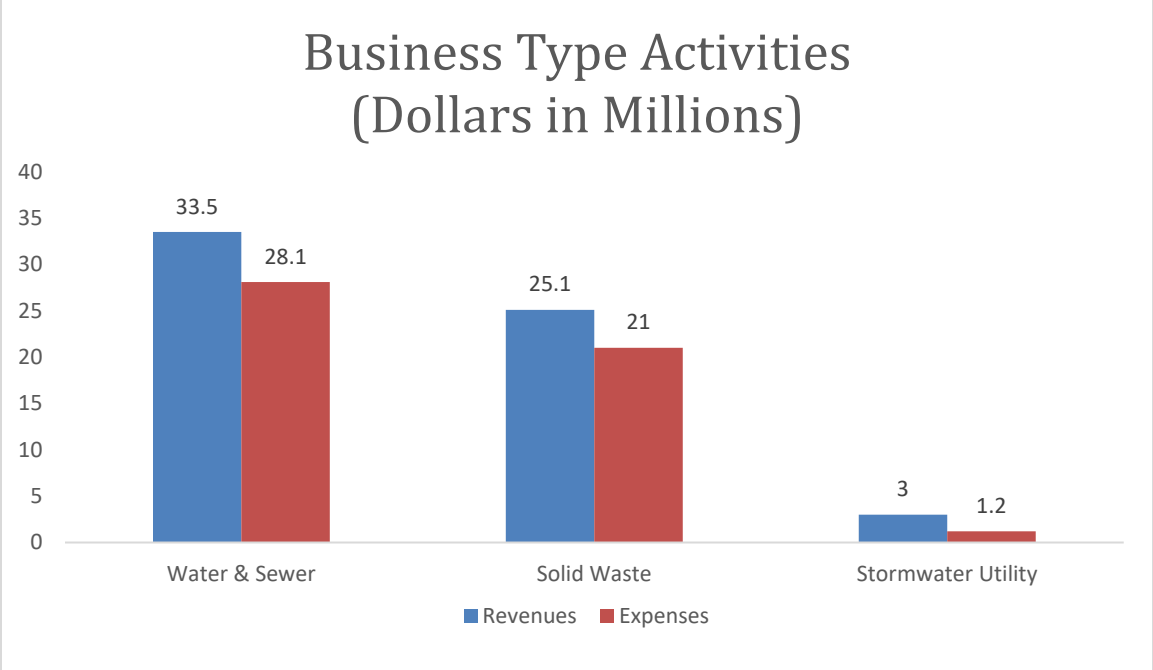
Business-type Activities: Business-type activities are presented in detail in the proprietary fund statements. These funds represent the Water and Sewer Utility, Solid Waste, and Storm Water Utility Funds. Together these funds show an overall increase in revenues of $2.7 million when compared to fiscal year 2024.

The Water and Sewer Utility Fund net position increased by $7.3 million. This was a result of the integrated utility master plan and a financial analysis of the master plan implemented in June of 2022, as well as increased residential and commercial development and redevelopment.

The Solid Waste Fund had an increase of $4.2 million. Most of the increase came from additional revenues from bulk and commercial debris removal cost as well as a transfer in from governmental funds.

The Stormwater Fund had an increase of $3.6 million. There were no major changes to this fund during the fiscal period.

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



Financial Analysis of the City's Funds

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

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

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of $107.6 million, an increase of $5.2 million from the prior year's ending balances of $102.4 million. Approximately 25%, $26.8 million of the combined fund balances constitute *unassigned fund balance* that is available to meet the City's current and future needs. The remainder of fund balance is *nonspendable, restricted, committed and assigned* to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was $32.6 million, while total fund balance was $72.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 23.4% of total General Fund expenditures and transfers.

The total fund balance of the City's General Fund increased by $10.6 million during the fiscal year. Key factors in this increase were an overall increase in most revenue sources for this year over fiscal year 2024. The biggest increase was in property taxes of $4.3 million.

The Community Redevelopment Agency Fund accounts for revenues collected from and expenditures incurred within the community redevelopment area which borders Federal Highway to the west and State Road A1A to the east. At the end of the fiscal year, the restricted and total fund balance in this fund amounted to $5.1 million.

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

Unrestricted net position of the Water and Sewer Utility Fund at the end of the fiscal year amounted to $36.8 million. The Solid Waste Fund had an unrestricted net position of $9.3 million at the end of the fiscal year. The Stormwater Utility Fund had an unrestricted net position of $4.8 million at the end of the fiscal year.

Capital Assets and Debt Administration

Capital Assets. The City's capital assets for its governmental and business-type activities as of September 30, 2025, amounted to $258.3 million (net of accumulated depreciation). These capital assets include land, buildings, improvements other than building (such as improvements to parks), equipment, utility plants in service and infrastructure (roads, highways, bridges, etc.). The total increase in the City's capital assets for the current fiscal year was 9.2%, due to increases in construction in process. The following table summarizes the City's capital assets.

Schedule of Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 19,276,026	$ 19,276,026	$ 50,531	$ 50,531	$ 19,326,557	$ 19,326,557
Buildings	60,150,580	49,013,839	372,629	387,151	60,523,209	49,400,990
Improvements other than buildings	23,397,087	24,292,126	136,846	144,834	23,533,933	24,436,960
Equipment	6,272,368	6,565,356	9,355,032	8,451,535	15,627,400	15,016,891
Software subscriptions	2,526,553	546,699	41,326	127,649	2,567,879	674,348
Utility plants in service	--	--	--	--	--	--
Infrastructure	26,386,258	26,068,578	54,254,617	55,999,547	80,640,875	82,068,125
Construction in progress	27,599,159	24,703,988	28,444,464	20,874,717	56,043,623	45,578,705
Total	$ 165,608,031	$ 150,466,612	$ 92,655,445	$ 86,035,964	$ 258,263,476	$ 236,502,576

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

- International Fishing Pier Repairs and Renovation at $3,370,162
- ERP Implementation - $1,334,501
- SE 8th Ave Stormwater Drainage - $1,960,341
- AMI Advance Metering Project - $1,037,674

Additional information on the City of Deerfield Beach's capital assets can be found in Note 3 on pages 62 - 64 of this report.

Long-term Debt. At year-end, the City had $21.5 million in general obligation bonds outstanding. The City also had $41.4 million in outstanding covenant bonds (for which the City must "covenant" and appropriate funds necessary to pay the annual debt service), but which are primarily backed by revenue sources other than voted-debt ad valorem taxes. The business-type activities had $19.0 million outstanding in revenue bonds and $1 million in loans payable. The City had $7.7 million in financing leases outstanding at the end of the fiscal year.

The City's current General Obligation and Covenant-to-Budget and Appropriate bond ratings are AA+ and AA from Fitch Ratings and Standard & Poor's Global Ratings respectively. The City's Fitch ratings were upgraded to the current level in August 2024, and reaffirmed in January 2026.

Outstanding Debt
(Bonds, Loans, Notes and Leases Payable)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds (backed by the City)	$ 21,501,897	$ 23,055,182	$ --	$ --	$ 21,501,897	$ 23,055,182
Revenue bonds	--	--	19,007,275	20,701,518	19,007,275	20,701,518
Covenant bonds	41,415,000	43,030,000	--	--	41,415,000	43,030,000
Add/(subtract) premium/ (discount)	5,822,475	5,845,769	--	--	5,822,475	5,845,769
Notes payable	3,912,268	--	1,837,732	--	5,750,000	--
Leases	4,158,669	4,438,626	3,506,338	3,742,374	7,665,007	8,181,000
Obligations under SBITA's	1,624,057	524,978	77,653	150,654	1,701,710	675,632
Loan payable	--	--	932,815	1,432,114	932,815	1,432,114
Total	$ 78,434,366	$ 76,894,555	$ 25,361,813	$ 26,026,660	$ 103,796,179	$ 102,921,215

The City's general obligation debt per capita, excluding enterprise fund debt, was $290 at the end of fiscal year 2025. The City's outstanding net general obligation debt was 0.20% of the City's assessed property value. The City's debt policy requires that its net general obligation bonded debt not exceed two (2) percent of the assessed valuation of taxable property within the City, unless otherwise directed by the City Commission. Net reduction is due to the pay down of principal debt service obligations.

Additional information on the City's long-term debt can be found in Note 3 on pages 70 - 75 of this report.

Economic Factors and Next Fiscal Year's Budget and Rates

Some of the economic factors affecting the City of Deerfield Beach are similar to those being experienced nationally, such as low unemployment rate, inflation, and housing shortages.

Despite rising cost, the City of Deerfield Beach kept its millage rate at 6.0018 for the new budget year. The FY2026 budget anticipates increases in interest on investments due to the trending market conditions. Enterprise fund revenues continues to increase primarily due to rates increases approved by the City Commission. The Water Services rate was increased 5.25% and 9.25 % for Sewer.

Expenditures towards housing assistance in fiscal 2025 amounted to $1.2 million. The FY 2025 budget allocates $2,490,991 for housing assistance (Home Grant, Ship Grant & Community Development Block Grant). The City is using this mechanism to assist families with home ownership within Deerfield Beach. However due to high interest rates and low inventory the City anticipates housing to be a continuing challenge.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 14,803,941	$ 19,801,709	$ 34,605,650
Investments	62,708,683	41,876,384	104,585,067
Receivables, net of allowances	5,573,424	4,860,771	10,434,195
Lease receivable	5,775	--	5,775
Internal balances	(1,027,211)	1,027,211	--
Due from other governments	3,478,400	--	3,478,400
Inventories	190,687	288,779	479,466
Prepaid items	1,118,803	44,193	1,162,996
Restricted assets:			
Cash and cash equivalents	1,514,815	2,029,705	3,544,520
Investments	34,111,511	--	34,111,511
Net pension asset	2,061,044	1,880,239	3,941,283
Capital assets:			
Non-depreciable	46,875,185	28,494,995	75,370,180
Capital assets, net of accumulated depreciation/amortization	118,732,846	64,160,450	182,893,296
Total Assets	290,147,903	164,464,436	454,612,339
Deferred Outflows of Resources			
Pensions	17,488,592	374,608	17,863,200
OPEB	924,527	585,895	1,510,422
Total Deferred Outflows of Resources	18,413,119	960,503	19,373,622
Liabilities			
Accounts payable	9,984,035	3,139,712	13,123,747
Accrued payroll	1,198,651	324,139	1,522,790
Accrued interest payable	1,575,826	327,079	1,902,905
Due to other funds	--	--	--
Due to other governments	44,240	--	44,240
Unearned revenue	1,365,034	--	1,365,034
Customer deposits	35,165	905,651	940,816
Non-current liabilities:			
Due within one year:			
Compensated absences payable	1,384,076	926,140	2,310,216
Insurance claims payable	829,127	--	829,127
Bonds, notes, loans and leases payable	4,716,566	2,817,597	7,534,163
Obligations under SBITAs	732,411	77,653	810,064
Due in more than one year:			
Compensated absences payable	--	236,094	236,094
Insurance claims payable	5,914,022	--	5,914,022
Bonds, notes, loans and leases payable	72,093,743	22,466,563	94,560,306
Obligations under SBITAs	891,646	--	891,646
Total OPEB liability	12,570,868	7,966,460	20,537,328
Net pension liability	34,997,577	--	34,997,577
Total Liabilities	148,332,987	39,187,088	187,520,075
Deferred Inflows of Resources			
Pensions	6,335,411	1,737,953	8,073,364
OPEB	5,162,343	3,271,501	8,433,844
Lease	7,896	--	7,896
Deferred amount on bond resources	162,679	--	162,679
Total Deferred Inflows of Resources	11,668,329	5,009,454	16,677,783
Net Position			
Net investment in capital assets	91,410,770	67,209,038	158,619,808
Restricted net position:			
Debt service	19,918,582	1,236,713	21,155,295
Perpetual care	2,502,946	--	2,502,946
Economic environment	5,145,763	--	5,145,763
Public safety	4,617,736	--	4,617,736
Human services	1,276,201	--	1,276,201
Physical environment	1,579,171	--	1,579,171
Transportation	2,967,397	--	2,967,397
Parks and recreation	2,984,051	--	2,984,051
Net pension asset	2,061,044	1,880,239	3,941,283
Unrestricted	14,096,045	50,902,407	64,998,452
Total Net Position	$ 148,559,706	$ 121,228,397	$ 269,788,103

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	$ 17,382,333	$ 14,442,261	$ 1,405,104	$ --	$ (1,534,968)	$ --	$ (1,534,968)
Economic environment	3,724,707	1,500,061	1,111,955	--	(1,112,691)	--	(1,112,691)
Public safety	71,479,599	25,670,817	347,273	--	(45,461,509)	--	(45,461,509)
Human services	3,826,683	--	1,123,464	--	(2,703,219)	--	(2,703,219)
Physical environment	13,341,730	143,580	25,000	1,724,118	(11,449,032)	--	(11,449,032)
Transportation	4,176,332	3,002,013	--	--	(1,174,319)	--	(1,174,319)
Culture and recreation	9,897,418	1,132,853	124,669	--	(8,639,896)	--	(8,639,896)
Interest on long-term debt	4,951,337	--	--	--	(4,951,337)	--	(4,951,337)
Total Governmental Activities	128,780,139	45,891,585	4,137,465	1,724,118	(77,026,971)	--	(77,026,971)
Business-type Activities							
Water and sewer	28,731,147	33,511,463	--	--	--	4,780,316	4,780,316
Solid waste	21,069,097	25,148,926	--	--	--	4,079,829	4,079,829
Stormwater utility	1,191,939	3,006,660	--	--	--	1,814,721	1,814,721
Total Business-type Activities	50,992,183	61,667,049	--	--	--	10,674,866	10,674,866
Total	$ 179,772,322	$ 107,558,634	$ 4,137,465	$ 1,724,118	(77,026,971)	10,674,866	(66,352,105)
General Revenues							
General property taxes					64,598,002	--	64,598,002
Incremental property taxes					6,156,964	--	6,156,964
Utility taxes					11,745,148	--	11,745,148
Sales and use taxes					11,111,333	--	11,111,333
Franchise taxes					10,494,795	--	10,494,795
Alcoholic beverage/mobile home license taxes					94,879	--	94,879
Impact fees					20,988	--	20,988
Intergovernmental					4,349,590	--	4,349,590
Unrestricted investment earnings					5,280,681	1,910,818	7,191,499
Miscellaneous revenues					1,867,287	--	1,867,287
Transfers					(2,577,832)	2,577,832	--
Total General Revenues and Transfers					113,141,835	4,488,650	117,630,485
Change in Net Position					36,114,864	15,163,516	51,278,380
Net Position - Beginning					112,444,842	106,064,881	218,509,723
Net Position - Ending					$ 148,559,706	$ 121,228,397	$ 269,788,103

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

CITY OF DEERFIELD BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General Fund	American Rescue Plan Fund	Community Redevelopment Agency	General Obligation Debt Service Fund	General Construction Fund	Nonmajor Governmental Funds	Total
Assets							
Cash and cash equivalents	$ 550,641	$ --	$ 2,572,515	$ 45,397	$ 51,808	$ 11,583,580	$ 14,803,941
Investments	59,404,975	--	3,018,110	--	--	285,598	62,708,683
Restricted cash and cash equivalents	--	603,641	--	--	--	911,174	1,514,815
Restricted investments	--	6,004,420	--	21,263,362	5,425,147	1,418,582	34,111,511
Receivables, net:							
Accounts	4,921,733	--	--	--	--	458,131	5,379,864
Assessments	842	--	--	--	--	--	842
Interest	148,019	--	9,772	9,823	17,911	7,193	192,718
Lease	5,775	--	--	--	--	--	5,775
Due from other funds	11,975,000	--	--	--	--	1,590,000	13,565,000
Due from other governments	1,815,830	--	--	--	--	1,662,570	3,478,400
Inventories	190,687	--	--	--	--	--	190,687
Prepaid items	1,118,803	--	--	--	--	--	1,118,803
Total Assets	$ 80,132,305	$ 6,608,061	$ 5,600,397	$ 21,318,582	$ 5,494,866	$ 17,916,828	$ 137,071,039
Liabilities							
Accounts payable	$ 4,491,394	$ 14,775	$ 483,227	$ --	$ 4,631,591	$ 1,192,175	$ 10,813,162
Accrued payroll	1,141,789	--	44,091	--	--	12,771	1,198,651
Due to other funds	1,027,211	6,175,000	--	1,400,000	4,900,000	1,090,000	14,592,211
Unearned revenue	312,712	345,602	--	--	--	706,720	1,365,034
Due to other governments	17,522	--	--	--	--	26,718	44,240
Customer deposits	35,165	--	--	--	--	--	35,165
Total Liabilities	7,025,793	6,535,377	527,318	1,400,000	9,531,591	3,028,384	28,048,463
Deferred Inflows of Resources							
Lease	7,896	--	--	--	--	--	7,896
Unavailable revenues	683,399	--	--	--	--	728,060	1,411,459
Total Deferred Inflows of Resources	691,295	--	--	--	--	728,060	1,419,355
Fund Balances							
Nonspendable	1,309,490	--	--	--	--	2,502,946	3,812,436
Restricted	--	72,684	5,073,079	19,918,582	--	13,424,556	38,488,901
Assigned	38,459,059	--	--	--	--	--	38,459,059
Unassigned	32,646,668	--	--	--	(4,036,725)	(1,767,118)	26,842,825
Total Fund Balances	72,415,217	72,684	5,073,079	19,918,582	(4,036,725)	14,160,384	107,603,221
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 80,132,305	$ 6,608,061	$ 5,600,397	$ 21,318,582	$ 5,494,866	$ 17,916,828	$ 137,071,039

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

CITY OF DEERFIELD BEACH, FLORIDA

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

SEPTEMBER 30, 2025

Fund Balances, Total Governmental Funds		$ 107,603,221
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 275,822,984	
Accumulated depreciation/amortization	(110,214,953)	165,608,031
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Interest payable	(1,575,826)	
Bonds, loans and leases payable	(76,810,309)	
Insurance claims payable	(5,914,022)	
Obligations under SBITAs	(1,624,057)	
Compensated absences payable	(1,384,076)	
Total OPEB liabilities	(12,570,868)	
Net pension liabilities	(34,997,577)	(134,876,735)
Deferred outflows and inflows of resources related to pensions and OPEB are recorded in the statement of net position.		
Deferred outflows related to pensions	17,488,592	
Deferred inflows related to pensions	(6,335,411)	11,153,181
Deferred outflows from OPEB	924,527	
Deferred inflows related to OPEB	(5,162,343)	(4,237,816)
Revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. They are, however, recognized in the governmental activities.		1,411,459
Bond premiums and discounts, gains, and losses related to the issuance of long-term debt are charged to "Other Financing Sources and Uses" when debt is issued in the governmental funds. These items, however, are capitalized and amortized over the life of the bonds in the government-wide financial statements.		(162,679)
Net Position of Governmental Activities		$ 148,559,706

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

CITY OF DEERFIELD BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	General Fund	American Rescue Plan Fund	Community Development Agency Fund	General Obligation Debt Service Funds	General Construction Fund	Nonmajor Governmental Funds	Total
Revenues							
Property taxes	$ 64,598,002	$ --	$ 6,156,964	$ --	$ --	$ --	$ 70,754,966
Sales and use taxes	9,554,074	--	--	--	--	--	9,554,074
Fire assessment fees	18,031,970	--	--	--	--	--	18,031,970
Franchise taxes	10,494,795	--	--	--	--	--	10,494,795
Utility taxes	11,745,148	--	--	--	--	--	11,745,148
Local option gas tax	--	--	--	--	--	1,557,259	1,557,259
Alcoholic beverage/mobile home license taxes	94,879	--	--	--	--	--	94,879
Local business taxes/permits	812,701	--	--	--	--	4,920,197	5,732,898
Intergovernmental	4,409,457	1,305,615	--	--	--	3,634,113	9,349,185
Charges for services	11,727,336	--	--	--	--	33,648	11,760,984
Fines and forfeitures	1,532,490	--	--	--	--	753,581	2,286,071
Impact fees	--	--	--	--	--	20,988	20,988
Investment earnings	3,320,113	262,425	128,085	818,137	680,254	71,667	5,280,681
Miscellaneous:							
Cemetery plot sales	--	--	--	--	--	210,029	210,029
Donations/contributions	376,956	--	--	--	150,000	156,269	683,225
Administrative fees	8,079,662	--	--	--	--	437,720	8,517,382
Other	1,029,223	--	324,614	--	--	268,503	1,622,340
Total Revenues	145,806,806	1,568,040	6,609,663	818,137	830,254	12,063,974	167,696,874
Expenditures							
Current:							
General government	17,918,518	--	--	--	--	--	17,918,518
Economic environment	745,122	24,610	1,263,162	--	--	1,223,752	3,256,646
Public safety	82,369,753	--	83,688	--	--	4,984,598	87,438,039
Human services	3,781,448	--	--	--	--	45,235	3,826,683
Physical environment	12,188,070	--	--	--	--	32,949	12,221,019
Transportation	1,504,562	--	--	--	--	2,588,114	4,092,676
Culture and recreation	8,468,565	--	195,725	--	--	70,772	8,735,062
Capital outlay	2,569,936	66,106	5,019,281	--	12,241,035	530,774	20,427,132
Debt service:							
Principal retirement	--	--	980,000	2,468,248	--	--	3,448,248
Interest and fiscal charges	--	--	169,159	4,138,080	--	--	4,307,239
Total Expenditures	129,545,974	90,716	7,711,015	6,606,328	12,241,035	9,476,194	165,671,262
Excess (Deficiency) of Revenues Over Expenditures	16,260,832	1,477,324	(1,101,352)	(5,788,191)	(11,410,781)	2,587,780	2,025,612
Other Financing Sources (Uses)							
Issuance of debt	--	--	--	--	3,912,268	--	3,912,268
Transfers in	2,264,268	--	--	6,509,287	3,284,930	78,357	12,136,842
Transfers out	(9,766,498)	(2,081,936)	(2,045,262)	--	--	(820,978)	(14,714,674)
Initiation of SBITAs	1,890,851	--	--	--	--	--	1,890,851
Total Other Financing Sources (Uses)	(5,611,379)	(2,081,936)	(2,045,262)	6,509,287	7,197,198	(742,621)	3,225,287
Net Change in Fund Balances	10,649,453	(604,612)	(3,146,614)	721,096	(4,213,583)	1,845,159	5,250,899
Fund Balances - Beginning	61,765,764	677,296	8,219,693	19,197,486	176,858	12,315,225	102,352,322
Fund Balances - Ending	$ 72,415,217	$ 72,684	$ 5,073,079	$ 19,918,582	$ (4,036,725)	$ 14,160,384	$ 107,603,221

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

CITY OF DEERFIELD BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 5,250,899
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported in depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.		
Capital outlay, including SBITAs	$ 20,376,256	
Governmental depreciation	(5,090,057)	15,286,199
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(89,740)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the funds.		
Insurance claims and benefits expense	(98,098)	
Other postemployment benefit expense	787,840	
Loss on disposal of capital assets	(144,788)	
Pension expense	17,428,035	17,972,989
In the statement of activities, certain operating expenses - compensated absences (sick and vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually used (paid).		
Compensated absences		(98,286)
The issuance of long-term debt (e.g., bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Long-term debt principal repayments	4,240,020	
Issuance of debt	(3,912,268)	
Initiation of SBITAs	(1,890,851)	
Bond premium	20,335	(1,542,764)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest expense reported in the statement of activities is the result of accrued interest on bonds, leases and loans payable.		(664,433)
Change in Net Position of Governmental Activities		$ 36,114,864

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Water and Sewer Utility Fund	Solid Waste Fund	Non-Major Stormwater Utility Fund	Total Proprietary Funds
Assets				
Current Assets				
Cash and cash equivalents	$ --	$ 14,386,617	$ 5,415,092	$ 19,801,709
Investments	40,408,405	1,467,979	--	41,876,384
Restricted cash and cash equivalents:				
Customer deposits	789,721	3,271	--	792,992
Revolving loan covenant accounts	1,236,713	--	--	1,236,713
Receivables, net of allowances:				
Accounts	3,132,666	1,188,470	77,771	4,398,907
Delinquent assessments	105,656	--	--	105,656
Interest	356,208	--	--	356,208
Due from other funds	1,027,211	--	--	1,027,211
Due from other governments	--	--	--	--
Inventories	288,779	--	--	288,779
Prepaid items	44,193	--	--	44,193
Total Current Assets	47,389,552	17,046,337	5,492,863	69,928,752
Noncurrent Assets				
Net pension asset	1,337,863	542,376	--	1,880,239
Capital assets:				
Land	50,531	--	--	50,531
Construction in progress	19,719,200	3,184,554	5,540,710	28,444,464
Buildings	2,266,147	--	--	2,266,147
Infrastructure	143,570,506	90,514	1,615,278	145,276,298
Improvements other than buildings	30,592	112,788	15,634	159,014
Equipment	7,060,216	14,122,430	709,460	21,892,106
Intangibles (SBITAs)	142,964	102,384	20,290	265,638
Less: accumulated depreciation/amortization	(96,966,474)	(8,235,566)	(496,713)	(105,698,753)
Total Noncurrent Assets	77,211,545	9,919,480	7,404,659	94,535,684
Total Assets	124,601,097	26,965,817	12,897,522	164,464,436
Deferred Outflows of Resources				
Pension	266,548	108,060	--	374,608
OPEB	296,834	275,428	13,633	585,895
Total Deferred Outflows of Resources	563,382	383,488	13,633	960,503

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)

SEPTEMBER 30, 2025

	Water and Sewer Utility Fund	Solid Waste Fund	Non-Major Stormwater Utility Fund	Total Proprietary Funds
Liabilities				
Current Liabilities				
Accounts payable	$ 1,125,473	$ 1,593,666	$ 420,573	$ 3,139,712
Accrued payroll	159,156	154,356	10,627	324,139
Customer deposits	902,380	3,271	--	905,651
Compensated absences payable	489,566	403,485	33,089	926,140
Accrued interest payable	321,280	5,799	--	327,079
Leases payable	47,937	188,106	--	236,043
Obligations under SBITAs	41,283	31,457	4,913	77,653
Bonds payable	1,729,124	--	--	1,729,124
Notes payable	9,744	332,234	--	341,978
Loans payable	510,452	--	--	510,452
Total Current Liabilities	5,336,395	2,712,374	469,202	8,517,971
Noncurrent Liabilities				
Compensation absences payable	--	231,516	4,578	236,094
Total OPEB liability	4,036,078	3,745,017	185,365	7,966,460
Leases payable	664,156	2,606,139	--	3,270,295
Bonds payable	17,278,151	--	--	17,278,151
Notes payable	42,619	1,453,135	--	1,495,754
Loans payable	422,363	--	--	422,363
Total Noncurrent Liabilities	22,443,367	8,035,807	189,943	30,669,117
Total Liabilities	27,779,762	10,748,181	659,145	39,187,088
Deferred Inflows of Resources				
OPEB	1,657,453	1,537,926	76,122	3,271,501
Pensions	1,236,621	501,332	--	1,737,953
Total Deferred Inflows of Resources	2,894,074	2,039,258	76,122	5,009,454
Net Position				
Net investment in capital assets	55,085,374	4,766,033	7,357,631	67,209,038
Restricted for net pension asset	1,337,863	542,376	--	1,880,239
Restricted for debt service	1,236,713	--	--	1,236,713
Unrestricted	36,830,693	9,253,457	4,818,257	50,902,407
Total Net Position	$ 94,490,643	$ 14,561,866	$ 12,175,888	$ 121,228,397

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

CITY OF DEERFIELD BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Water and Sewer Utility Fund	Solid Waste Fund	Non-Major Stormwater Utility Fund	Total Proprietary Funds
Operating Revenues				
Charges for sales and services:				
Water sales pledged as security for revolving loans	$ 20,096,579	$ --	$ --	$ 20,096,579
Sewer charges pledged as security for revolving loans	12,681,056	--	--	12,681,056
Solid waste charges	--	25,037,185	--	25,037,185
Stormwater fees	--	--	3,006,660	3,006,660
Engineering fees	357,607	--	--	357,607
Miscellaneous	376,221	111,741	--	487,962
Total Operating Revenues	33,511,463	25,148,926	3,006,660	61,667,049
Operating Expenses				
Personal services	6,426,442	5,970,663	420,873	12,817,978
Contractual services	1,712,192	830,146	58,746	2,601,084
Electricity	902,106	--	--	902,106
Insurance	2,364,278	1,869,163	115,972	4,349,413
Fixed charges	80,829	20,839	58,483	160,151
County wastewater charge	6,842,009	--	--	6,842,009
County raw water charge	64,815	--	--	64,815
Disposal fees	--	6,292,151	--	6,292,151
General administrative charge	4,745,979	3,240,912	282,067	8,268,958
Commodities	2,464,361	1,773,398	140,442	4,378,201
Depreciation and amortization	2,475,859	974,283	115,356	3,565,498
Total Operating Expenses	28,078,870	20,971,555	1,191,939	50,242,364
Operating Income	5,432,593	4,177,371	1,814,721	11,424,685
Nonoperating Revenues (Expenses)				
Investment earnings	1,753,511	157,307	--	1,910,818
Interest charges	(652,277)	(97,542)	--	(749,819)
Gain from sale of assets	--	--	--	--
Total Nonoperating Revenues (Expenses)	1,101,234	59,765	--	1,160,999
Income Before Transfers	6,533,827	4,237,136	1,814,721	12,585,684
Transfers in	1,295,640	214,284	2,859,675	4,369,599
Transfers out	(520,929)	(162,140)	(1,108,698)	(1,791,767)
Change in Net Position	7,308,538	4,289,280	3,565,698	15,163,516
Net Position - Beginning	87,182,105	10,272,586	8,610,190	106,064,881
Net Position - Ending	$ 94,490,643	$ 14,561,866	$ 12,175,888	$ 121,228,397

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Water and Sewer Utility Fund	Solid Waste Fund	Non-Major Stormwater Utility Fund	Total Proprietary Funds
Cash Flows from Operating Activities				
Receipts from customers and users	$ 34,004,669	$ 25,053,116	$ 3,155,797	$ 62,213,582
Payments from (to) other funds	--	--	3,950,000	3,950,000
Payments to suppliers	(21,300,445)	(13,912,100)	(938,244)	(36,150,789)
Payments to employees	(6,901,364)	(6,282,523)	(478,176)	(13,662,063)
Net Cash Provided by Operating Activities	5,802,860	4,858,493	5,689,377	16,350,730
Cash Flows from Noncapital Financing Activity				
Transfers from other funds	1,295,640	214,284	2,859,675	4,369,599
Transfers to other funds	(520,929)	(162,140)	(1,108,698)	(1,791,767)
Net Cash Provided by Noncapital Financing Activity	774,711	52,144	1,750,977	2,577,832
Cash Flows from Capital and Related Financing Activities				
Purchase of capital assets	(4,188,888)	(2,269,313)	(3,726,778)	(10,184,979)
Proceeds from issuance of debt	--	1,785,369	--	1,785,369
Repayment of lease	--	(188,100)	--	(188,100)
Repayment of loans	(2,189,115)	--	--	(2,189,115)
Repayment of subscriptions	(38,881)	(29,360)	(4,760)	(73,001)
Interest expense	(818,033)	(91,743)	--	(909,776)
Net Cash Used in Capital and Related Financing Activities	(7,234,917)	(793,147)	(3,731,538)	(11,759,602)
Cash Flows from Investing Activity				
Investment income	1,753,511	157,307	--	1,910,818
Purchase of investments	(1,126,573)	(64,158)	--	(1,190,731)
Net Cash Provided by Investing Activities	626,938	93,149	--	720,087
Net Increase/(Decrease) in Cash and Cash Equivalents	(30,408)	4,210,639	3,708,816	7,889,047
Cash, Restricted Cash and Cash Equivalents - Beginning	2,056,842	10,179,249	1,706,276	13,942,367
Cash, Restricted Cash and Cash Equivalents - Ending	$ 2,026,434	$ 14,389,888	$ 5,415,092	$ 21,831,414

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Water and Sewer Utility Fund	Solid Waste Fund	Non-Major Stormwater Utility Fund	Total Proprietary Funds
Cash and Cash Equivalents	$ --	$ 14,386,617	$ 5,415,092	$ 19,801,709
Cash and Cash Equivalents - Restricted	2,026,434	3,271	--	2,029,705
Cash and Cash Equivalents - End of Year	$ 2,026,434	$ 14,389,888	$ 5,415,092	$ 21,831,414
Reconciliation Data of Changes in Net Position to Operating Activities Operating Income	$ 5,432,593	$ 4,177,371	$ 1,814,721	$ 11,424,685
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation and amortization expense	2,475,859	974,283	115,356	3,565,498
Changes in assets, liabilities and deferred inflows/outflows:				
(Increase) decrease in:				
Accounts receivable, net of allowance	416,420	(95,810)	149,137	469,747
Inventories	(1,591)	--	--	(1,591)
Due from other funds	--	--	3,950,000	3,950,000
Deferred outflows pension	523,788	212,346	--	736,134
Net pension asset/liability	(1,337,863)	(542,376)	--	(1,880,239)
Deferred outflows OPEB	122,885	114,023	5,643	242,551
Increase (Decrease) in:				
Accounts payable	(862,285)	114,509	(282,534)	(1,030,310)
Deposits payable	76,786	--	--	76,786
Salaries and benefits available	2,048	34,663	1,928	38,639
Compensated absences payable	39,954	(4,799)	(47,613)	(12,458)
Due to other funds	(1,260,000)	--	--	(1,260,000)
Net pension liability	(686,522)	(278,319)	--	(964,841)
Deferred inflows pension	1,236,621	501,332	--	1,737,953
Total OPEB liability	(1,054,902)	(978,828)	(48,449)	(2,082,179)
Deferred inflows OPEB	679,069	630,098	31,188	1,340,355
Total Adjustments	370,267	681,122	3,874,656	4,926,045
Net Cash Provided by Operating Activities	$ 5,802,860	$ 4,858,493	$ 5,689,377	$ 16,350,730

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

SEPTEMBER 30, 2025

	Pension Trust Funds
Assets	
Investments:	
Money market funds	$ 8,452,317
Fixed income mutual funds	29,372,862
U.S. government and agency securities	14,378,897
Equity securities	171,281,397
Corporate bonds	9,613,164
Real estate funds	25,273,730
Self directed DROP accounts	565,867
Private equity funds	6,212,224
Private credit funds	6,191,370
Hedge funds	2,715,814
Total investments	274,057,642
Receivables:	
Interest and dividends	248,329
Due from participants	16,548
Contributions receivable (State)	395,431
Pending trades	542,450
Total receivables	1,202,758
Total Assets	275,260,400
Liabilities	
Accounts payable	294,531
Accounts payable - purchase of investments	43,687
Total Liabilities	338,218
Deferred Inflow	683,512
Net Position Restricted for Pension Benefits	
Total Net Position Restricted for Pension Benefits	$ 274,238,670

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Pension Trust Funds
Additions	
Contributions:	
Employer	$ 9,950,719
Plan members	445,054
Chapter	2,375,565
Total contributions	12,771,338
Investment Earnings	
Interest and dividend revenue	6,442,942
Net appreciation in the fair value of investments	18,957,637
Total investment gains	25,400,579
Less: investment expense	(1,603,908)
Net investment earnings	23,796,671
Total Additions	36,568,009
Deductions	
Benefit payments	20,884,623
DROP distributions	2,239,044
Share account distributions	1,800,650
Administrative expenses	578,408
Total Deductions	25,502,725
Change in Net Position	11,065,284
Net Position Restricted for Pension Benefits -	
Beginning of Year	263,173,386
End of Year	$ 274,238,670

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. FINANCIAL REPORTING ENTITY

The City of Deerfield Beach is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the state. Originally incorporated in June 1925, the Town of Deerfield was formed under the provisions of Chapter 10462, Special Acts of the 1925 Legislature. In June 1951, Chapter 27503, laws of the State of Florida, created a new charter abolishing the Town and changing its name to City of Deerfield Beach. Today, the City is approximately 16.3 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its over 87,500, residents, the City operates water, sewer, stormwater, and solid waste enterprises. The City does not provide educational or hospital facilities. Those services are provided by the School Board of Broward County and the Broward Health North District, respectively.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. FINANCIAL REPORTING ENTITY (CONTINUED)

The Deerfield Beach Community Redevelopment Agency (the "CRA"), a separate legal entity, which is largely responsible for redevelopment of the area that encompasses most of the beach district and the area along Hillsboro Boulevard from Federal Highway to the intracoastal waterway, was established in November 1999. The CRA is governed by a board which is comprised of the City's elected officials, and management of the City has operational responsibility of the CRA. The CRA is also fiscally dependent upon the City. Accordingly, the CRA is a blended component unit and is presented as a special revenue fund. The CRA has a September 30 year-end. Separate financial statements for the CRA are available.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

The ***American Rescue Plan Fund*** accounts for the receipt and expenditure related to federal funding provided to assist with Covid 19/post pandemic related issues and lost revenue recovery.

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

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

The ***General Obligation Debt Service Fund*** accounts for the monies for payment of 2012 Florida Municipal Loan Council Revenue bonds, Series 2018 Construction Revenue Bonds and the Series 2024 Special Obligation Non-Ad Valorem Revenue Bond.

The City reports the following major proprietary funds:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

D. NEW ACCOUNTING PRONOUNCEMENTS ADOPTED

The implementation of GASB Statement No. 101, *Compensated Absences,* and GASB Statement No. 102*, Certain Risk Disclosures*, did not have a significant impact on the City's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

2. Receivables and Payables

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

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

Amounts reflected as "due from other governments" in the government-wide and the fund financial statements represent amounts that are owed to the City by other governmental entities for services.

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

3. Inventories and Prepaid Items

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

4. Restricted Assets

Certain resources of the City's Water and Sewer Fund (Enterprise Fund) are classified as restricted assets on the statement of net position because they are maintained in separate accounts and their uses are limited by applicable bond covenants and loan agreements. The state revolving loan sinking fund account is used to segregate resources that are accumulated for the payment of principal and interest on the City's revolving loans with the Florida Department of Environmental Protection.

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

5. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

5. Capital Assets (continued)

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

Assets	Years
Buildings	40
Improvements other than buildings	20
Roads	40
Bridges	50
Other infrastructure	20 – 50
Intangibles	5 – 45
Equipment	5 – 10

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

6. Subscription-Based Information Technology Arrangements

The City has recorded subscription-based information technology arrangement ("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. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will do so if certain changes occur that would be expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position (see Note 3).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

7. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the government-wide and Enterprise Fund Statements of Net Position and the governmental funds Balance Sheet report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets 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 are related to its pension and other post-employment benefits liabilities.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets 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 inflows are related to its leases, pension obligations, OPEB liabilities and a deferred amount on debt refunding, which are reported as deferred inflows of resources on the government-wide Statement of Net Position. The deferred amount on debt refunding was a gain resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition, the City has another item, 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 result from business taxes received by the City in advance of the year for which they were levied. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

8. Compensated Absences

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

9. Long-term Obligations

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

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

10. Fund Balance/Net Position

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

10. Fund Balance/Net Position (continued)

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

10. Fund Equity/Net Position (continued)

The following table shows the City's fund balance classification for the governmental funds as of September 30, 2025.

	Governmental Funds						
	General Fund	American Rescue Plan Fund	Community Redevelopment Agency Fund	General Obligation Debt Service Fund	General Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable							
Inventory	$ 190,687	$ --	$ --	$ --	$ --	$ --	$ 190,687
Prepaids	1,118,803	--	--	--	--	--	1,118,803
Perpetual care and cemetery operation	--	--	--	--	--	2,502,946	2,502,946
Restricted							
Community Redevelopment programs	--	--	5,073,079	--	--	--	5,073,079
Debt service	--	--	--	19,918,582	--	--	19,918,582
General construction projects	--	72,684	--	--	--	--	72,684
Road improvement projects	--	--	--	--	--	2,967,397	2,967,397
Grants and special programs	--	--	--	--	--	1,909,911	1,909,911
Beautification and landscape projects	--	--	--	--	--	1,030,257	1,030,257
Public safety programs	--	--	--	--	--	4,617,736	4,617,736
Recreational programs	--	--	--	--	--	1,320,084	1,320,084
Restricted for building permits	--	--	--	--	--	1,579,171	1,579,171
Assigned to							
Assigned emergency reserve	7,500,000	--	--	--	--	--	7,500,000
Assigned for self insurance	7,624,799						7,624,799
Subsequent year's budget	23,100,000	--	--	--	--	--	23,100,000
Tom O-Shanter project	234,260						234,260
Unassigned							
General fund operations	32,646,668	--	--	--	--	--	32,646,668
Non-major special revenue funds	--	--	--	--	(4,036,725)	(1,767,118)	(5,803,843)
	$ 72,415,217	$ 72,684	$ 5,073,079	$ 19,918,582	$ (4,036,725)	$ 14,160,384	$ 107,603,221

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)

10. Fund Equity/Net Position (continued)

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

The government-wide statement of net position reports $46,169,843 of restricted net position.

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

11. Estimates

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

12. Property Taxes

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Deposits

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

Investments

Authorized Investments

The City's investments are categorized as investments for the City as a whole (hereinafter referred to as "general City investments") and those of its various defined benefit pension plans. The City is authorized by statute and policy to invest public funds (general City investments) in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit that are fully insured and collateralized; high-grade commercial paper, repurchase agreements having a defined termination date and collateralized by U.S. Treasury obligations; and Local Government Surplus Trust Funds, as administered by the Florida State Board of Administration ("SBA"). The City invested funds throughout the year in the Florida PRIME, which is not Securities and Exchange Commission ("SEC") registered, but which qualifies as a fluctuating net asset value ("NAV") pool. The City's investment in the SBA at September 30, 2025 represented less than 1% of the total investment assets of the SBA. The City of Deerfield Beach invests in the pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2025, the City's investment in the SBA was $68,316,249.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Authorized Investments (continued)

In accordance with GASB Statement No. 79, C*ertain External Investment Pools and Pool Participants*, the City's investments in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The Florida Municipal Investment Trust (the "Trust") (as administered by the Florida League of Cities) is an authorized investment under Section 218.415(115), Florida Statutes, for units of local government in Florida. The operation and administration of the Trust is the responsibility of a Board of Trustees, who are selected from the ranks of elected officials of governmental entities participating in the Trust. The fair value of the City's position in the Trust at September 30, 2025 is the same as the value of the pool share, $2,873,783.

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

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

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Authorized Investments (continued)

As of September 30, 2025, the City and the City's pension plans had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida PRIME	$ --	$ 68,316,249	$ 68,316,249
Investment in Florida Municipal Investment Trust	--	2,873,783	2,873,783
Money market funds	8,452,317	34,744,205	43,196,522
Fixed income mutual funds	29,372,862	--	29,372,862
U.S. government and agency securities	14,378,897	32,762,341	47,141,238
Equity securities	171,281,397	--	171,281,397
Corporate bonds	9,613,164	--	9,613,164
Real estate funds	25,273,730	--	25,273,730
Self directed DROP accounts	565,867	--	565,867
Private equity funds	6,212,224	--	6,212,224
Private credit funds	6,191,370	--	6,191,370
Hedge funds	2,715,814	--	2,715,814
Total	$ 274,057,642	$ 138,696,578	$ 412,754,220

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Interest Rate Risk

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

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

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

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

		Maturities (in Years)		
Investment Type	Value	Less Than 1 Year	1-5 Years	6-10 Years
City General Investments				
FL PRIME	$ 68,316,249	$ 68,316,249	$ --	$ --
FL Municipal Investment Trust	2,873,783	--	2,873,783	--
Money market funds	34,744,205	34,744,205	--	--
U.S. government and agency securities	32,762,341	3,139,920	29,622,421	--
Total	$ 138,696,578	$ 106,200,374	$ 32,496,204	$ --

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Interest Rate Risk (continued)

		Maturities (in Years)			
Investment Type	Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 years
Pension Trust Funds					
Mutual funds	$ 29,372,862	$ 600,163	$ 17,866,691	$ 6,470,399	$ 4,435,609
U.S. treasuries	7,865,332	676,519	5,012,942	626,644	1,549,227
U.S. agencies	5,695,403	7,162	741,793	1,128,279	3,818,169
Corporate bonds	10,431,326	693,557	5,661,130	2,413,308	1,663,331
Total	$ 53,364,923	$ 1,977,401	$ 29,282,556	$ 10,638,630	$ 11,466,336

Credit Risk

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Credit Risk (continued)

The following table discloses credit ratings by investment type, at September 30, 2025, as applicable:

	Quality Credit Rating Moody's		Fair Value
	Aaa	$	35,976,091
	Aa	$	4,821,845
	Aa1		2,802,095
	Aa2		219,143
	A		4,598,065
	A+		990,503
	A-		1,558,455
	A1		168,211
	A2		545,254
	A3		582,466
	AAA		8,834,760
	AA		498,634
	AA+		3,143,283
	AA-		207,553
	Baa1		818,063
	Baa2		724,665
	BBB+		1,588,275
	BBB		2,577,907
	BB		2,148,642
	B		1,552,863
	Below B		441,410
	Not rated		84,500,977
Total Credit Risk Securities			159,299,160
U.S. treasuries and agency securities explicitly guaranteed			32,762,341
Total Fixed Income/Credit Risk Securities		$	192,061,501
Total Fixed Income/Credit Risk Securities - City		$	138,696,578
Total Fixed Income Securities - Pension Trust Funds			53,364,923
		$	192,061,501

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Concentration of Credit Risk

The City limits its investments in any one issuer to no more than 5% of total investments, except for investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments, which are excluded from this requirement. There were no individual investments that represented 5% or more of the City's total investments at September 30, 2025. The three pension plans limit their exposure by limiting their investments in any one issuer to no more than 5% of plan net position other than those issued by the U.S. government or its agencies. None of the plans had holdings that exceeded the 5% limit.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of another party. These investments are held by the various pension plans' custodial banks and are registered in the name of the pertinent pension plan. With the exception of the investments with the SBA Florida PRIME, all of the City's general investments were held by the City's custodial bank and were registered in the City's name as of year-end.

Fair Value Hierarchy

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

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

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

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

Deerfield Beach Municipal Firefighters' Pension Trust Fund ("Fire Plan")

The following is a description of the valuation methodologies used for assets measured at fair value and Net Asset Value ("NAV") for the Fire plan:

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

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

Private credit funds & Private equity funds: Value based on the NAV. The most significant input into the NAV is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly basis, in conjunction with management and investment advisors. The Fire Plan has holds in limited partnerships.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Firefighters' Pension Trust Fund (continued)

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

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

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Firefighters' Pension Trust Fund (continued)

		*Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equity securities:				
Common stocks	$ 61,099,452	$ 61,099,452	$ --	$ --
Mutual funds	45,863,848	45,863,848	--	--
Total equity securities	106,963,300	106,963,300	--	--
Debt securities:				
Corporate bonds	3,312,385	--	3,312,385	--
U.S. treasury securities	2,802,095	2,802,095	--	--
U.S. agency securities	2,732,084	--	2,732,084	--
Fixed income mutual funds	18,766,700	18,766,700	--	--
Total debt securities	27,613,264	21,568,795	--	--
Self directed DROP accounts	565,867	--	565,867	--
Total Investments by Fair Value Level	135,142,431	$ 128,532,095	$ 6,610,336	$ --
Investments Measured at Net Asset Value (NAV)				
Real estate funds	16,733,197			
Private credit funds	6,191,370			
Private equity funds	6,212,224			
Hedge fund	305,655			
Total investments measured at NAV	29,442,446			
Money market funds (exempt)	4,616,062			
Total Investments	$ 169,200,939			

* Investment type descriptions mirror audited fire plan financial statements.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Firefighters' Pension Trust Fund (continued)

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

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund [1]	$ 6,516,845	$ --	Quarterly	90 Days
Real Estate Fund [2]	1,220,413	--	Quarterly	10 Days
Real Estate Fund [3]	8,995,939	--	N/A	N/A
Hedge Fund [4]	305,655	--	Quarterly	90 Days
Private credit Fund [5]	1,235,066	965,883	N/A	N/A
Private credit Fund [5]	4,956,304	--	N/A	N/A
Private equity Fund [6]	2,854,614	--	N/A	N/A
Private equity Fund [6]	3,357,610	2,525,000	N/A	N/A
Total Investments Measured at NAV	$ 29,442,446	$ 3,490,883		

1. Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 90 days prior to quarter end.
2. Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.
3. Real estate fund: This fund is an open-end, comingled real estate fund with a diversified portfolio of income producing properties located throughout the United States. The investment is valued at NAV and has no redemption frequency or notice period.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Firefighters' Pension Trust Fund (continued)

4. Hedge fund: The fund is a multi-strategy fund of hedge funds that aims to pursue varying strategies in order to diversify risk and reduce volatility. The fund is a diversified portfolio offering investment solutions through activist long/short equity hedge funds, event driven hedge funds and multi-strategy hedge funds. The investment is valued at NAV and holder of capital, upon at least 90 days prior written notice, may request to redeem a minimum of $100,000 of their capital shares, as of the close of business on the last business day of each calendar year, by giving irrevocable written notice.
5. Private credit funds: These funds seek to provide a consistent stream of income and capital protection. These funds invest in securitized bonds and real estate collateralized loan obligations. These investments are valued at NAV.
6. Private equity funds: These funds are invested in primarily an actively managed portfolio of private equity and other private assets including secondary, co-investment and primary investments. The investments are valued at NAV.

Deerfield Beach Municipal Police Officers' Retirement Trust Fund

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

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Police Officers' Retirement Trust Fund (continued)

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

		*Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equity securities:				
Equity mutual funds	$ 35,770,196	$ 35,770,196	$ --	$ --
Debt securities:				
Fixed income mutual funds	10,606,162	10,606,162	--	--
Total debt securities	10,606,162	10,606,162	--	--
Total Investments by Fair Value Level	46,376,358	$ 46,376,358	$ --	$ --
Investments Measured at Net Asset Value (NAV)				
Real estate funds	4,504,770			
Total Investments Measured at NAV	4,504,770			
Money market funds (exempt)	2,858,654			
Total Investments	$ 53,739,782			

* Investment type descriptions mirror audited police plan financial statements.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Police Officers' Retirement Trust Fund (continued)

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund [1]	$ 1,366,289	$ --	Quarterly	10 Days
Real Estate Fund [2]	3,138,481	--	Quarterly	90 Days
Total Investments Measured at NAV	$ 4,504,770	$ --		

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Nonuniformed Employees' Retirement Plan

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

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

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

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

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

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Nonuniformed Employees' Retirement Plan (continued)

		*Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Equity securities:				
Common stocks	$ 28,547,901	$ 28,547,901	$ --	$ --
Debt securities:				
U.S. treasury securities	5,063,237	4,245,542	817,695	--
U.S. agency securities	2,963,319	--	2,963,319	--
Municipal bonds	818,162	--	818,162	--
Corporate bonds	6,300,779	--	6,300,779	--
Total debt securities	15,145,497	4,245,542	10,899,955	--
Total Investments by Fair Value Level	43,693,398	$ 32,793,443	$ 10,899,955	$ --
Investments Measured at Net Asset Value (NAV)				
Real estate funds	4,035,763			
Hedge fund	2,410,159			
Total Investments Measured at NAV	6,445,922			
Money market funds (exempt)	977,601			
Total Investments	$ 51,116,921			

* Investment type descriptions mirror audited Nonuniformed plan financial statements.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Fair Value Hierarchy (continued)

Deerfield Beach Municipal Nonuniformed Employees' Retirement Plan

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund [1]	$ 4,035,763	$ --	Quarterly	45 Days
Hedge Fund [2]	2,410,159	--	Daily	1-2 Days
Total Investments Measured at NAV	$ 6,445,922	$ --		

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

RECEIVABLES AND PAYABLES

The City reports the General, Community Redevelopment Agency ("CRA"), General Construction, Water and Sewer, Stormwater Utility and Solid Waste Funds as major funds. Receivables at September 30, 2025 were as follows:

Governmental Activities	General Fund	CRA Fund	General Obligation Debt Service	General Construction	Nonmajor Governmental Funds	Total
Receivables						
Accounts receivable	$ 4,921,733	$ --	$ --	$ --	$ 458,131	$ 5,379,864
Assessments	842	--	--	--	--	842
Interest	148,019	9,772	9,823	17,911	7,193	192,718
Lease	5,775	--	--	--	--	5,775
Total	$ 5,076,369	$ 9,772	$ 9,823	$ 17,911	$ 465,324	$ 5,579,199

Business-type Activities	Water and Sewer Utility	Solid Waste	Stormwater Utility	Total
Receivables				
Accounts	$ 3,972,822	$ 1,415,863	$ 107,577	$ 5,496,262
Delinquent assessments	105,656	--	--	105,656
Interest	356,208	--	--	356,208
Gross Receivables	4,434,686	1,415,863	107,577	5,958,126
Less: allowance for uncollectibles	(840,156)	(227,393)	(29,806)	(1,097,355)
Total	$ 3,594,530	$ 1,188,470	$ 77,771	$ 4,860,771

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

RECEIVABLES AND PAYABLES (CONTINUED)

Accounts payable at September 30, 2025 were as follows:

	Vendors	Retainage	Total Payables
Governmental Activities			
General Fund	$ 4,491,394	$ --	$ 4,491,394
Community Redevelopment Agency Fund	463,025	20,202	483,227
American Rescue Plan Fund	14,775	--	14,775
General Construction Fund	3,626,430	1,005,161	4,631,591
Nonmajor Governmental Funds	1,192,175	--	1,192,175
Total Governmental Activities	$ 9,787,799	$ 1,025,363	$ 10,813,162
Business-type Activities			
Water and Sewer Utility Fund	$ 1,082,994	$ 42,479	$ 1,125,473
Solid Waste Fund	1,593,666	--	1,593,666
Stormwater Utility Fund	378,458	42,115	420,573
Total Business-type Activities	$ 3,055,118	$ 84,594	$ 3,139,712

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended September 30, 2025:

	Beginning Balances	Increase	Decrease	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 19,276,026	$ --	$ --	$ 19,276,026
Construction in progress	24,703,988	15,493,049	12,597,878	27,599,159
Total Capital Assets Not Being Depreciated	43,980,014	15,493,049	12,597,878	46,875,185
Capital Assets Being Depreciated/Amortized				
Buildings	74,558,091	12,436,656	--	86,994,747
Improvements other than buildings	52,083,204	105,232	--	52,188,436
Software subscriptions	1,084,765	3,002,665	--	4,087,430
Equipment	19,675,148	1,183,061	619,136	20,239,073
Infrastructure	64,684,642	753,471	--	65,438,113
Total Capital Assets Being Depreciated/Amortized	212,085,850	17,481,085	619,136	228,947,799
Less: Accumulated Depreciation/Amortization for				
Buildings	25,544,252	1,299,915	--	26,844,167
Improvements other than buildings	27,791,078	1,000,271	--	28,791,349
Software subscriptions	538,066	1,022,811	--	1,560,877
Equipment	13,109,792	1,331,269	474,356	13,966,705
Infrastructure	38,616,064	435,791	--	39,051,855
Total Accumulated Depreciation/Amortization	105,599,252	5,090,057	474,356	110,214,953
Total Capital Assets Being Depreciated/Amortized, Net	106,486,598	12,391,028	144,780	118,732,846
Governmental Activities Capital Assets, Net	$ 150,466,612	$ 27,884,077	$ 12,742,658	$ 165,608,031

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

CAPITAL ASSETS (CONTINUED)

	Beginning Balances	Increase	Decrease	Ending Balances
Business-type Activities				
Capital Assets Not Being Depreciated				
Land	$ 50,531	$ --	$ --	$ 50,531
Construction in progress	20,874,717	7,569,747	--	28,444,464
Total Capital Assets Not Being Depreciated	20,925,248	7,569,747	--	28,494,995
Capital Assets Being Depreciated/Amortized				
Buildings	2,266,146	--	--	2,266,146
Infrastructure	145,112,121	164,177	--	145,276,298
Improvements other than buildings	159,014	--	--	159,014
Software subscriptions	265,637	--	--	265,637
Equipment	20,390,291	2,451,055	949,236	21,892,110
Total Capital Assets Being Depreciated/Amortized	168,193,209	2,615,232	949,236	169,859,205
Less: Accumulated Depreciation/Amortization for				
Buildings	1,878,995	14,522	--	1,893,517
Infrastructure	89,112,574	1,909,107	--	91,021,681
Improvements other than buildings	14,180	7,988	--	22,168
Software subscriptions	137,988	86,323	--	224,311
Equipment	11,938,756	1,547,558	949,236	12,537,078
Total Accumulated Depreciation/Amortization	103,082,493	3,565,498	949,236	105,698,755
Total Capital Assets Being Depreciated/Amortized, Net	65,110,716	(950,266)	--	64,160,450
Business-type Activities Capital Assets, Net	$ 86,035,964	$ 6,619,481	$ --	$ 92,655,445

Depreciation does not begin until one year after acquisition. The utility plant in service adjustment reflects cost reimbursement.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities	
General government	$ 1,283,886
Public safety	971,386
Physical environment	1,120,711
Transportation	83,656
Culture and recreation	1,162,356
Economic environment	468,062
Total Depreciation/Amortization Expense - Governmental Activities	$ 5,090,057
Business-type Activities	
Water and sewer	$ 2,475,859
Solid waste	974,283
Stormwater	115,356
Total Depreciation/Amortization Expense - Business-type Activities	$ 3,565,498

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City holds several multi-year subscription-based information technology arrangements ("SBITAs"). The City has discounted the future minimum payments using its incremental borrowing rate. The SBITAs are amortized on a straight-line basis over the shorter of the life of the assets or the related agreement and with a value of $25,000.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)

The classes and amounts of SBITAs as of September 30, 2025 were as follows:

Governmental Activities:

	Asset Balances	Accumulated Amortization
Software	$ 4,087,430	$ (1,560,877)

Business-Type Activities:

	Asset Balances	Accumulated Amortization
Software	$ 265,636	$ (224,310)

Future minimum payments and present value of payments as of September 30, 2025:

	Governmental Activities Debt		
	Principal	Interest	Total
Fiscal Year Ending September 30,			
2026	$ 732,411	$ 40,887	$ 773,298
2027	455,044	21,283	476,327
2028	436,602	10,290	446,892
Total	$ 1,624,057	$ 72,460	$ 1,696,517

	Business-Type Activities Debt		
	Principal	Interest	Total
Fiscal Year Ending September 30,			
2026	$ 77,653	$ 2,685	$ 80,338
Total	$ 77,653	$ 2,685	$ 80,338

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

ENCUMBRANCES

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2025, were as follows:

Major Funds	
General Fund	$ 1,625,118
ARPA	109,287
Community Redevelopment Agency	5,196,909
General Construction Fund	9,735,263
Total Major Funds	16,666,577
Nonmajor Governmental Funds	1,587,576
Enterprise Funds	15,093,825
Total Encumbrances	$ 33,347,978

CONSTRUCTION COMMITMENTS

The City has outstanding commitments for construction and acquisition of property, plant and equipment. The following is a summary of the most significant of these commitments at September 30, 2025:

Project	Amounts Outstanding
Citywide Street Resurfacing	$ 1,217,761
Pioneer Park Dock, Rail & Piling	1,100,331
International Fishing Pier	427,419
Total Commitments	$ 2,745,511

UNAVAILABLE REVENUES

Unavailable revenue in the General Fund includes $683,399 related to funds received that had not been spent for their specified purpose.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

UNAVAILABLE REVENUES (CONTINUED)

The Miscellaneous Grants, SHIP and CDBG nonmajor special revenue funds had unavailable revenue of $728,060 related to funds received that had not been spent for their specified purpose.

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The interfund balances below represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year-end. The composition of interfund balances at September 30, 2025 was as follows:

Due To/Due From

	Due to					
	General Fund	American Rescue Fund	General Obligation Debt Service Fund	General Construction Fund	Nonmajor Governmental Funds	Total
Due From						
General Fund	$ --	$6,175,000	$ --	$ 4,900,000	$ 900,000	$ 11,975,000
Community Redevelopment Agency	--	--	--	--	--	--
General Construction Fund	--	--	--	--	--	--
Nonmajor Government Funds	--	--	1,400,000	--	190,000	1,590,000
Stormwater Utility Fund	--	--	--	--	--	--
Water and Sewer Fund	1,027,211	--	--	--	--	1,027,211
Total	$ 1,027,211	$6,175,000	$ 1,400,000	$ 4,900,000	$ 1,090,000	$ 14,592,211

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

Interfund Transfers

	Transfers In							
	General Fund	General Obligation Debt Service Fund	General Construction Fund	Nonmajor Governmental	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total
Transfers Out								
General Fund	$ --	$ 6,509,287	$ 2,524,263	$ 78,357	$ 445,691	$ --	$ 208,900	$ 9,766,498
American Rescue Plan Fund	--	--	--	--	349,819	--	1,732,117	2,081,936
General Construction Fund	--	--	--	--	--	--	--	--
Community Redevelopment Agency	2,045,262	--	--	--	--	--	--	2,045,262
General Obligation Debt Service Fund	--	--	--	--	--	--	--	--
Nonmajor Governmental Funds	177,406	--	570,628	--	--	72,944	--	820,978
Water and Sewer Utility Fund	20,800	--	--	--	500,129	--	--	520,929
Solid Waste Fund	20,800	--	--	--	--	141,340	--	162,140
Stormwater Fund	--	--	190,039	--	1	--	918,658	1,108,698
Total	$ 2,264,268	$ 6,509,287	$ 3,284,930	$ 78,357	$ 1,295,640	$ 214,284	$ 2,859,675	$ 16,506,441

Transfers to the General Fund by the nonmajor governmental funds represent amounts paid by the nonmajor governmental funds for matching grant requirements for expenditures which were accounted for in the General Fund. Transfers to nonmajor governmental funds represent payments for the City's match in connection with grants that the City participates in cost sharing for the funded project. Transfers from the General Fund by enterprise funds represents amounts paid by the General Fund on behalf of enterprise funds.

FINANCING LEASES

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

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

LEASES (CONTINUED)

The City has entered into a lease purchase agreement as lessee for the acquisition and finance of its Energy Performance Projects. This lease agreement qualifies as financing leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2025, were as follows:

	Governmental Activities	Business-type Activities	Total
Fiscal Year Ending September 30			
2026	$ 427,971	$ 360,838	$ 788,809
2027	464,724	391,827	856,551
2028	476,114	401,429	877,543
2029	488,040	411,485	899,525
2030	489,028	432,378	921,406
2031-2035	2,367,974	1,996,528	4,364,502
Total minimum lease payments	4,713,851	3,994,485	8,708,336
Less: amount representing interest	(555,182)	(488,147)	(1,043,329)
Present Value of Future Minimum Lease Payments	$ 4,158,669	$ 3,506,338	$ 7,665,007

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

LONG-TERM DEBT

Governmental Activities Debt

General Obligation Bonds, Series 2000 – The original amount of this issue was divided into two series: Series "A," for which $9,978,847 in bonds were issued, and Series "B," for which $2,820,183 in bonds were issued. The proceeds of these bonds were used to finance the construction of a public safety complex, a public works facility, parks improvements, right-of-way improvements and expansion of the senior services facilities. The combined outstanding bonds of the issue, $1,010,184, have interest rates that range from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2026.

General Obligation Bonds, Series 2012B-2 – The original amount of this issue was $14,770,000. The proceeds of these bonds were used to refund previously issued debt, namely Florida Municipal Loan Council Revenue Bonds, Series 2000B; Series 2003A and Series 2003B. The interest rates on these bonds range from 2% to 5%. The principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2028. The principal and interest of this issue will be payable from and secured by the City's ad valorem taxes. For the current year, principal and interest of $929,700 was paid. Ad valorem taxes amounted to $70,754,966. The outstanding balance for this issue at year end amounted to $6,860,000.

The General Obligation Bonds are limited liabilities of the City, payable from ad-valorem taxes, secured by the full faith and credit of the City. In the event of default, bondholders may sue to enforce their rights.

Covenant Bonds, Series 2012B-1 – The original amount of this issue was $20,090,000. The proceeds of this bond issue were to repay previously issued debt as well as to finance the construction of parks and right of way improvements, in addition to citywide street improvements. The interest rates on these bonds range from 2.00% to 4.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2032. The remaining outstanding bonds of this issue total $9,210,000 with total interest payable of $1,106,866 over the remainder of the term of the bonds. For the current year, principal and interest of $1,565,844 was paid.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Governmental Activities Debt (continued)

Covenant Bonds, Series 2018 – The original amount of this issue was $36,155,000. The proceeds of this bond issue were to repay previously issued debt, Series 2006 Covenant Bonds, as well as to finance the renovation and construction of City facilities, parks and citywide street improvements. The interest rates on these bonds range from 2.44% to 5.25%. Principal is due annually on December 1st and interest is payable semi-annually on June 1st and December 1st, with the final maturity date being December 1, 2042. The outstanding balance for this issue at year end amounted to $34,845,000. For the current year, principal and interest of $3,612,700 was paid.

Special Obligation Non-Ad Valorem Bonds, Series 2024 – The original amount of this issue was $14,500,000. The proceeds of these bonds were used to finance municipal capital improvements. The interest rates on these bonds range from 4.37% to 5.53%. Principal is due annually on March 1st and interest is payable semi-annually on March 1st and September 1st, with the final maturity date being March 1, 2044. The outstanding balance for this issue at year end amounted to $14,035,000.

Special Obligation Non-Ad Valorem Revenue Note, Series 2025 – The original amount of this issue was $5,750,000. The proceeds of these bonds were used to finance equipment and vehicles. The interest rates on this note is fixed at 3.50%. Principal is due annually on March 1st and interest is payable semi-annually on March 1st and September 1st, with the final maturity date being March 1, 2030. The outstanding balance for this issue at year end amounted to $5,750,000.

Covenant bonds and Special Obligation bonds are limited obligations of the City, payable solely from non-ad valorem revenues, set aside by the City in its annual budget. In the event of default, the payment of principal or interest, owners of the bonds shall have remedies as specified by the federal bankruptcy code, the bond indenture of and any bond policy insurance.

Business-type Activities Debt

Loans Payable – The City has entered into two loan agreements with the State of Florida Department of Environmental Protection. The primary purpose of these loans is to construct water and wastewater facilities. As of September 30, 2009, the City borrowed $8,662,208, with interest rates ranging from 2.27% to 3.57%. Principal and interest payments on the two Florida Water Pollution Control Construction loans are due on April 15 and October 15 of each year. At September 30, 2025, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were $97,270, and $835,546, respectively. Revenues of the Water and Sewer Utility Fund have been pledged as security for repayment of these loans. Total principal and interest paid during the current year totaled $528,306.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Business-type Activities Debt (continued)

These loans are payable from gross revenues derived yearly from the operation of the water and sewer systems after operation and maintenance expense. Upon any event of default the lender may take action by mandamus or other proceeding at law to enforce the rights of the lender.

Bank of America Revenue and Refunding Note, Series 2018 – On June 13, 2018, the City entered into a loan agreement with Bank of America in the amount of $11,397,243. The proceeds of this bond issue were used to refund the Florida Municipal Loan Council Revenue Bonds, Series 2008A. The reacquisition price exceeded the net carrying amount of the old debt by $85,603. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce the total debt service payments over the next 10 years by $1,068,336 and resulted in an economic gain of $914,540. The interest rate on the new debt is 3.07%. Principal is due annually on October 1st and interest is payable semiannually on April 1st and October 1st, with the final maturity date being October 1, 2028. As of September 30, 2025, the principal balance outstanding was $4,640,274. The principal and interest paid during the current year totaled $1,230,143.

Water & Sewer Revenue Note, Series 2024 – The original amount of this issue was $14,990,000. The proceeds of these bonds were used to finance municipal capital improvements to the City's water and sewer system. The interest rates on this bond range from 3.92% to 5.24%. Principal is due annually on November 1st and interest is payable semi-annually on May 1st and November 1st, with the final maturity date being November 1, 2044. The outstanding balance for this issue at year end amounted to $14,367,000.

Remedies on default allows the lenders of these loans to take whatever action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	$ 8,555,182	$ --	$ 1,088,285	$ 7,466,897	$ 1,510,182
Covenant bonds	43,030,000	--	1,615,000	41,415,000	1,670,000
Special obligation bonds	14,500,000	--	465,000	14,035,000	485,000
Plus: Deferred amounts for premiums/discounts	5,845,769	--	23,294	5,822,475	--
Total bonds payable	71,930,951	--	3,191,579	68,739,372	3,665,182
Notes payable	--	3,912,268	--	3,912,268	728,022
Financing Leases	4,438,626	--	279,957	4,158,669	323,362
Obligations under SBITA's	524,978	1,890,851	791,772	1,624,057	732,411
Compensated absences	1,285,790	1,907,982	1,809,696	1,384,076	1,384,076
Claims and judgments	6,617,764	6,103,604	5,978,219	6,743,149	829,127
Total Governmental Activities Long-Term Liability	$ 84,798,109	$ 13,814,705	$ 12,051,223	$ 86,561,591	$ 7,662,180
Business-type Activities					
Bonds payable	$ 20,701,518	$ --	$ 1,694,243	$ 19,007,275	$ 1,729,124
Notes payable	--	1,837,732	--	1,837,732	341,978
Loans payable	1,432,114	--	499,299	932,815	510,452
Financing Leases	3,742,374	--	236,036	3,506,338	236,043
Obligations under SBITAs	150,654	--	73,001	77,653	77,653
Compensated absences	1,174,692	1,055,696	1,068,154	1,162,234	926,140
Total Business-type Activities	$ 27,201,352	$ 2,893,428	$ 3,570,733	$ 26,524,047	$ 3,821,390

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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Summary of Annual Debt Service Requirements

The annual debt service requirements to maturity for debt outstanding as of September 30, 2025 are as follows:

	Governmental Activities Debt								
	General Obligation Bonds			Special Obligation Bond			Covenant Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Fiscal Year Ending September 30,									
2026	$ 1,510,182	$ 989,318	$ 2,494,700	$ 485,000	$ 602,732	$ 1,087,732	$ 1,670,000	$ 1,945,169	$ 3,615,169
2027	1,106,715	1,390,033	2,499,500	505,000	581,101	1,086,101	1,725,000	1,888,394	3,613,394
2028	2,390,000	109,650	2,496,751	530,000	558,486	1,088,486	1,785,000	1,828,628	3,613,628
2029	2,460,000	36,900	2,499,650	550,000	534,888	1,084,888	1,855,000	1,756,097	3,611,097
2030	--	--	--	575,000	510,307	1,085,307	1,945,000	1,669,550	3,614,550
2031-2035	--	--	--	3,290,000	2,141,300	5,431,300	11,215,000	6,851,991	18,066,991
2036-2040	--	--	--	4,105,000	1,337,111	5,442,111	14,360,000	3,703,663	18,063,663
2041-2044	--	--	--	3,995,000	358,667	4,353,667	6,860,000	364,875	7,224,875
Total	$ 7,466,897	$ 2,525,901	$ 9,990,601	$ 14,035,000	$ 6,624,592	$ 20,659,592	$ 41,415,000	$ 20,008,367	$ 61,423,367

	Business-Type Activities Debt								
	Revolving Loans			Note Payable			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Fiscal Year Ending September 30,									
2026	$ 510,453	$ 17,854	$ 528,307	$ 341,978	$ 58,872	$ 400,850	$ 1,729,124	$ 707,375	$ 2,436,499
2027	422,362	7,014	429,376	354,442	46,149	400,591	1,764,347	647,084	2,411,431
2028	--	--	--	367,227	33,519	400,746	1,800,714	585,694	2,386,408
2029	--	--	--	380,331	20,437	400,768	1,838,090	523,173	2,361,263
2030	--	--	--	393,754	6,891	400,645	2,185,000	446,396	2,631,396
2031-2034	--	--	--	--	--	--	9,690,000	823,032	10,513,032
Total	$ 932,815	$ 24,868	$ 957,683	$ 1,837,732	$ 165,868	$ 2,003,600	$ 19,007,275	$ 3,732,754	$ 22,740,029

NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

LONG-TERM DEBT (CONTINUED)

Pollution Remediation

The City accepted approximately 44.65 acres of donated land in October 2011 from a private donor. The City plans to redevelop the land (Tam O'Shanter project) and eventually use it for community facilities and recreation, as well as open space. The land has been found to contain contamination from toxic substances. According to studies conducted to determine the extent of the pollution and the expected costs of remediation estimated costs may range between $150,000 and $4,000,000 depending on the prospective use of the land. The donor has contributed $250,000 towards the future costs of clean-up. No remediation efforts had begun as of September 30, 2025. The remediation outlays are considered necessary to prepare the asset for its intended use, and will be capitalized as part of the newly developed asset as expenditures are incurred, and therefore no expenditure and liability have been accrued at this time.

NOTE 4 – OTHER INFORMATION

RESTRICTED ASSETS

The amounts shown below are those assets restricted by sources external to the City. Ordinances and bond covenants pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts as of September 30, 2025:

Governmental Activities	
Debt service	$ 19,918,582
Perpetual care	2,502,946
Economic environment	5,145,763
Public safety	4,617,736
Human services	1,276,201
Physical environment	1,579,171
Transportation	2,967,397
Parks and recreation	2,984,051
Net Pension Asset	2,061,044
Total Governmental Activities Restricted Assets	$ 43,052,891

NOTE 4 – OTHER INFORMATION (CONTINUED)

RESTRICTED ASSETS (CONTINUED)

	Sewer Fund	Fund	Total
Business-type Activities			
Customer deposits	$ 789,721	$ 3,271	$ 792,992
Net pension asset	1,337,863	542,376	1,880,239
Revolving loan covenant accounts	1,236,713	--	1,236,713
Total Business-type Activities Restricted Assets	$ 3,364,297	$ 545,647	$ 3,909,944

RISK MANAGEMENT

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

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

NOTE 4 – OTHER INFORMATION (CONTINUED)

RISK MANAGEMENT (CONTINUED)

At September 30, 2025, the amount of these liabilities was $6,743,149. Changes in the reported liability since October 1, 2024 resulted from the following:

	Claims Payable October 1	Current Year's Claims and Changes in Estimates	Claims Payments	Liability September 30
Fiscal Year Ended September 30,				
2024	$ 7,192,595	$ 3,757,910	$ (4,332,741)	$ 6,617,764
2025	$ 6,617,764	$ 6,103,604	$ (5,978,219)	$ 6,743,149

CONTINGENT LIABILITIES

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

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

DEFINED BENEFIT PENSION PLANS

Plan Description

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

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFIT PENSION PLANS (CONTINUED)

Plan Description (continued)

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

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

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

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

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy

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

The Fire Pension Fund, as well as the Police Pension Fund, is partially funded by contributions from the State of Florida. The state's contribution to the pension funds consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City limits. For fiscal year 2025, the state contributed $1,183,578 and $1,191,987 to the Fire Pension and Police Pension Funds, respectively. On-behalf payments of fringe benefits and salaries for the City's employees were recognized as revenues and expenditures during the period.

Information regarding fiscal year 2025 participant data for the three pension plans is as follows:

	Fire	Police	Non-Uniformed	Total
Plan membership as of actuarial valuation date	10/1/2024	10/1/2023	10/1/2023	
Inactive plan members and beneficiaries currently receiving benefits	158	68	108	334
Inactive plan members entitled but not yet receiving benefits	--	--	--	--
Active plan members	36	--	1	37
Total Members	194	68	109	371

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy (continued)

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

Net Pension Liability

The component as of the net pension liability as of September 30, 2024 (measurement date) were as follows:

	Fire	Police	Non-Uniformed	Total
Total pension liability	$ 183,393,803	$ 62,129,913	$ 48,148,206	$ 293,671,922
Less plan fiduciary net position	(160,991,677)	(50,092,220)	(52,089,489)	(263,173,386)
City's Net Pension Liability(Asset)	$ 22,402,126	$ 12,037,693	$ (3,941,283)	$ 30,498,536
Plan fiduciary net position as a percentage of the total pension liability(asset)	87.78%	80.62%	108.19%	

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability

	Fire	Police	Non-Uniformed
Total pension liability - beginning	$ 182,394,211	$ 62,901,686	$ 49,597,221
Changes for the year:			
Service cost	2,879,971	--	36,391
Interest	12,854,685	3,906,937	2,831,491
Difference between expected and actual experience	323,078	(2,068,324)	567,288
Change in benefit terms	588,527	2,064,513	--
Share plan allocation	--	915,041	--
Benefit payments	(15,646,669)	(5,589,940)	(4,884,185)
Net change in total pension liability	999,592	(771,773)	(1,449,015)
Total pension liability - ending (a)	183,393,803	62,129,913	48,148,206
Plan fiduciary net position - beginning	142,010,096	42,989,619	47,574,757
Contributions - employer	6,719,637	2,329,050	857,552
Contributions - State of Florida	1,206,995	1,120,492	--
Contributions - employee	607,571	--	8,441
Net investment loss	26,411,943	9,388,423	8,639,820
Benefit payments	(15,646,669)	(5,589,940)	(4,884,185)
Administrative expenses	(317,896)	(145,424)	(106,896)
Net change in plan fiduciary position - ending (b)	18,981,581	7,102,601	4,514,732
Plan fiduciary net position - ending (b)	160,991,677	50,092,220	52,089,489
Net Pension Liability(Asset) (a-b)	$ 22,402,126	$ 12,037,693	$ (3,941,283)
Plan fiduciary net position as a percentage of total pension liability(asset)	87.78%	80.62%	108.19%

NOTE 4 – OTHER INFORMATION (CONTINUED)

SIGNIFICANT ACTUARIAL ASSUMPTIONS

The total pension liability was determined by an actuarial valuation as of October 1, 2023.

	Fire Pension	Police Pension	Non-Uniformed
Inflation	2.50%	2.50%	2.00%
Salary increases	5.2% to 11%	N/A	6.00% per year
Investment rate of return	7.25%	6.50%	6.00%
Mortality	PUB-2010 headcount weighted mortality tables, generational mortality using gender specific MP-2018	PUB-2010 headcount weighted mortality tables, generational mortality using gender specific MP-2021	PUB-2010 headcount weighted mortality tables, generational mortality using gender specific MP-2018
Retirement Age	N/A	N/A	Age 64 with 10 years of service or age 55 with 25 years of service

PENSION DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.25%, 6.50%, and 6.00% for the Fire, Police, and Non-Uniformed Pension plans respectively. This is a single rate that reflects the long- term expected rate of return on Pension plan investments expected to be used to finance the payment of benefits, including inflation. The projection of cash flows used to determine the discount rate assumed member contributions are made at 9% of pay and City contributions will be made in an amount equal to the difference between the actuarially determined contributions and member contributions. Fiduciary net position is projected to be sufficient to make projected benefit payments, for purposes of this determination.

NOTE 4 – OTHER INFORMATION (CONTINUED)

PENSION DISCOUNT RATE

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

	Fire Pension Plan		
Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Percent	6.25%	7.25%	8.25%
Net pension liability	$ 41,207,534	$ 22,402,126	$ 6,729,794

	Police Pension Plan		
Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Percent	5.50%	6.50%	7.50%
Net pension liability	$ 18,641,891	$ 12,037,693	$ 6,474,585

	Non-Uniformed Pension Plan		
Net Pension Liability (Asset)	1% Decrease	Current Discount Rate	1% Increase
Percent	5.00%	6.00%	7.00%
Net pension liability (Asset)	$ (110,923)	$ (3,941,283)	$ (7,274,132)

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFITS PENSION PLANS

Investments – Long-Term Expected Rate of Return

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

Asset Class	Long-Term Expected Real Rate of Return
Fire	
Domestic equity	7.20%
International equity	2.90%
Bonds	1.70%
Convertibles	5.90%
Private real estate	5.90%
Private credit	2.00%
Infrastructure	5.10%
Cash	-0.10%

Asset Class	Long-Term Expected Real Rate of Return
Police	
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternative assets	6.24%

Asset Class	Long-Term Expected Real Rate of Return
Non-Uniformed	
Large cap value equity	6.80%
Large cap growth equity	7.00%
Small cap core equity	7.00%
International equity	5.90%
Hedge fund	3.90%
Private real estate	6.20%
Core fixed income	1.50%
Short term fixed income	1.10%

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFITS PENSION PLANS

Asset Allocation

The tables below indicate the fund investment policy targets, and actual asset allocations as of September 30, 2025:

Asset Class	Investment Policy
Fire	
Fixed income	12-60%
International equity	0-6%
Large-cap core equity	8-24%
Large-cap core value	5-11%
Large-cap growth	5-11%
Mid cap core	5-11%
Small cap value	3-7%
Convertibles	2-10%
Private credit funds	2-10%
Infrastructure	2-6%
Real estate	0-22%
Cash and cash equivalents	0-5%

Asset Class	Actual Allocation
Fire	
Fixed income	14.90%
International equity	6.70%
Large-cap core equity	23.30%
Large-cap core value	8.20%
Large-cap growth	8.20%
Mid cap core	9.60%
Small cap value	6.10%
Convertibles	3.00%
Private credit funds	3.60%
Infrastructure	0.00%
Real estate	13.80%
Cash and cash equivalents	2.60%

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFITS PENSION PLANS (CONTINUED)

Asset Allocation (continued)

Asset Class	Investment Policy
Police	
Domestic equity	40-55%
International equity	10-20%
Fixed income	15-35%
Real estate fund	5-17%
Cash and cash equivalents	0-5%

Asset Class	Actual Allocation
Police	
Domestic equity	51.00%
International equity	17.00%
Fixed income	15.00%
Real estate fund	10.00%
Cash and cash equivalents	7.00%

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

Asset Class	Actual Allocation
Non-Uniformed	
Domestic equity	46.20%
International equity	10.70%
Fixed income	29.90%
Hedge funds	3.10%
Real estate fund	8.00%
Cash and cash equivalents	2.10%

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED BENEFITS PENSION PLANS (CONTINUED)

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

Pension expense and deferred outflows and deferred inflows of resources related to pensions: The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2023. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows (Inflows)		
Description	Police	Fire	Non-Uniformed
Contributions subsequent to the measurement date	$ 4,071,908	$ 7,469,136	$ 785,240
Difference between expected and actual earnings on investments	(4,244,384)	5,394,698	(3,643,029)
Total Deferred Outflows (Inflows)	$ (172,476)	$ 12,863,834	$ (2,857,789)

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

Fiscal Year Ending September 30,	Police	Fire	Non-Uniformed
2026	$ (1,450,205)	$ 1,555,834	$ (1,051,770)
2027	182,969	(2,849,123)	195,842
2028	(1,643,471)	3,397,524	(1,605,282)
2029	(1,333,677)	3,290,463	(1,181,819)
Total	$ (4,244,384)	$ 5,394,698	$ (3,643,029)

NOTE 4 – OTHER INFORMATION (CONTINUED)

DEFINED CONTRIBUTION PLAN

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

The City contributed 8% of salaries to the plan on a bi-weekly basis, for a contribution for the year ended September 30, 2025 of $2,444,533. The plan requires a 4% match of all participants. Plan participants become fully vested in the plan after five years of service. Total member contributions for the fiscal year totaled $1,222,268.

DEFERRED COMPENSATION PLAN

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

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

NOTE 4 – OTHER INFORMATION (CONTINUED)

COMMUNITY REDEVELOPMENT AGENCY

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds for the fiscal year ended September 30, 2025:

	Deposits	Withdrawals
Source of Deposits		
Tax incremental revenues	$ 6,156,964	$ --
Investment income	128,085	--
Intergovernmental	324,614	--
Purpose of Withdrawals		
Debt service - principal and interest	--	1,149,159
Other contractual	--	103,249
Administrative and overhead	--	1,243,601
Economic development	--	7,260,268
Total	$ 6,609,663	$ 9,756,277

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS

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

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

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

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

PLAN DESCRIPTION

FRS Pension Plan

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

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

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

FRS Pension Plan (continued)

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

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

HIS Plan

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

BENEFITS PROVIDED

FRS Pension Plan

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service,

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

FRS Pension Plan (continued)

which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Elected Officers' Class: 3.00%

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

HIS Plan

For the fiscal year ended September 30, 2025 eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

CONTRIBUTIONS

FRS Pension Plan

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. For the fiscal year ended September 30, 2023, the contribution rate for Elected Officers' Class was 16.94%.

The City's contributions for FRS totaled $96,937 for the fiscal year ended September 30, 2025.

HIS Plan

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the HIS contribution was 1.66 percent. The City contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

At September 30, 2025, the City reported liabilities of $503,870 for its proportionate share of the FRS net pension liability and $53,888 for the HIS net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's fiscal year 2025 contributions relative to the fiscal year 2025 contributions of all participating members.

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

For the fiscal year ended September 30, 2025, the City recognized a reduction in pension expense of $136,031. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

	Deferred Outflows of Resources		
Description	FRS	HIS	Total
Differences between expected and actual experience	$ 53,819	$ 322	$ 54,141
Change of assumptions	58,512	477	58,989
Changes in proportion and differences between City contributions and proportionate share of contributions	--	643	643
City contributions subsequent to measurement date	27,281	1,164	28,445
Total Deferred Outflows of Resources	$ 139,612	$ 2,606	$ 142,218

	Deferred Inflows of Resources		
Description	FRS	HIS	Total
Differences between expected and actual experience	$ --	$ 85	$ 85
Change of assumptions	--	13,034	13,034
Net difference between projected and actual earnings on plan investments	84,126	45	84,171
Changes in proportion and differences between City contributions and proportionate share of contributions	80,972	7,689	88,661
Total Deferred Inflows of Resources	$ 165,098	$ 20,853	$ 185,951

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

The deferred outflows of resources related to pensions, totaling $28,445, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Employer Share of Deferred Outflows/Deferred Inflows		
	FRS	HIS	Total
Fiscal Year Ending September 30			
2026	$ 48,759	$ (4,695)	$ 44,064
2027	(37,672)	(4,967)	(42,639)
2028	(41,107)	(4,526)	(45,633)
2029	(22,747)	(3,466)	(26,213)
2030	--	(1,757)	(1,757)
Total	$ (52,767)	$ (19,411)	$ (72,178)

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

ACTUARIAL ASSUMPTIONS

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

	Generational RP-2010 with Projection Scale MP-2021	
Mortality Table Experience Study	7/1/18 - 6/30/23	
Actuarial Cost Method	Individual Entry Age Normal	
	FRS	HIS
Investment rate of return	6.70%	5.20%
Projected salary increases	3.50%	3.50%
Inflation	2.40%	2.40%

LONG-TERM EXPECTED RATE OF RETURN

FRS Pension Plan

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
Total	100.0%			
Assumed Inflation-Mean			2.4%	1.5%

Note: As outlined in the Plan's investment policy

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

DISCOUNT RATE OF RETURN

The discount rate used to measure the total pension liability was 6.70% for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 5.20% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

SENSITIVITY OF THE CITY'S PROPORTIONATE SHARE OF THE NET POSITION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2025.

	City's Proportionate Share of the Net Pension Liability		
Pension Plan	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
FRS	$ 988,838	$ 503,870	$ 97,281

Pension Plan	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
HIS	$ 60,766	$ 53,888	$ 48,118

PENSION PLAN FIDUCIARY NET POSITION

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

NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

SUMMARY OF PENSION EXPENSE, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE CITY

For the year ended September 30, 2025, the City recognized a reduction in pension expense of $5,544,211 as a result of GASB Statement No. 68. Deferred outflows and inflows of resources and net pension liability related to pensions are as follows:

	Non-- Uniformed Pension	Police Pension	Fire Pension	FRS/HIS Pension	Total
Deferred outflows	$ 785,240	$ 4,071,908	$ 12,863,834	$ 142,218	$ 17,863,200
Deferred inflows	3,643,029	4,244,384	--	185,951	8,073,364
Net pension liability	--	12,037,693	22,402,126	557,758	34,997,577
Net pension asset	3,941,283	--	--	--	3,941,283
Pension expense (income)	7,577	1,021,310	4,379,293	136,031	5,544,211

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS

PLAN DESCRIPTION

The City of Deerfield Beach's Retiree Health Care Plan (the "Plan") is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue health and life insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Benefit Description and Funding Policy

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

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

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

Benefits. Benefit provisions and City contribution requirements are established and may be amended by the City Commission. The City currently provides direct subsidies for certain retirees by paying a portion of the retiree's premium for individual coverage.

E*mployees Covered by benefit terms*. As of September 30, 2025, the following employees were covered by the benefit terms:

Inactive plan members, or beneficiaries currently receiving benefits	168
Inactive plan members entitle to but not yet receiving benefits	--
Active plan members	399
Total	567

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY

The City's Total OPEB Liability ("TOL") was measured as of September 30, 2024, and was determined by an actuarial valuation as of September 30, 2024. As of September 30, 2025, the reported TOL of $20,537,328, represents 78.76% of the covered payroll. The components of TOL are as follows:

Balance at September 30, 2024	$ 25,905,131
Changes for the Year	
Service cost	1,542,453
Interest	1,306,196
Differences between expected and actual experience	(1,068,790)
Changes in assumptions or other inputs	(5,879,999)
Benefit payments	(1,267,663)
Net Changes	(5,367,803)
Balance at September 30, 2025	$ 20,537,328
Covered Employee Payroll	$ 26,076,282
City's Total OPEB liability as a % of Covered Payroll	78.76%

DISCOUNT RATE AND SENSITIVITY DISCLOSURES

Discount Rate

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

A discount rate of 4.06% was used to measure the September 30, 2025 Total OPEB Liability. A discount rate of 4.06% was used for the beginning of the measurement period. These rates are based on the Fidelity 20-Year Municipal GO AA Index - daily rate closest or equal to but not later than the respective measurement dates.

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

DISCOUNT RATE AND SENSITIVITY DISCLOSURES (CONTINUED)

Discount Rate (continued)

Sensitivity of the Total OPEB Liability to the Discount Rate Assumption

The chart below represents the total OPEB liability of the City, calculated using the 4.06%, discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.06%) or 1-percentage point higher (5.06%) than the current rate.

	Measurement Date: September 30, 2024		
Pension Plan	1% Decrease	Current Discount Rate	1% Increase
Discount rate	3.06%	4.06%	5.06%
Total OPEB Liability	$ 23,579,608	$ 20,537,328	$ 18,089,508

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

The chart below represents the total OPEB liability of the City, calculated using the 4.0% to 6.75%, as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower (3.0% to 5.75%) or 1-percentage point higher (5.0% to 7.75%) than the current rate.

Pension Plan	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Discount rate	3.0% to 5.75%	4.0% to 6.75%	5.0% to 7.75%
Total OPEB Liability	$ 18,500,316	$ 20,537,328	$ 23,069,840

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The Total OPEB Liability was determined based on several actuarial assumptions using the Actuarial Cost Method. Total OPEB liability was calculated by an actuarial valuation as of September 30, 2024, with a measurement date of September 30, 2024, using the following assumptions, applied to all prior periods included in the measurement:

Measurement date	September 30, 2024
Actuarial valuation date	September 30, 2024
Inflation	2.50%
Salary increases	6.00%
Discount rate	4.06%
Projected salary increases	6.00%
Healthcare cost trend rates	4.00% - 6.75% based on the Getzen Model
Retirees' share of benefit-related costs	Retirees pay various portions of full blended premium for individual coverage

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

Mortality rates – All mortality rates were based on the PubG-2010 mortality tables with fully generational improvement using Scale MP-2021. Rates are based on those outlined in Milliman's July 1, 2024 Florida Retirement System valuation report with appropriate adjustments made based on plan demographics.

STATEMENT OF OPEB EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB

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

For the fiscal year ended September 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ --	$ 2,988,851
Changes of assumptions	607,328	5,444,993
Employer contributions subsequent to measurement date	903,094	--
Total	$ 1,510,422	$ 8,433,844

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

STATEMENT OF OPEB EXPENSES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

Summary of Outstanding Deferred Inflows and Outflows of Resources Related to OPEB (continued)

A summary of deferred outflows and (inflows) of resources related to OPEB that will be recognized in OPEB expense is as follows:

Fiscal Year Ending September 30	Amount
2026	$ (2,029,937)
2027	(1,711,801)
2028	(1,711,801)
2029	(1,214,848)
2030	(1,158,129)
Total	$ (7,826,516)

For the year ended September 30, 2025, the City recognized a reduction in OPEB expense of $384,019 as a result of GASB Statement No. 75.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	$ 64,733,073	$ 64,733,073	$ 64,598,002	$ (135,071)
Sales taxes & LOGT	9,489,486	9,489,486	9,554,074	64,588
Fire assessment fees	17,474,512	17,474,512	18,031,970	557,458
Franchise fees	10,499,663	10,499,663	10,494,795	(4,868)
Utility tax	10,949,530	10,949,530	11,745,148	795,618
Licenses and permits	884,145	884,145	907,580	23,435
Intergovernmental	4,375,797	4,375,797	4,409,457	33,660
Charges for services	10,634,100	10,634,100	11,727,336	1,093,236
Fines and forfeitures	4,405,100	4,405,100	1,532,490	(2,872,610)
Investment earnings	2,384,612	2,384,612	3,320,113	935,501
Miscellaneous:				
Donations/contributions	306,500	306,500	376,956	70,456
Administrative fees	8,079,662	8,079,662	8,079,662	--
Other	987,350	987,350	2,920,074	1,932,724
Total Revenues	145,203,530	145,203,530	147,697,657	2,494,127
Expenditures				
Departmental:				
City commission	608,894	608,894	582,762	26,132
City manager	985,162	985,162	839,293	145,869
City clerk	866,174	866,174	863,631	2,543
City attorney	639,961	639,961	555,873	84,088
Parks and recreation	21,561,529	21,561,529	19,246,709	2,314,820
Office of Public Safety	85,804,983	85,804,983	84,258,459	1,546,524
Human resources	1,477,902	1,477,902	241,631	1,236,271
Environmental services	4,221,292	4,221,292	3,575,406	645,886
Financial services	4,468,927	4,468,927	3,932,227	536,700
Planning and development services	2,114,449	2,114,449	1,547,215	567,234
Information technology services	4,962,306	4,244,086	4,962,306	(718,220)
Municipal services	3,554,761	3,554,761	2,744,969	809,792
Community services	5,827,766	5,827,766	4,604,035	1,223,731
Economic development	878,089	878,089	746,572	131,517
Public affairs and marketing	959,869	959,869	844,886	114,983
Total Expenditures	138,932,064	138,213,844	129,545,974	8,667,870
Other Financing Sources (Uses)				
Transfers in	2,264,268	2,264,268	2,264,268	--
Transfers out	(31,280,959)	(31,280,959)	(9,766,498)	21,514,461
Total Other Financing Sources (Uses)	(29,016,691)	(29,016,691)	(7,502,230)	21,514,461
Net Change in Budgetary Fund Balances	$ (22,745,225)	$ (22,027,005)	$ 10,649,453	$ 15,340,718

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
(NON-GAAP BUDGETARY BASIS - UNAUDITED)
COMMUNITY REDEVELOPMENT AGENCY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		(Budgetary Basis)	Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Property taxes	$ 6,168,117	$ 6,168,117	$ 6,156,964	$ (11,153)
Investment earnings	--	--	128,085	128,085
Intergovernmental	3,360,804	3,360,804	324,614	(3,036,190)
Total Revenues	9,528,921	9,528,921	6,609,663	(2,919,258)
Expenditures				
Current:				
Economic environment	1,866,193	1,866,193	1,263,162	603,031
Public safety	110,000	110,000	83,688	26,312
Culture and recreation	290,000	290,000	195,725	94,275
Capital outlay	10,463,353	10,463,353	5,019,281	5,444,072
Debt Service:				
Principal retirement	980,000	980,000	980,000	--
Interest and fiscal charges	117,933	117,933	169,159	(51,226)
Total Expenditures	13,827,479	13,827,479	7,711,015	6,116,464
Excess (Deficiency) of Revenues Over Expenditures	(4,298,558)	(4,298,558)	(1,101,352)	(3,197,206)
Other Financing Sources				
Loan proceeds	2,000,000	2,000,000	--	(2,000,000)
Transfers out	(2,045,262)	(2,045,262)	(2,045,262)	--
Appropriation of prior year's fund balance	4,343,820	4,343,820	--	(4,343,820)
Total Other Financing Sources	4,298,558	4,298,558	(2,045,262)	(4,343,820)
Change in Fund Balance	$ --	$ --	(3,146,614)	$ 1,146,614
Fund Balance - Beginning			8,219,693	
Fund Balance - Ending			$ 5,073,079	

CITY OF DEERFIELD BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

At any time during the fiscal year, the City Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change. Furthermore, if the City Manager certifies that there are revenues available for appropriation in excess of those estimated in the original budget, the City Commission may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.

NOTE 2 – RECONCILIATION OF BUDGET TO ACTUAL

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

	Total Revenues
Total Revenues per Budget	$ 147,697,657
Initiation of SBITAs	(1,890,851)
Total Revenues per GAAP	$ 145,806,806

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS FIRE PENSION PLAN LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 2,879,971	$ 3,199,677	$ 3,146,556	$ 2,792,531	$ 2,724,692	$ 3,114,673	$ 2,845,745	$ 2,786,085	$ 2,793,233	$ 2,745,537
Interest	12,854,685	12,796,748	12,534,352	12,195,280	11,824,774	11,505,441	10,937,984	10,565,444	10,371,874	10,038,296
Changes of benefit terms	588,527	545,860	--	--	54,450	--	--	--	48,546	106,820
Differences between expected and actual experience	323,078	(2,258,827)	(2,126,574)	1,592,301	3,374,966	(1,130,384)	1,865,722	1,046,101	(82,819)	(1,414,007)
Changes in assumption	--	--	509,219	4,549,759	(1,991,954)	509,219	509,219	104,413	140,613	--
Benefit payments, including refunds of employee contributions	(15,646,669)	(10,849,394)	(10,202,320)	(12,227,654)	(10,080,776)	(8,601,583)	(9,204,187)	(9,978,487)	(6,795,446)	(7,418,254)
Refunds of member contributions	--	--	--	--	--	--	(17,570)	(6,856)	--	(47,544)
Net Change in Total Pension Liability	999,592	3,434,064	3,861,233	8,902,217	5,906,152	5,397,366	6,936,913	4,516,700	6,476,001	4,010,848
Total Pension Liability, Beginning	182,394,211	178,960,147	175,098,914	166,196,697	160,290,545	154,893,179	147,956,266	143,439,566	136,963,565	132,952,717
Total Pension Liability, Ending (a)	$ 183,393,803	$ 182,394,211	$ 178,960,147	$ 175,098,914	$ 166,196,697	$ 160,290,545	$ 154,893,179	$ 147,956,266	$ 143,439,566	$ 136,963,565
Plan Fiduciary Net Position										
Contributions										
Employer and state	$ 6,719,637	$ 6,865,867	$ 6,875,949	$ 6,299,087	$ 6,047,459	$ 5,988,490	$ 5,307,928	$ 5,058,562	$ 5,060,592	$ 5,064,382
State of Florida	1,206,995	1,164,334	565,496	557,148	632,681	649,209	628,008	603,646	667,147	725,199
Plan member	607,571	676,161	730,591	757,673	792,533	853,718	901,704	898,299	883,740	868,805
Net investment income (loss)	26,411,943	10,188,790	(19,959,952)	31,592,893	11,298,087	3,253,915	8,197,285	10,012,955	7,926,978	(3,188,136)
Benefit payments	(15,646,669)	(10,849,394)	(10,202,320)	(12,227,654)	(10,080,776)	(8,601,583)	(9,204,187)	(9,978,487)	(6,795,446)	(7,418,254)
Refund of member contributions	--	--	--	--	--	--	(17,570)	(6,856)	--	(47,544)
Administrative expense	(317,896)	(219,649)	(217,225)	(214,337)	(170,150)	(251,339)	(198,994)	(177,535)	(214,739)	(237,672)
Net Change in Plan Fiduciary Net Position	18,981,581	7,826,109	(22,207,461)	26,764,810	8,519,834	1,892,410	5,614,174	6,410,584	7,528,272	(4,233,220)
Plan Fiduciary Net Position, Beginning	142,010,096	134,183,987	156,391,448	129,626,638	121,106,804	119,214,394	113,600,220	107,189,636	99,661,364	103,894,584
Plan Fiduciary Net Position, Ending (b)	$ 160,991,677	$ 142,010,096	$ 134,183,987	$ 156,391,448	$ 129,626,638	$ 121,106,804	$ 119,214,394	$ 113,600,220	$ 107,189,636	$ 99,661,364
City's Net Pension Liability - Ending [(a)-(b)]	$ 22,402,126	$ 40,384,115	$ 44,776,160	$ 18,707,466	$ 36,570,059	$ 39,183,741	$ 35,678,785	$ 34,356,046	$ 36,249,930	$ 37,302,201
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.78%	77.86%	74.98%	89.30%	78.00%	75.60%	77.00%	76.80%	74.70%	72.80%
Covered Payroll	$ 6,753,438	$ 7,513,064	$ 8,116,062	$ 8,417,851	$ 8,806,379	$ 9,485,800	$ 8,806,379	$ 9,485,800	$ 10,020,449	$ 9,659,471
Net Pension Liability as a Percentage of Covered Payroll	331.70%	537.50%	551.70%	222.20%	415.30%	413.10%	405.10%	362.20%	361.80%	386.20%

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS - FIRE PENSION PLAN
LAST TEN FISCAL YEARS

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Actual Contribution as a % of Covered Payroll
2016	5,727,617	5,727,617	--	9,412,235	60.85%
2017	5,662,208	5,662,208	--	9,659,471	58.62%
2018	5,911,574	5,926,407	(14,833)	10,020,449	59.14%
2019	6,606,969	6,606,969	--	9,485,800	69.65%
2020	6,720,388	6,720,388	--	8,806,379	76.31%
2021	6,856,235	6,856,235	--	8,417,851	81.45%
2022	7,433,097	7,441,445	(8,348)	8,116,062	91.69%
2023	8,030,206	8,030,206	--	7,513,064	106.88%
2024	7,926,643	7,926,643	--	6,753,438	117.37%
2025	7,469,136	7,469,136	--	4,848,478	154.05%

Methods and assumptions used to determine rates:

Actuarial valuation date	10/1/2024
Notes	Actuarially determined contribution are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed fair value
Inflation	2.00%
Salary increases	5.2% to 11%, including inflation
Investment rate of return	7.25%
Mortality	Sex distinct Scale MP-2018 (FRS)

This schedule is presented as required by accounting principles generally accepted in the United States of America.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS POLICE PENSION PLAN LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest	$ 3,906,937	$ 3,981,593	$ 4,101,990	$ 4,082,775	$ 4,019,827	$ 4,043,732	$ 3,836,745	$ 3,410,810	$ 3,359,275	$ 3,459,881
Changes of benefit terms	2,064,513	1,734,941	2,483,835	581,998	1,146,116	3,072,186	--	--	--	2,326,603
Share plan allocation	915,041	751,715	589,327	532,827	537,969	539,589	469,049	451,648	421,602	359,314
Differences between expected and actual experience	(2,068,324)	(2,133,051)	(1,228,809)	(1,623,147)	(667,007)	(1,730,593)	58,615	332,132	223,166	(515,319)
Changes in assumption	--	--	--	--	1,608,577	726,498	712,839	7,201,737	3,535,687	--
Benefit payments, including refunds of employee contributions	(5,589,940)	(5,377,587)	(5,251,950)	(5,109,400)	(5,116,472)	(5,069,748)	(4,860,289)	(4,826,660)	(4,838,890)	(4,749,759)
Net Change in Total Pension Liability	(771,773)	(1,042,389)	694,393	(1,534,947)	1,529,010	1,581,664	216,959	6,569,667	2,700,840	880,720
Total Pension Liability, Beginning	62,901,686	63,944,075	63,249,682	64,784,629	63,255,619	61,673,955	61,456,996	54,887,329	52,186,489	51,305,769
Total Pension Liability, Ending (a)	$ 62,129,913	$ 62,901,686	$ 63,944,075	$ 63,249,682	$ 64,784,629	$ 63,255,619	$ 61,673,955	$ 61,456,996	$ 54,887,329	$ 52,186,489
Plan Fiduciary Net Position										
Contributions										
Employer	$ 2,329,050	$ 2,319,805	$ 2,309,274	$ 2,335,897	$ 2,218,557	$ 2,160,331	$ 2,149,466	$ 2,166,053	$ 1,908,777	$ 1,944,572
State	1,120,492	957,166	794,778	738,278	743,420	745,040	674,500	657,100	627,053	564,765
Net investment income (loss)	9,388,423	4,144,900	(6,002,203)	10,739,019	1,478,014	455,951	3,950,827	4,742,331	3,436,195	952,079
Benefit payments, including refunds of employee contributions	(5,589,940)	(5,377,587)	(5,251,950)	(5,109,400)	(5,116,472)	(5,069,748)	(4,860,289)	(4,826,660)	(4,838,890)	(4,749,759)
Administrative expense	(145,424)	(84,729)	(95,117)	(66,071)	(74,855)	(85,121)	(85,887)	(92,815)	(96,419)	(97,436)
Net Change in Plan Fiduciary Net Position	7,102,601	1,959,555	(8,245,218)	8,637,723	(751,336)	(1,793,547)	1,828,617	2,646,009	1,036,716	(1,385,779)
Plan Fiduciary Net Position, Beginning	42,989,619	41,030,064	49,275,282	40,637,559	41,388,895	43,182,442	41,353,825	38,707,816	37,671,100	39,056,879
Plan Fiduciary Net Position, Ending (b)	$ 50,092,220	$ 42,989,619	$ 41,030,064	$ 49,275,282	$ 40,637,559	$ 41,388,895	$ 43,182,442	$ 41,353,825	$ 38,707,816	$ 37,671,100
City's Net Pension Liability - Ending [(a)-(b)]	$ 12,037,693	$ 19,912,067	$ 22,914,011	$ 13,974,400	$ 24,147,070	$ 21,866,724	$ 18,491,513	$ 20,103,171	$ 16,179,513	$ 14,515,389
Net Position as a Percentage of the Total Pension Liability	80.62%	68.34%	64.17%	77.90%	62.70%	65.40%	70.00%	67.30%	70.50%	72.20%
Covered Payroll	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*

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

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS - POLICE PENSION PLAN
LAST TEN FISCAL YEARS

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Actual Contribution as a % of Covered Payroll
2016	2,114,228	2,114,229	(1)	N/A	N/A
2017	2,371,504	2,371,505	(1)	N/A	N/A
2018	2,354,917	2,354,917	--	N/A	N/A
2019	2,365,782	2,365,782	--	N/A	N/A
2020	2,424,008	2,424,008	--	N/A	N/A
2021	2,541,348	2,541,348	--	N/A	N/A
2022	2,514,725	2,514,725	--	N/A	N/A
2023	2,525,254	2,525,256	(2)	N/A	N/A
2024	2,534,501	2,534,501	--	N/A	N/A
2025	2,560,372	2,560,372	--	N/A	N/A

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

Methods and assumptions used to determine rates:

Actuarial valuation date	10/1/2024
Notes	Actuarially determined contribution are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	The lesser of 20 years and the average future lifetime of the inactive participants
Asset valuation method	Restricted to 80% - 120% of fair value, obtained by smoothing three years' past differences between actual investment earnings and assumed investment return, then adding this number on the current fair value.
Inflation	2.50%
Salary increases	N/A
Investment rate of return	6.50%
Retirement age	N/A
Mortality	Healthy Lives: Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H- 2010 for Disabled Retirees. All rates are projected generationally with Mortality Improvement Scale MP-202

This schedule is presented as required by accounting principles generally accepted in the United States of America.

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN CITY'S NET PENSION LIABILITY AND RELATED RATIOS NON-UNIFORMED PENSION PLAN LAST TEN FISCAL YEARS

Measurement Date, September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 36,391	$ 32,124	$ 26,230	$ 23,650	$ 27,504	$ 70,591	$ 75,770	$ 70,710	$ 66,123	$ 77,233
Interest	2,831,491	2,991,001	3,105,737	3,613,220	3,753,624	4,047,412	4,144,079	4,221,714	4,325,572	4,161,337
Differences between expected and actual experience	567,288	(733,979)	36,806	(1,927,274)	(385,909)	(2,011,107)	26,603	348,056	612,743	528,068
Changes in assumption	--	--	--	2,167,297	--	882,797	--	2,822	3,377,835	1,187,719
Benefit payments, including refunds of employee contributions	(4,884,185)	(5,019,647)	(5,154,204)	(5,351,359)	(5,560,896)	(5,571,956)	(5,672,502)	(5,842,352)	(5,917,598)	(5,826,053)
Net Change in Total Pension Liability	(1,449,015)	(2,730,501)	(1,985,431)	(1,474,466)	(2,165,677)	(2,582,263)	(1,426,050)	(1,199,050)	2,464,675	128,304
Total Pension Liability, Beginning	49,597,221	52,327,722	54,313,153	55,787,619	57,953,296	60,535,559	61,961,609	63,160,659	60,695,984	60,567,680
Total Pension Liability, Ending (a)	$ 48,148,206	$ 49,597,221	$ 52,327,722	$ 54,313,153	$ 55,787,619	$ 57,953,296	$ 60,535,559	$ 61,961,609	$ 63,160,659	$ 60,695,984
Plan Fiduciary Net Position										
Contributions										
Employer and state	$ 857,552	$ 856,776	$ 1,161,341	$ 1,372,990	$ 1,412,726	$ 1,546,408	$ 1,645,642	$ 1,595,214	$ 1,543,620	$ 1,713,421
Member	8,441	9,950	8,500	7,277	7,415	20,200	27,199	28,361	27,643	26,457
Net investment income (loss)	8,639,820	4,810,747	(5,718,971)	9,216,496	2,224,559	2,195,349	3,924,126	5,041,747	4,169,121	(330,924)
Benefit payments, including refunds of employee contributions	(4,884,185)	(5,019,647)	(5,154,204)	(5,351,359)	(5,560,896)	(5,571,956)	(5,672,502)	(5,842,352)	(5,917,598)	(5,826,053)
Administrative expense	(106,896)	(99,658)	(99,666)	(103,662)	(95,014)	(103,212)	(96,927)	(96,331)	(102,723)	(101,412)
Net Change in Plan Fiduciary Net Position	4,514,732	558,168	(9,803,000)	5,141,742	(2,011,210)	(1,913,211)	(172,462)	726,639	(279,937)	(4,518,511)
Plan Fiduciary Net Position, Beginning	47,574,757	47,016,589	56,819,589	51,677,847	53,689,057	55,602,268	55,774,730	55,048,091	55,328,028	59,846,539
Plan Fiduciary Net Position, Ending (b)	$ 52,089,489	$ 47,574,757	$ 47,016,589	$ 56,819,589	$ 51,677,847	$ 53,689,057	$ 55,602,268	$ 55,774,730	$ 55,048,091	$ 55,328,028
City's Net Pension Liability (Asset) - Ending [(a)-(b)]	$ (3,941,283)	$ 2,022,464	$ 5,311,133	$ (2,506,436)	$ 4,109,772	$ 4,264,239	$ 4,933,291	$ 6,186,879	$ 8,112,568	$ 5,367,956
Net Position as a Percentage of the Total Pension Liability (Asset)	108.19%	95.92%	89.85%	104.60%	92.60%	92.60%	91.90%	90.00%	87.20%	91.20%
Covered Payroll	$ 93,788	$ 110,555	$ 94,443	$ 80,855	$ 82,388	$ 321,771	$ 302,211	$ 315,122	$ 307,142	$ 412,795
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-4202.30%	1829.40%	5623.60%	-3099.90%	4988.30%	1325.20%	1632.40%	1963.30%	2641.30%	1300.40%

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY CONTRIBUTIONS - NON-UNIFORMED PENSION PLAN
LAST TEN FISCAL YEARS

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Actual Contribution as a % of Covered Payroll
2016	1,543,620	1,543,620	--	307,142	502.58%
2017	1,595,214	1,595,214	--	315,122	506.22%
2018	1,645,642	1,645,642	--	302,211	544.53%
2019	1,546,408	1,546,408	--	321,771	480.59%
2020	1,412,726	1,412,726	--	82,388	1714.72%
2021	1,372,990	1,372,990	--	80,855	1698.09%
2022	1,161,341	1,161,341	--	94,443	1229.67%
2023	856,776	856,776	--	110,555	774.98%
2024	857,552	857,552	--	93,788	914.35%
2025	785,240	785,240	--	96,112	817.01%

Methods and assumptions used to determine rates:

Actuarial valuation date	10/1/2024
Notes	Actuarially determined contribution are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	6 years
Asset valuation method	4-year smoothed fair value
Inflation	2.00%
Salary increases	6.00%
Investment rate of return	6.00%
Retirement age	Age 64 with 10 years of service or age 55 with 25 years of service
Mortality	Healthy pre-retirement mortality rates: PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males.

This schedule is presented as required by accounting principles generally accepted in the United States of America.

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN LAST NINE YEARS

	Measurement Date June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.00162%	0.00163%	0.00192%	0.00201%	0.00202%	0.00227%	0.00237%	0.00228%	0.00223%	0.00211%
City's proportionate share of the net pension liability	$ 503,870	$ 630,288	$ 765,151	$ 749,728	$ 152,858	$ 984,503	$ 815,338	$ 688,321	$ 660,640	$ 533,351
City's covered payroll	$ 222,131	$ 167,028	$ 170,551	$ 169,551	$ 167,455	$ 171,904	$ 172,607	$ 167,347	$ 163,001	$ 145,925
City's proportionate share of the net pension liability as a percentage of City's covered payroll	226.83%	377.35%	448.63%	442.18%	91.28%	572.71%	472.37%	411.31%	405.30%	365.50%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	82.48%	83.89%	840.00%

SCHEDULE OF THE CITY'S CONTRIBUTIONS FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN LAST NINE YEARS

	Measurement Date September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 96,937	$ 95,507	$ 92,375	$ 88,059	$ 77,089	$ 75,472	$ 73,410	$ 73,052	$ 70,230	$ 61,648
FRS contribution in relation to the contractually required contribution	96,937	95,507	92,375	88,059	77,089	75,472	73,410	73,052	70,230	61,648
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's covered payroll	$ 222,131	$ 168,425	$ 169,889	$ 168,589	$ 167,028	$ 171,689	$ 173,754	$ 167,347	$ 162,463	$ 145,929
FRS contribution as a percentage of covered payroll	43.64%	56.71%	54.37%	52.23%	46.15%	43.96%	42.25%	43.65%	43.23%	42.25%

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

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN LAST NINE YEARS

	Measurement Date June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability	0.000420%	0.000423%	0.000458%	0.000507%	0.000492%	0.000495%	0.000516%	0.000512%	0.002233%	0.002112%
City's proportionate share of the net pension liability	$ 53,887	$ 63,500	$ 72,736	$ 53,713	$ 60,391	$ 60,478	$ 57,747	$ 54,214	$ 54,680	$ 54,911
City's covered payroll	$ 222,131	$ 167,028	$ 170,551	$ 169,551	$ 167,455	$ 171,904	$ 172,607	$ 167,347	$ 163,001	$ 145,925
City's proportionate share of the net pension liability as a percentage of City's covered payroll	24.26%	38.02%	42.65%	31.68%	36.06%	35.18%	33.46%	32.40%	33.55%	37.63%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	1.63%	1.64%	0.97%

SCHEDULE OF THE CITY'S CONTRIBUTIONS HEALTH INSURANCE SUBSIDY (HIS) PENSION PLAN LAST NINE YEARS

	Measurement Date September 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	$ 3,758	$ 3,584	$ 12,632	$ 5,314	$ 2,894	$ 2,854	$ 2,866	$ 1,491	$ 1,186	$ 1,041
HIS contribution in relation to the contractually required contribution	3,758	3,584	12,632	5,314	2,894	2,854	2,866	1,491	1,186	1,041
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
City's covered payroll*	$ 222,131	$ 168,425	$ 169,889	$ 168,589	$ 167,028	$ 171,639	$ 173,754	$ 167,347	$ 162,463	$ 145,929
HIS contribution as a percentage of covered payroll	1.69%	2.13%	7.44%	3.15%	1.73%	1.66%	1.65%	0.89%	0.73%	0.71%

* Amounts are the same for both periods because no change in employees or salary for past two years

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

CITY OF DEERFIELD BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN YEARS

	Measurement Date, September 30							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 1,542,453	$ 1,486,574	$ 1,378,401	$ 1,431,099	$ 1,605,611	$ 1,487,838	$ 3,203,104	$ 3,021,796
Interest	1,306,196	1,222,129	668,297	599,577	1,178,082	1,138,573	2,753,484	2,490,545
Changes of benefit terms	--	--	--	--	--	--	(26,256,835)	--
Differences between expected and actual experience	(1,068,790)	--	(4,196,384)	--	(3,348,371)	--	(24,830,544)	--
Changes in assumptions	(5,879,999)	(340,286)	1,214,654	(1,590,684)	(2,956,680)	333,616	1,419,623	(5,077,191)
Benefit payments, including refunds of employee contributions	(1,267,663)	(1,181,970)	(934,007)	(872,904)	(1,506,155)	(1,394,588)	(2,526,195)	(2,051,208)
Net Change in Total OPEB Liability	(5,367,803)	1,186,447	(1,869,039)	(432,912)	(5,027,513)	1,565,439	(46,237,363)	(1,616,058)
Total OPEB Liability, Beginning	25,905,131	24,718,684	26,587,723	27,020,635	32,048,148	30,482,709	76,720,072	78,336,130
Total OPEB Liability, Ending	$ 20,537,328	$ 25,905,131	$ 24,718,684	$ 26,587,723	$ 27,020,635	$ 32,048,148	$ 30,482,709	$ 76,720,072
Covered Employee Payroll	$ 26,076,282	$ 25,146,947	$ 23,723,535	$ 22,029,556	$ 20,782,600	$ 22,571,016	$ 21,293,411	$ 23,857,562
Total OPEB Liability as a Percentage of City Covered Employee Payroll	78.80%	103.00%	104.20%	120.70%	130.00%	142.00%	143.20%	321.60%

Notes to the 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 the Bond Buyer 20-Bond GO Index.

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Building Permits Fund – to account for funds received from building permits, which have been restricted as to expenditures for specified purposes.

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

DEBT SERVICE FUNDS

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

CAPITAL GRANTS PROJECTS FUNDS

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

PERMANENT FUNDS

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

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

CITY OF DEERFIELD BEACH, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 10,638,155	$ 945,425	$ 11,583,580
Investments	153,310	132,288	285,598
Restricted cash and cash equivalents	911,174	--	911,174
Restricted investments	--	1,418,582	1,418,582
Receivables, net of allowances:			
Accounts	458,131	--	458,131
Interest	542	6,651	7,193
Due from other funds	1,590,000	--	1,590,000
Due from other governments	1,662,570	--	1,662,570
Total Assets	$ 15,413,882	$ 2,502,946	$ 17,916,828
Liabilities			
Accounts payable	$ 1,192,175	$ --	$ 1,192,175
Accrued payroll	12,771	--	12,771
Due to other funds	1,090,000	--	1,090,000
Due to other governments	26,718	--	26,718
Unearned revenue	706,720	--	706,720
Total Liabilities	3,028,384	--	3,028,384
Deferred Inflows of Resources			
Unavailable revenues	728,060	--	728,060
Fund Balances			
Nonspendable	--	2,502,946	2,502,946
Restricted	13,424,556	--	13,424,556
Unassigned	(1,767,118)	--	(1,767,118)
Total Fund Balances (Deficit)	11,657,438	2,502,946	14,160,384
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 15,413,882	$ 2,502,946	$ 17,916,828

CITY OF DEERFIELD BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
Revenues			
Local option gas tax	$ 1,557,259	$ --	$ 1,557,259
Local business taxes/permits	4,920,197	--	4,920,197
Intergovernmental	3,634,113	--	3,634,113
Charges for services	33,648	--	33,648
Fines and forfeitures	753,581	--	753,581
Impact fees	20,988	--	20,988
Investment earnings	6,488	65,179	71,667
Miscellaneous:			
Cemetery plot sales	--	210,029	210,029
Donations/contributions	156,269	--	156,269
Administrative fees	437,720	--	437,720
Other	268,503	--	268,503
Total Revenues	11,788,766	275,208	12,063,974
Expenditures			
Current:			
Economic environment	1,223,544	208	1,223,752
Public safety	4,984,598	--	4,984,598
Human services	45,235	--	45,235
Physical environment	32,949	--	32,949
Transportation	2,588,114	--	2,588,114
Culture and recreation	70,772	--	70,772
Capital outlay	530,774	--	530,774
Total Expenditures	9,475,986	208	9,476,194
Excess (Deficiency) of Revenues Over Expenditures	2,312,780	275,000	2,587,780
Other Financing Uses			
Issuance of debt	--	--	--
Transfers in	78,357	--	78,357
Transfers out	(820,978)	--	(820,978)
Total Other Financing Sources (Uses)	(742,621)	--	(742,621)
Net Change in Fund Balances	1,570,159	275,000	1,845,159
Fund Balances - Beginning	10,087,279	2,227,946	12,315,225
Fund Balance - Ending	$ 11,657,438	$ 2,502,946	$ 14,160,384

CITY OF DEERFIELD BEACH, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2025

	Building Permits Fund	Road and Bridge Tax Fund	CDGB Fund	SHIP Grant Fund	Miscellaneous Grants Fund
Assets					
Cash and cash equivalents	$ 2,058,200	$ 927,613	$ 4,673	$ 1,563,182	$ 301
Investments	--	153,310	--	--	--
Restricted cash and cash equivalents	--	--	--	--	--
Receivables, net of allowances:					
Accounts	180,669	277,462	--	--	--
Interest	--	542	--	--	--
Due from other funds	--	1,590,000	--	--	--
Due from other governments	--	293,036	605,533	--	764,001
Total Assets	$ 2,238,869	$ 3,241,963	$ 610,206	$ 1,563,182	$ 764,302
Liabilities					
Accounts payable	$ 632,980	$ 261,795	$ 34,078	$ 17,946	$ 218,093
Accrued payroll	--	12,771	--	--	--
Due to other funds	--	--	190,000	--	900,000
Due to other governments	26,718	--	--	--	--
Unearned revenue	--	--	--	--	706,720
Total Liabilities	659,698	274,566	224,078	17,946	1,824,813
Deferred Inflows of Resources					
Unavailable revenues	--	--	290,024	269,035	169,001
Fund Balances					
Restricted	1,579,171	2,967,397	576,128	1,276,201	57,582
Unassigned	--	--	(480,024)	--	(1,287,094)
Total Fund Balances	1,579,171	2,967,397	96,104	1,276,201	(1,229,512)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,238,869	$ 3,241,963	$ 610,206	$ 1,563,182	$ 764,302

CITY OF DEERFIELD BEACH, FLORIDA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

SEPTEMBER 30, 2025

General Trust Fund	Impact Fees Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Law Enforcement Trust Fund	Nuisances Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
$ 1,330,840	$ 472,327	$ 3,124,891	$ 1,031,607	$ 54,404	$ --	$ 70,117	$ 10,638,155
--	--	--	--	--	--	--	153,310
--	--	--	--	--	911,174	--	911,174
--	--	--	--	--	--	--	458,131
--	--	--	--	--	--	--	542
--	--	--	--	--	--	--	1,590,000
--	--	--	--	--	--	--	1,662,570
$ 1,330,840	$ 472,327	$ 3,124,891	$ 1,031,607	$ 54,404	$ 911,174	$ 70,117	$ 15,413,882
$ 10,756	$ --	$ 15,177	$ 1,350	$ --	$ --	$ -	$ 1,192,175
--	--	--	--	--	--	--	12,771
--	--	--	--	--	--	--	1,090,000
--	--	--	--	--	--	--	26,718
--	--	--	--	--	--	--	706,720
10,756	--	15,177	1,350	--	--	--	3,028,384
--	--	--	--	--	--	--	728,060
1,320,084	472,327	3,109,714	1,030,257	54,404	911,174	70,117	13,424,556
--	--	--	--	--	--	--	(1,767,118)
1,320,084	472,327	3,109,714	1,030,257	54,404	911,174	70,117	11,657,438
$ 1,330,840	$ 472,327	$ 3,124,891	$ 1,031,607	$ 54,404	$ 911,174	$ 70,117	$ 15,413,882

CITY OF DEERFIELD BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Building Permits Fund	Road and Bridge Tax Fund	CDGB Fund	SHIP Grant Fund	Miscellaneous Grants Fund
Revenues					
Local option gas tax	$ --	$ 1,557,259	$ --	$ --	$ --
Local business taxes/permits	4,920,197	--	--	--	--
Intergovernmental	--	1,013,266	1,111,955	400,744	1,108,148
Charges for services	1,100	--	--	--	--
Fines and forfeitures	--	--	--	--	--
Impact fees	--	--	--	--	--
Investment earnings	--	6,488	--	--	--
Miscellaneous:					
Donations/contributions	--	--	--	--	--
Administrative fees	--	437,720	--	--	--
Other	--	268,503	--	--	--
Total Revenues	4,921,297	3,283,236	1,111,955	400,744	1,108,148
Expenditures					
Current:					
Economic environment	--	--	516,129	345,834	288,092
Public safety	4,892,809	--	--	--	--
Human services	--	--	45,235	--	--
Physical environment	--	--	--	--	--
Transportation	--	2,588,114	--	--	--
Culture and recreation	--	--	--	--	--
Capital outlay	199	34,601	259,597	--	62,906
Total Expenditures	4,893,008	2,622,715	820,961	345,834	350,998
Excess (Deficiency) of Revenues Over Expenditures	28,289	660,521	290,994	54,910	757,150
Other Financing Uses					
Transfers in	--	78,357	--	--	--
Transfers out	--	--	(122,495)	(54,911)	(643,572)
Total Other Financing Sources (Uses)	--	78,357	(122,495)	(54,911)	(643,572)
Net Change in Fund Balances	28,289	738,878	168,499	(1)	113,578
Fund Balances - Beginning	1,550,882	2,228,519	(72,395)	1,276,202	(1,343,090)
Fund Balance - Ending	$ 1,579,171	$ 2,967,397	$ 96,104	$ 1,276,201	$ (1,229,512)

CITY OF DEERFIELD BEACH, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

General Trust Fund	Impact Fees Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Law Enforcement Trust Fund	Nuisances Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ 1,557,259
--	--	--	--	--	--	--	4,920,197
--	--	--	--	--	--	--	3,634,113
7,036	--	--	25,512	--	--	--	33,648
--	--	671,333	--	--	66,221	16,027	753,581
--	20,988	--	--	--	--	--	20,988
--	--	--	--	--	--	--	6,488
124,669	--	--	25,000	6,600	--	--	156,269
--	--	--	--	--	--	--	437,720
--	--	--	--	--	--	--	268,503
131,705	20,988	671,333	50,512	6,600	66,221	16,027	11,788,766
--	--	73,489	--	--	--	--	1,223,544
68,265	--	--	--	15,579	--	7,945	4,984,598
--	--	--	--	--	--	--	45,235
--	--	--	32,949	--	--	--	32,949
--	--	--	--	--	--	--	2,588,114
70,772	--	--	--	--	--	--	70,772
--	173,471	--	--	--	--	--	530,774
139,037	173,471	73,489	32,949	15,579	--	7,945	9,475,986
(7,332)	(152,483)	597,844	17,563	(8,979)	66,221	8,082	2,312,780
--	--	--	0	--	--	--	78,357
--	--	--	--	--	--	--	(820,978)
--	--	--	--	--	--	--	(742,621)
(7,332)	(152,483)	597,844	17,563	(8,979)	66,221	8,082	1,570,159
1,327,416	624,810	2,511,870	1,012,694	63,383	844,953	62,035	10,087,279
$ 1,320,084	$ 472,327	$ 3,109,714	$ 1,030,257	$ 54,404	$ 911,174	$ 70,117	$ 11,657,438

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (NON-GAAP BASIS) AND ACTUAL ROAD AND BRIDGE TAX FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local option sales and fuel tax	$ 7,959,299	$ 7,959,299	$ 1,557,259	$ (6,402,040)
Transit surtax	--	--	--	--
Charges for services	268,503	268,503	--	(268,503)
Intergovernmental	950,874	950,874	1,013,266	62,392
Investment earnings	--	--	6,488	6,488
Miscellaneous	--	--	268,503	268,503
Administrative fees	437,720	437,720	437,720	--
Total Revenues	9,616,396	9,616,396	3,283,236	(6,333,160)
Expenditures				
Current:				
Transportation	5,896,396	5,896,396	2,588,114	3,308,282
Capital outlay	187,660	187,660	34,601	153,059
Total Expenditures	6,084,056	6,084,056	2,622,715	3,461,341
Excess (Deficiency) of Revenues Over Expenditures	3,532,340	3,532,340	660,521	2,871,819
Other Financing Sources				
Debt proceeds	187,660	187,660	--	187,660
Transfers out	(3,720,000)	(3,720,000)	--	(3,720,000)
Transfers in	--	--	78,357	78,357
Total Other Financing Sources	(3,532,340)	(3,532,340)	78,357	266,017
Net Change in Fund Balances	$ --	$ --	$ 738,878	$ 738,878

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET (NON-GAAP BASIS) AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANT FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	$ 1,581,404	$ 1,581,404	$ 1,111,955	$ (469,449)
Total Revenues	1,581,404	1,581,404	1,111,955	(469,449)
Expenditures				
Current:				
Economic environment	717,079	717,079	516,129	200,950
Human services	45,235	45,235	45,235	--
Capital outlay	471,154	471,154	259,597	211,557
Total Expenditures	1,233,468	1,233,468	820,961	412,507
Excess (Deficiency) of Revenues Over Expenditures	347,936	347,936	290,994	56,942
Other Financing Sources (Uses)				
Transfers out	(347,936)	(347,936)	(122,495)	225,441
Net Change in Fund Balances	$ --	$ --	$ 168,499	$ 168,499

CITY OF DEERFIELD BEACH, FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

SEPTEMBER 30, 2025

	Firefighters' Pension Fund	Police Pension Fund	Non-Uniform Pension	Total Pension Trust Funds
Assets				
Investments:				
Money market funds	$ 4,616,062	$ 2,858,654	$ 977,601	$ 8,452,317
Fixed income mutual funds	18,766,700	10,606,162	--	29,372,862
U.S. government and agency securities	5,534,179	--	8,844,718	14,378,897
Equity securities	106,963,300	35,770,196	28,547,901	171,281,397
Corporate bonds	3,312,385	--	6,300,779	9,613,164
Real estate funds	16,733,197	4,504,770	4,035,763	25,273,730
Self directed DROP accounts	565,867	--	--	565,867
Private equity funds	6,212,224	--	--	6,212,224
Private credit funds	6,191,370	--	--	6,191,370
Hedge funds	305,655	--	2,410,159	2,715,814
Total investments	169,200,939	53,739,782	51,116,921	274,057,642
Receivables:				
Interest and dividends	109,056	--	139,273	248,329
Due from participants	--	15,225	1,323	16,548
Contributions receivable (State)	395,431	--	--	395,431
Other receivables	--	--	--	--
Pending trades	542,450	--	--	542,450
Total receivables	1,046,937	15,225	140,596	1,202,758
Total Assets	170,247,876	53,755,007	51,257,517	275,260,400
Liabilities				
Accounts payable	158,577	28,217	107,737	294,531
Accounts payable - purchase of investments	--	--	43,687	43,687
Total Liabilities	158,577	28,217	151,424	338,218
Deferred Inflow	618,479	--	65,033	683,512
Net Position Restricted for Pension Benefits				
Total Net Position Restricted for Pension Benefits	$ 169,470,820	$ 53,726,790	$ 51,041,060	$ 274,238,670

CITY OF DEERFIELD BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Firefighters' Pension Fund	Police Pension Fund	Non-Uniform Pension	Total Pension Trust Funds
Additions				
Contributions:				
Employer	$ 6,285,558	$ 2,879,921	$ 785,240	$ 9,950,719
Plan members	436,404	--	8,650	445,054
Chapter	1,183,578	1,191,987	--	2,375,565
Total contributions	7,905,540	4,071,908	793,890	12,771,338
Investment earnings:				
Interest and dividend revenue	3,860,789	1,321,724	1,260,429	6,442,942
Net appreciation in the fair value of investments	12,076,470	4,729,110	2,152,057	18,957,637
Total investment gains	15,937,259	6,050,834	3,412,486	25,400,579
Less: investment expense	(1,134,193)	(145,665)	(324,050)	(1,603,908)
Net investment income	14,803,066	5,905,169	3,088,436	23,796,671
Miscellaneous	--	--	--	--
Total Additions	22,708,606	9,977,077	3,882,326	36,568,009
Deductions				
Benefit payments	10,901,117	5,161,767	4,821,739	20,884,623
DROP distributions	2,239,044	--	--	2,239,044
Share account distributions	814,114	986,536	--	1,800,650
Administrative expenses	275,188	194,204	109,016	578,408
Total Deductions	14,229,463	6,342,507	4,930,755	25,502,725
Change in Net Position	8,479,143	3,634,570	(1,048,429)	11,065,284
Net Position Restricted for Pension Benefits -				
Beginning of Year	160,991,677	50,092,220	52,089,489	263,173,386
End of Year	$ 169,470,820	$ 53,726,790	$ 51,041,060	$ 274,238,670

STATISTICAL SECTION

STATISTICAL SECTION

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STATISTICAL SECTION
(UNAUDITED)

This part of the City of Deerfield Beach's 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 reflect about the City's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF DEERFIELD BEACH, FLORIDA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities										
Net investment in capital assets	$ 91,410,770	$ 87,250,558	$ 83,595,759	$ 71,037,127	$ 65,038,801	$ 63,275,945	$ 65,413,462	$ 66,878,760	$ 68,098,733	$ 64,215,625
Restricted	43,052,891	42,740,604	40,935,934	50,832,847	18,174,938	21,765,881	21,139,007	80,502,274	10,712,284	9,614,790
Unrestricted (deficit)	14,096,045	(17,546,320)	(33,251,074)	(42,205,123)	(45,275,652)	(56,699,883)	(60,647,204)	(143,581,097)	(33,718,932)	(28,967,707)
Total Governmental Activities Net Position	$ 148,559,706	$ 112,444,842	$ 91,280,619	$ 79,664,851	$ 37,938,087	$ 28,341,943	$ 25,905,265	$ 3,799,937	$ 45,092,085	$ 44,862,708
Business-type Activities										
Net investment in capital assets	$ 67,209,038	$ 59,924,710	$ 57,410,980	$ 51,222,386	$ 49,443,126	$ 58,857,747	$ 34,510,573	$ 52,967,087	$ 51,774,904	$ 56,362,887
Restricted	3,116,952	1,139,000	1,139,000	3,461,863	1,193,510	1,178,354	--	1,839,167	1,834,565	1,834,718
Unrestricted	50,902,407	45,001,171	31,359,471	18,825,552	18,919,626	18,593,835	8,326,003	8,011,660	29,117,078	26,713,892
Total Business-type Activities Net Position	$ 121,228,397	$ 106,064,881	$ 89,909,451	$ 73,509,801	$ 69,556,262	$ 78,629,936	$ 42,836,576	$ 62,817,914	$ 82,726,547	$ 84,911,497
Primary Government										
Net investment in capital assets	$ 158,619,808	$ 147,175,268	$ 141,006,739	$ 122,259,513	$ 114,481,927	$ 122,133,692	$ 42,931,897	$ 119,845,847	$ 119,873,637	$ 120,578,512
Restricted	46,169,843	43,879,604	42,074,934	54,294,710	19,368,448	22,944,235	173,140	82,341,441	12,546,849	11,449,508
Unrestricted	64,998,452	27,454,851	(1,891,603)	(23,379,571)	(26,356,026)	(38,106,048)	14,026,546	(135,569,437)	(4,601,854)	(2,253,815)
Total Primary Government Net Position	$ 269,788,103	$ 218,509,723	$ 181,190,070	$ 153,174,652	$ 107,494,349	$ 106,971,879	$ 57,131,583	$ 66,617,851	$ 127,818,632	$ 129,774,205

CITY OF DEERFIELD BEACH, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
General government	$ 17,382,333	$ 14,279,905	$ 14,581,001	$ 10,834,495	$ 14,174,978	$ 13,200,897	$ 10,139,309	$ 13,858,877	$ 18,833,091	$ 15,971,447
Economic environment	3,724,707	3,499,853	2,332,248	1,936,041	4,293,606	3,006,189	1,831,573	3,255,195	2,421,264	2,770,154
Public safety	71,479,599	82,235,652	86,478,909	60,843,134	73,254,510	75,166,877	67,759,892	72,209,952	65,353,492	59,621,417
Human services	3,826,683	3,645,343	2,468,427	2,002,868	2,026,671	2,258,427	352,258	3,415,404	2,847,032	2,836,456
Physical environment	13,341,730	12,104,286	10,411,636	9,250,580	6,700,678	6,966,270	3,903,291	7,561,665	5,780,265	4,952,451
Transportation	4,176,332	5,868,777	4,877,296	4,589,488	4,464,749	5,683,850	5,293,134	4,863,339	4,527,599	4,047,654
Culture and recreation	9,897,418	10,398,437	8,856,305	7,338,876	5,740,552	5,717,348	4,525,216	7,398,066	5,992,978	5,846,869
Interest on long-term debt	4,951,337	3,266,545	3,626,064	3,453,832	3,683,713	3,369,738	3,614,126	2,317,478	1,884,325	1,895,608
Total Governmental Activities Expenses	128,780,139	135,298,798	133,631,886	100,249,314	114,339,457	115,369,596	97,418,799	114,879,976	107,640,046	97,942,056
Business-type activities:										
Water and sewer utility	28,731,147	28,335,929	27,810,182	25,448,186	24,516,242	24,985,197	24,088,048	26,719,702	26,341,135	25,282,502
Solid waste	21,069,097	21,149,674	17,179,486	15,982,567	14,883,574	21,697,597	15,522,046	17,109,044	17,163,860	15,712,131
Stormwater utility	1,191,939	1,398,267	1,134,988	1,246,404	1,100,143	926,581	1,222,265	--	--	--
Total Business-type Activities Expenses	50,992,183	50,883,870	46,124,656	42,677,157	40,499,959	47,609,375	40,832,359	43,828,746	43,504,995	40,994,633
Total Primary Government Expenses	179,772,322	186,182,668	179,756,542	142,926,471	154,839,416	162,978,971	138,251,158	158,708,722	151,145,041	138,936,689
Program Revenues										
Governmental activities:										
Charges for services:										
General government	14,442,261	15,194,352	14,979,619	14,278,779	9,476,546	10,448,831	10,484,542	4,289,131	4,439,989	4,757,881
Economic environment	1,500,061	1,405,650	1,183,717	1,102,257	--	--	--	--	--	--
Public safety	25,670,817	24,162,800	22,382,850	19,003,706	25,092,920	22,395,951	23,921,809	26,114,265	25,350,237	21,932,165
Human services	--	--	--	182	77	196,219	84,130	100,229	56,573	50,140
Physical environment	143,580	492,837	103,691	203,784	172,293	350,471	634,542	343,511	183,105	189,872
Transportation	3,002,013	2,515,159	3,159,373	3,779,540	2,691,836	1,978,435	2,441,655	2,572,664	2,689,914	2,566,791
Culture and recreation	1,132,853	2,071,493	2,050,705	1,680,129	1,323,813	1,045,270	1,643,719	1,707,368	2,161,352	3,078,829
Operating grants and contributions:	4,137,465	2,806,663	3,588,365	13,209,259	6,359,000	5,879,144	5,551,403	5,521,769	4,803,382	6,690,084
Capital grants and contributions:	1,724,118	3,534,936	3,283,371	742,236	--	--	50,000	689,982	2,616,764	2,374,178
Total Governmental Activities	51,753,168	52,183,890	50,731,691	53,999,872	45,116,485	42,294,321	44,811,800	41,338,919	42,301,316	41,639,940
Business-type activities:										
Charges for services:										
Water and sewer	33,511,463	30,275,357	27,764,740	25,931,208	23,889,173	23,932,893	27,394,983	25,729,905	25,556,346	24,908,850
Solid waste	25,148,926	25,917,861	21,772,780	18,099,403	17,392,321	17,456,238	17,770,995	16,754,407	15,832,628	15,327,755
Stormwater utility	3,006,660	2,860,324	2,263,782	2,330,888	2,183,627	2,233,083	2,117,203	--	--	--
BUS-operating grants and contributions	--	--	--	244,265	71,705	126,990	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--	--	398,300	--
Total Business-type Activities	61,667,049	59,053,542	51,801,302	46,605,764	43,536,826	43,749,204	47,283,181	42,484,312	41,787,274	40,236,605
Total Primary Government Program Revenues	113,420,217	111,237,432	102,532,993	100,605,636	88,653,311	86,043,525	92,094,981	83,823,231	84,088,590	81,876,545
Net (Expense) Revenue										
Governmental activities	(77,026,971)	(84,114,908)	(82,900,195)	(46,249,442)	(69,222,972)	(73,075,275)	(52,606,999)	(73,541,057)	(65,338,730)	(56,302,116)
Business-type activities	10,674,866	8,169,672	5,676,646	3,928,607	3,036,867	(3,860,171)	6,450,822	(1,344,434)	(1,717,721)	(758,028)
Total Primary Government Net Expense	$ (66,352,105)	$ (75,945,236)	$ (77,223,549)	$ (42,320,835)	$ (66,186,105)	$ (76,935,446)	$ (46,156,177)	$ (74,885,491)	$ (67,056,451)	$ (57,060,144)

CITY OF DEERFIELD BEACH, FLORIDA

CHANGES IN NET POSITION (CONTINUED)

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 70,754,966	$ 66,027,239	$ 59,306,650	$ 53,545,828	$ 51,262,337	$ 48,309,392	$ 45,215,722	$ 42,852,391	$ 39,732,879	$ 37,603,317
Utility taxes	11,745,148	11,241,085	10,855,884	9,690,469	8,694,445	8,421,784	8,709,365	8,429,194	8,307,025	8,074,781
Sales taxes	11,111,333	11,169,165	11,466,098	9,205,683	5,670,300	4,803,143	5,321,474	5,384,431	5,062,149	5,413,109
Franchise taxes	10,494,795	10,445,207	10,408,321	9,675,197	8,267,024	7,365,570	7,840,494	7,622,049	7,648,226	7,795,465
Motor fuel taxes	--	--	--	--	1,282,239	1,203,827	1,427,609	1,418,558	1,416,578	1,491,230
Alcoholic beverage/mobile home license taxes	94,879	96,287	88,495	88,183	87,244	86,107	85,214	86,067	96,204	85,980
Impact fees	20,988	33,305	106,962	171,851	--	--	--	--	--	--
Grants and contributions not restricted to specific programs	4,349,590	4,421,596	5,218,707	4,123,235	2,483,335	1,715,329	1,983,976	2,065,013	1,987,520	1,868,658
Unrestricted investment earnings	5,280,681	6,919,580	5,195,012	502,924	165,996	1,325,584	2,403,213	894,912	279,975	207,623
Miscellaneous revenues	1,867,287	1,050,835	1,053,603	884,584	492,195	2,128,836	1,454,295	2,187,154	730,852	380,032
Transfers	(2,577,832)	(6,125,168)	(9,183,769)	88,252	411,171	155,211	270,961	306,699	--	321,113
Total Governmental Activities	113,141,835	105,279,131	94,515,963	87,976,206	78,816,286	75,514,783	74,712,323	71,246,468	65,261,408	63,241,308
Business-type activities:										
Unrestricted investment earnings	1,910,818	1,860,590	1,536,835	784	47,444	708,666	1,112,080	493,611	237,770	168,703
Miscellaneous revenues	--	--	2,400	112,400	2,325	77,650	--	--	--	--
Transfers	2,577,832	6,125,168	9,183,769	(88,252)	(411,171)	(155,211)	(270,961)	(306,699)	(306,699)	(321,113)
Total Business-type Activities	4,488,650	7,985,758	10,723,004	24,932	(361,402)	631,105	841,119	186,912	(68,929)	(152,410)
Total Primary Government	117,630,485	113,264,889	105,238,967	88,001,138	78,454,884	76,145,888	75,553,442	71,433,380	65,192,479	63,088,898
Changes in Net Position										
Governmental activities	36,114,864	21,164,223	11,615,768	5,076,011	32,566,844	6,291,811	1,637,048	18,639,469	(8,279,649)	(2,097,422)
Business-type activities	15,163,516	16,155,430	16,399,650	5,701,578	3,567,205	3,667,972	(3,019,052)	6,637,734	(1,413,363)	(1,870,131)
Total Primary Government	$ 51,278,380	$ 37,319,653	$ 28,015,418	$ 10,777,589	$ 36,134,049	$ 9,959,783	$ (1,382,004)	$ 25,277,203	$ (9,693,012)	$ (3,967,553)

CITY OF DEERFIELD BEACH, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property Tax	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2016	$ 37,603,317	$ 8,074,781	$ 6,393,307	$ 7,639,677	$ 1,491,230	$ 85,980	$ 61,288,292
2017	39,732,879	8,307,025	5,062,149	7,648,226	1,416,578	96,204	62,263,061
2018	42,852,391	8,429,194	6,677,330	7,622,049	1,418,558	86,067	67,085,589
2019	45,215,722	8,709,365	5,321,474	7,840,494	1,427,609	85,214	68,599,878
2020	48,309,392	8,421,784	4,803,143	7,365,570	1,203,827	86,107	70,189,823
2021	51,262,337	8,694,445	5,670,300	8,267,024	1,282,239	87,244	75,263,589
2022	54,294,165	9,690,469	7,226,763	9,675,197	1,978,920	88,183	82,953,697
2023	59,306,650	10,855,884	11,466,098	10,408,321	2,455,997	88,495	94,581,445
2024	66,027,238	11,241,085	6,464,468	9,968,314	1,328,893	96,288	95,126,287
2025	70,754,966	11,745,148	11,111,333	10,494,795	1,441,688	94,879	105,642,809

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

CITY OF DEERFIELD BEACH, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	$ 1,309,490	$ 563,638	$ 664,652	$ 471,291	$ 355,872	$ 402,789	$ 231,158	$ 700,972	$ 441,359	$ 245,932
Assigned	38,459,059	30,509,865	27,471,443	15,217,017	4,704,811	9,543,562	8,848,378	8,291,753	8,057,917	7,855,937
Unassigned	32,646,668	30,692,261	28,048,128	39,214,310	35,043,050	21,664,616	17,617,916	17,968,892	16,400,894	16,512,401
Total General Fund	$72,415,217	$61,765,764	$56,184,223	$54,902,618	$40,103,733	$31,610,967	$26,697,452	$26,961,617	$24,900,170	$24,614,270
All Other Governmental Funds										
Nonspendable	$ 2,502,946	$ 2,227,946	$ 1,993,452	$ 1,830,324	$ 1,684,603	$ 1,492,547	$ 1,408,008	$ 1,408,008	$ 1,657,455	$ 1,066,318
Restricted	36,721,783	40,512,658	38,133,737	47,905,956	43,269,575	46,701,455	49,356,084	49,356,084	12,317,388	12,263,149
Assigned	--	--	--	--	5,258,898	2,341,276	--	--	--	--
Unassigned	(4,036,725)	(2,154,046)	--	(95,561)	(39,209)	(208,849)	(164,575)	(164,575)	(294,146)	(284,862)
Total All Other Governmental Funds	$35,188,004	$40,586,558	$40,127,189	$49,640,719	$50,173,867	$50,326,429	$50,599,517	$50,599,517	$13,680,697	$13,044,605

CITY OF DEERFIELD BEACH, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Property taxes	$ 70,754,966	$ 66,027,239	$ 59,459,903	$ 54,294,165	$ 51,262,337	$ 48,309,392	$ 45,215,722	$ 42,852,391	$ 39,732,879	$ 37,603,317
Sales and use taxes	9,554,074	9,718,290	9,010,101	7,226,763	6,965,726	6,179,244	6,725,332	6,677,330	6,374,461	6,790,747
Fire assessment fees	18,031,970	17,822,138	16,555,348	13,652,540	13,534,043	13,687,279	11,288,253	11,026,863	11,041,726	11,068,185
Franchise fees	10,494,795	10,445,207	10,408,321	9,675,197	8,267,025	7,365,570	7,840,494	7,622,049	7,648,226	7,795,465
Utility taxes	11,745,148	11,241,085	10,855,884	9,690,469	8,694,445	8,421,784	8,709,365	8,429,194	8,307,025	8,074,781
Local option gas tax	1,557,259	1,450,875	2,455,997	1,978,920	1,282,238	1,203,827	1,427,609	1,418,558	1,416,578	1,491,230
Alcoholic beverage/mobile home license taxes	94,879	96,287	88,495	88,183	87,244	86,107	85,214	--	--	--
Local business taxes/permits	5,732,898	6,531,431	6,326,958	5,318,527	5,004,356	7,344,457	7,535,466	4,951,256	5,432,035	4,202,781
Intergovernmental	9,349,185	8,855,037	9,355,525	17,271,311	5,771,003	6,632,289	3,494,173	5,838,827	7,000,870	5,058,080
Charges for services	11,760,984	11,399,993	11,090,427	11,229,111	10,227,471	9,005,717	10,050,895	9,998,883	10,275,886	9,674,471
Fines and forfeitures	2,286,071	2,009,067	1,807,560	1,768,536	1,491,805	1,770,589	1,325,231	1,529,006	1,484,146	1,830,841
Impact fees	20,988	33,305	106,962	171,851	244,801	664,558	457,807	138,626	244,612	176,954
Investment earnings	5,280,681	6,919,580	5,164,012	491,554	165,996	1,325,584	2,403,213	894,911	279,974	207,695
Miscellaneous	11,032,976	9,763,284	11,899,183	9,779,036	12,032,341	9,497,112	10,600,470	9,244,581	9,424,423	9,085,943
Total Revenues	167,696,874	162,312,818	154,584,676	142,636,163	125,030,831	121,493,509	117,159,244	110,622,475	108,662,841	103,060,490
Expenditures										
General government	17,918,518	19,149,309	18,480,496	14,995,878	14,173,917	14,636,010	16,796,303	16,637,413	20,379,141	18,083,088
Economic environment	3,256,646	3,266,264	2,317,170	1,920,764	4,278,742	3,457,681	2,832,044	2,782,544	2,121,390	2,770,158
Public safety	87,438,039	84,103,857	79,445,525	73,855,804	71,241,015	71,277,001	68,763,739	65,048,696	61,789,116	60,100,777
Human services	3,826,683	2,975,262	2,388,805	1,922,192	1,948,179	2,520,942	2,832,728	2,915,117	2,436,525	2,197,031
Physical environment	12,221,019	11,050,969	9,684,648	8,513,969	5,984,005	6,138,135	7,361,321	7,265,038	6,160,397	4,843,967
Transportation	4,092,676	3,677,310	2,927,397	2,613,778	2,542,517	2,497,918	2,398,753	2,902,618	2,795,435	2,812,545
Culture and recreation	8,735,062	8,067,459	7,203,084	5,663,772	4,110,789	4,624,314	5,725,177	5,507,911	4,603,199	3,975,250
Capital outlay	20,427,132	25,963,307	28,954,305	11,778,675	5,418,970	7,700,899	5,434,535	2,885,587	2,885,587	4,717,906
Debt service:										
Principal retirement	3,448,248	2,946,881	3,859,450	3,587,194	3,723,045	2,653,195	2,564,594	2,745,479	2,725,773	2,520,002
Interest and fiscal charges	4,307,239	3,900,622	3,854,940	3,606,652	3,680,619	3,673,954	4,026,808	2,101,051	2,150,785	2,048,017
Total Expenditures	165,671,262	165,101,240	159,115,820	128,458,678	117,101,798	119,180,049	118,736,002	110,791,454	108,047,348	104,068,741
Excess of Revenues Over (Under) Expenditures	2,025,612	(2,788,422)	(4,531,144)	14,177,485	7,929,033	2,313,460	(1,576,758)	(168,979)	615,493	(1,008,251)
Other Financing Sources (Uses)										
Transfers in	12,136,842	10,657,861	14,767,994	20,250,245	7,726,482	8,686,107	6,425,237	6,896,744	7,316,052	6,843,592
Transfers out	(14,714,674)	(16,783,029)	(19,072,040)	(20,161,993)	(7,315,311)	(8,530,897)	6,154,275	6,590,045	7,009,353	6,552,479
Premiums on bonds issued	--	--	--	--	--	--	--	5,826,066	--	--
Proceeds from bonds issuance	3,912,268	14,500,000	--	--	--	--	--	--	--	--
Bonds and notes issued	--	--	--	--	--	--	--	36,155,000	--	--
Bonds and notes issued	--	--	--	--	--	--	--	36,155,000	--	--
CARES act funds	--	--	--	--	--	1,374,764	--	--	--	--
Initiation of SBITA's	1,890,851	454,500	603,265	--	--	--	--	--	--	--
Capital lease proceeds	--	--	--	--	--	1,838,622	--	--	--	--
Total Other Financing Sources (Uses)	3,225,287	8,829,332	(3,700,781)	88,252	411,171	3,368,596	12,579,512	91,622,855	14,325,405	13,396,071
Net Change in Fund Balances	$ 5,250,899	$ 6,040,910	$ (8,231,925)	$ 14,265,737	$ 8,340,204	$ 5,682,056	$ 11,002,754	$ 91,453,876	$ 14,940,898	$ 12,387,820
Debt Service as a Percentage of Non-Capital Expenditures	2.67%	2.42%	2.47%	2.87%	3.21%	3.15%	3.46%	1.95%	2.04%	2.02%

CITY OF DEERFIELD BEACH, FLORIDA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Real Property [1]	Personal Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value [1]	Taxable Assessed Value as a Percentage of Actual Taxable Value
2016	$ 7,575,534,000	$ 428,708,115	$ 2,347,582,606	$ 5,656,659,509	6.6688	$ 9,388,030,664	60.254%
2017	8,926,809,490	449,468,620	1,425,792,130	7,950,485,980	6.5007	10,961,317,366	72.532%
2018	9,581,418,870	452,285,512	1,952,768,762	8,080,935,620	6.5007	11,710,313,829	69.007%
2019	10,200,369,940	469,978,207	1,500,155,639	7,487,621,621	6.3560	10,679,537,191	70.112%
2020	10,703,956,100	456,247,845	1,536,987,456	7,966,496,120	6.3560	11,169,132,355	71.326%
2021	11,310,071,470	496,696,461	1,572,158,502	8,516,958,964	6.3125	11,815,748,679	72.081%
2022	13,136,659,780	497,122,417	1,605,603,376	9,338,731,216	6.2825	13,643,337,750	68.449%
2023	15,254,366,170	534,482,648	1,666,944,915	10,416,944,530	6.2538	15,799,486,774	65.932%
2024	16,747,722,910	546,758,359	1,760,571,915	11,329,786,079	6.1851	17,305,864,357	65.468%
2025	17,509,108,310	593,027,963	1,836,060,687	12,152,717,246	6.1729	18,113,662,464	67.091%

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

[1] Real Property is assessed at 88% and Personal Property is assessed at 55%

Source: Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

				Overlapping Rates										
	City of Deerfield Beach			County			School District							
Fiscal Year Ending September 30,	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	Total Direct and Overlapping Rates
2016	6.1949	0.4739	6.6688	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.4882	1.4425	0.3551	0.0320	21.9836
2017	6.0493	0.4514	6.5007	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.4882	1.3462	0.3307	0.0320	21.2731
2018	6.0981	0.4026	6.5007	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.4882	1.2483	0.3100	0.0320	20.7876
2019	6.1267	0.3740	6.5007	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029	0.4882	1.0855	0.2936	0.0320	20.4719
2020	6.0018	0.3542	6.3560	5.4878	0.1812	5.6690	6.6350	0.1043	6.7393	0.4882	1.0324	0.2795	0.0320	20.5964
2021	6.0018	0.3542	6.3560	5.4999	0.1691	5.6690	6.4140	0.0912	6.5052	0.4882	1.1469	0.2675	0.0320	20.4648
2022	6.0018	0.3107	6.3125	5.5134	0.1556	5.6690	6.3180	0.1441	6.4621	0.4699	1.2770	0.2572	0.0320	20.4797
2023	6.0018	0.2807	6.2825	5.5306	0.1384	5.6690	5.9510	0.1873	6.1383	0.4500	1.6029	0.2301	0.0320	20.4048
2024	6.0018	0.2520	6.2538	5.5492	0.1198	5.6690	6.4260	0.1896	6.6156	0.4500	1.4307	0.2301	0.0288	20.6780
2025	6.0018	0.1711	6.1729	5.6658	0.0000	5.6658	6.3200	0.1645	6.4845	0.4500	1.2391	0.2301	0.0270	20.2694

Source: Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

	2025				2016			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
FLORIDA POWER & LIGHT CO	$ 177,166,338	$ 1,063,317	1	1.56%	65,367,098	--	3	1.16%
JM FAMILY ENTERPRISES INC	128,615,493	771,924	2	1.14%	--	--	--	--
HILLSBORO TECHNOLOGY CENTER LLC	119,806,540	719,055	3	1.06%	--	--	--	--
DD DEERCREEK LLC	117,646,651	706,092	4	1.04%	--	--	--	--
B10 QUIET WATERS OWNER A LLC	112,756,600	676,743	5	1.00%	--	--	--	--
PUBLIX SUPER MARKETS INC	98,618,390	591,888	6	0.87%	70,239,910	--	2	1.24%
KIMCO REALTY OP LLC	76,024,150	456,282	7	0.67%	--	--	--	--
SK VENTURE HOLDINGS LLC	66,551,085	399,426	8	0.59%	--	--	--	--
REDHAWK FL LL LLC	66,559,520	399,477	9	0.59%	--	--	--	--
DEERFIELD BEACHES HOTEL LLC	61,385,253	368,422	10	0.54%	52,354,340	--	4	0.93%
CROWN DIVERSIFIED IND CORP	--	--	--	--	32,511,866	--	10	0.57%
CITY NATIONAL BANK OF FL, TRUSTEE	--	--	--	--	71,070,072	--	1	1.26%
CP DEERFIELD LLC	--	--	--	--	42,601,810	--	5	0.75%
QUIET WATERS BUSINESS PARK LLC	--	--	--	--	38,628,550	--	6	0.68%
LAND TR CITY NATIONAL BANK OF FL, TRUSTEE	--	--	--	--	37,405,254	--	7	0.66%
FLORIDA LAND HOLDINGS LLC TR	--	--	--	--	34,003,240	--	8	0.60%
CITY NATIONAL BANK OF FL	--	--	--	--	33,971,626	--	9	0.60%
Totals	**$ 1,025,130,020**	**$ 6,152,625**		**9.05%**	**$ 478,153,766**	**$ --**		**8.45%**

Source: Broward County Records, Taxes and Treasury Division
Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Tax Roll Year	Tax Levies	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections*	Total Collections to Date	
			Amount	Percentage of Levies		Amount	Percentage of Levy
2016	2015	$ 35,102,340	$ 34,887,089	99.39%	$ 47,214	$ 34,934,303	99.52%
2017	2016	39,631,940	37,991,955	95.86%	62,509	38,054,464	96.02%
2018	2017	42,810,803	40,940,537	95.63%	860,484	41,801,021	97.64%
2019	2018	46,146,136	44,107,935	95.58%	912,471	45,020,406	97.56%
2020	2019	45,040,154	44,481,393	98.76%	1,324,546	45,805,939	101.70%
2021	2020	46,740,320	46,096,554	98.62%	1,239,938	47,336,492	101.28%
2022	2021	48,666,619	48,556,865	99.77%	1,177,917	49,734,782	102.19%
2023	2022	56,085,976	53,095,840	94.67%	1,219,889	54,315,729	96.84%
2024	2023	62,619,137	58,685,295	93.72%	1,630,305	60,315,600	96.32%
2025	2024	68,113,615	62,883,491	92.32%	1,714,511	64,598,002	94.84%

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

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

Source: Broward County, Florida Revenue Collector

CITY OF DEERFIELD BEACH, FLORIDA

WATER SOLD BY TYPE OF CUSTOMER

LAST TEN FISCAL YEARS
(IN THOUSANDS OF GALLONS)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Residential - Single Family	$ 920,742	$ 845,478	$ 845,346	$ 866,425	$ 838,760	$ 827,172	$ 794,050	$ 796,740	$ 853,859	$ 790,967
Residential - Multi-Family	993,103	899,202	906,796	914,436	894,770	710,714	663,433	753,441	763,095	1,006,073
Commercial	585,748	547,449	561,251	575,807	539,279	518,004	540,127	596,111	546,010	592,708
Irrigation	746,735	626,755	690,911	607,838	517,839	538,558	596,566	578,262	579,577	520,962
Hydrants	373	342	224	1,932	10,264	1,113	8,862	5,102	7,988	793
Total	3,246,701	2,919,226	3,004,528	2,966,438	2,800,912	2,595,561	2,603,038	2,729,656	2,750,529	2,911,503
Total Direct Rate Per 1,000 Gallons	$ 6.27	$ 6.07	$ 5.67	$ 5.64	$ 5.35	$ 5.84	$ 6.41	$ 5.47	$ 2.65	$ 2.65

Source: City of Deerfield Beach, Department of Financial Services

CITY OF DEERFIELD BEACH, FLORIDA

WATER AND SEWER RATES

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Water		Sewer	
	Monthly Base Rate		Monthly Base Rate	
2016	$ 15.00	$ 2.65	$ 10.98	$ 2.71
2017	15.00	2.65	10.98	2.71
2018	15.00	2.65	10.98	2.71
2019	15.00	2.65	10.98	2.71
2020	15.00	2.65	10.98	2.71
2021	15.00	2.65	10.98	2.71
2022	15.79	2.79	12.00	2.96
2023	16.62	2.94	13.11	3.23
2024	17.49	3.09	14.32	3.53
2025	18.41	3.25	15.64	3.86

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

Source: City of Deerfield Beach, Customer Service

CITY OF DEERFIELD BEACH, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities						Business-type Activities								
Fiscal Year	General Obligation Bonds	Special Obligation Bonds	Notes Payable	Covenant Bonds	Bond Premiums	Leases	Water and Sewer Bonds	Financing Leases	Loans and Notes	Total Primary Government	Percentage of Personal Income	Per Capita	Population	Personal Income
2016	$ 17,295,290	$ -	$ -	$ 21,785,000	$ 1,315,047	$ 1,665,572	$ 12,839,802	$ 3,042,143	$ 12,498,150	$ 70,441,004	3.77%	890	77,659	$ 1,834,539,000
2017	16,977,148	--	--	20,921,705	1,175,732	1,296,968	12,112,720	831,697	10,884,734	64,200,704	3.34%	793	78,042	1,852,951,000
2018	15,073,185	--	--	51,265,000	6,411,084	951,425	11,397,243	610,114	9,246,973	94,955,024	3.78%	1127	78,573	2,343,754,000
2019	14,262,255	--	--	56,186,812	6,325,119	601,070	10,595,004	9,696,445	7,579,659	105,246,364	4.79%	1244	79,497	2,066,445,000
2020	12,877,338	--	--	48,925,000	6,228,304	3,458,318	9,678,126	10,309,198	5,882,575	97,358,859	4.18%	1124	81,066	2,179,216,212
2021	11,785,277	--	--	47,530,000	6,132,414	2,250,967	8,733,448	9,880,254	4,165,505	90,477,865	3.87%	977	86,339	2,335,728,967
2022	10,699,375	--	--	46,090,000	6,037,768	1,161,042	7,757,479	9,309,445	2,398,223	83,453,332	3.01%	878	88,146	2,571,042,528
2023	9,623,145	--	--	44,590,000	5,942,293	4,757,546	6,750,503	3,978,546	1,920,506	77,562,539	2.57%	818	87,578	2,791,811,484
2024	8,555,182	14,500,000	--	43,030,000	5,845,769	4,438,626	20,701,518	3,742,374	1,432,114	87,745,583	3.31%	1103	87,402	2,909,437,776
2025	7,466,897	14,035,000	3,912,268	41,415,000	5,822,475	4,158,669	19,007,275	3,506,338	2,770,547	84,147,201	2.69%	959	87,712	3,129,827,296

Source: City of Deerfield Beach, Financial Services Department

Personal Income:
https://www.census.gov/quickfacts/deerfieldbeachcityflorida

CITY OF DEERFIELD BEACH, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	General Obligations Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value	Per Capita
2016	$ 17,295,290	$ 2,400,835	$ 15,999,117	0.18%	223.00
2017	16,977,148	2,440,501	14,894,455	0.17%	207.00
2018	15,073,185	6,507,301	14,536,647	0.10%	140.00
2019	14,262,255	4,537,565	8,565,884	0.08%	122.00
2020	12,877,338	4,252,912	9,724,690	0.07%	108.00
2021	11,785,277	4,117,908	8,624,426	0.07%	89.00
2022	10,669,375	4,139,018	7,667,369	0.07%	89.00
2023	9,623,145	4,264,726	5,358,419	0.06%	92.00
2024	23,055,182	19,197,486	3,857,696	0.02%	30.00
2024	21,501,897	19,918,582	1,583,315	0.02%	20.00

Source: City of Deerfield Beach, Financial Services Department

CITY OF DEERFIELD BEACH, FLORIDA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2025

	Debt Outstanding [1]	Estimated Percentage Applicable	Estimated Share of Overlapping Debt [2]
General obligation bonds	$ 21,501,897	100.00%	$ 21,501,897
Covenant bonds [3]	41,415,000	100.00%	41,415,000
Bond premium	5,822,475	100.00%	5,822,475
Total Direct Debt	68,739,372		68,739,372
Overlapping Debt			
School Board of Broward County, Florida:			
Certificates of participation	1,122,177	5.0%	55,805
Financing Leases	93,483	5.0%	4,649
Subtotal, Overlapping Debt	1,215,660		60,454
Total Direct Debt and Overlapping Debt	$ 69,955,032		$ 68,799,826

(1) Debt outstanding data provided by each government unit.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2025.

(3) $4,350,000 of covenant bonds are secured by and payable from the Florida Power and Light Company electric franchise fees. The remaining balance of covenant bonds are payable from all governmental activities revenue sources of the City, except for ad valorem taxes.

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

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

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

CITY OF DEERFIELD BEACH, FLORIDA

WATER AND SEWER PLEDGED REVENUE COVERAGE

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Gross Revenues [A]	Expenses [B]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage [D]
				Escrow or Principal	Interest	Total [C]	
2016	$ 25,077,553	$ 15,838,252	$ 9,239,301	$ 2,238,878	$ 877,272	$ 3,116,150	2.97
2017	25,395,815	17,079,275	8,316,540	2,340,498	829,997	3,170,495	2.62
2018	25,434,035	16,904,326	8,529,709	2,402,352	875,366	3,277,718	2.60
2019	28,213,257	14,086,816	14,126,441	2,584,194	650,132	3,234,326	2.78
2020	24,529,012	15,471,131	9,057,881	865,000	447,769	1,312,769	2.91
2021	23,596,878	15,312,199	8,284,679	2,823,409	324,925	3,148,334	2.63
2022	25,907,576	16,357,875	9,549,701	2,743,251	305,943	3,049,194	3.13
2023	27,764,740	18,771,377	8,993,363	1,527,374	231,208	1,758,582	5.11
2024	32,059,035	21,014,045	11,044,990	1,038,985	248,179	1,287,164	8.58
2025	35,264,974	20,857,032	14,407,942	1,694,243	766,590	2,460,833	5.85

[A] Gross revenue for the purpose of determining debt service coverage, is equal to the sum of the operating revenues of the Water and Sewer Fund and total interest earnings.

[B] Expenses, for the purpose of determining debt service coverage, are equal to the total operating expenses of the Water and Sewer Fund less depreciation and less the general administrative charge.

[C] The debt service requirement for the Florida Municipal Loan Council Revenue bonds, Series 2008A is set forth in the tri-partite loan agreement between the City ("the Borrower"); Banc of America Public Capital Corporation ("the Purchaser"); and the Florida Municipal Loan Council ("the Issuer").

[D] The debt service requirements for the State of Florida Drinking Water Revolving Loan, as well as the State's Water Pollution Control Financing Corporation revolving loans are set forth in the 'Clean Water State Revolving Fund Agreement' between the City and the State of Florida, Department of Environment Protection.

CITY OF DEERFIELD BEACH, FLORIDA

NON AD-VALOREM REVENUE
ANTI-DILUTION TEST

AS OF SEPTEMBER 30, 2024

	FY 2025	FY 2024	Prior Two-Year Average
Revenues			
Total governmental funds	$ 167,696,874	$ 162,312,818	$ 165,004,846
Less: Ad valorem tax revenues	(70,754,966)	(60,315,600)	(65,535,283)
Incremental tax revenues	(9,554,074)	(5,711,639)	(7,632,857)
Total Governmental Non-Ad Valorem Revenues	87,387,834	96,285,579	91,836,707
Less: restricted funds:			
Community Redevelopment Agency	(452,699)	(159,294)	(305,997)
General Construction Fund	(830,254)	(937,165)	(883,710)
Non-major governmental funds	(12,063,974)	(11,561,726)	(11,812,850)
Adjusted Non-Ad Valorem Revenues	74,040,907	83,627,394	78,834,151
Expenditures			
Essential expenditures			
Public Safety	87,438,039	84,103,857	85,770,948
General government	17,918,518	19,149,309	18,533,914
Total Essential Expenditures	105,356,557	103,253,166	104,304,862
Less: Ad valorem revenues available to pay essential expenditures	(70,754,966)	(60,315,600)	(65,535,283)
Adjusted Essential Expenditures	34,601,591	42,937,566	38,769,579
Net Non Ad-Valorem Revenues Available for Debt Service	$ 39,439,316	$ 40,689,828	$ 40,064,572
Adjustments			
Ad valorem revenue restricted for debt service	$ 19,918,582	$ 19,197,486	$ 19,558,034

Test 1 - Prior Two Year Average of Non-Ad Valorem Revenues Covers Projected MADS by 150%	
Net non-ad valorem revenues available for debt service	$ 40,064,572
Maximum annual non-ad valorem debt service	$ 2,000,000
Coverage	2003.23%

Test 2 - Projected MADS does not exceed 20% of Governmental Fund, Less Ad Valorem Revenues Restricted for Debt Service and Debt Proceeds	
Two-year average net total governmental funds	$ 165,004,846
Maximum annual non-ad valorem debt service	$ 2,000,000
Coverage	1.21%

CITY OF DEERFIELD BEACH, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Population[1]	Personal Income**	Per Capita Personal Income[2]	Median Age[1]	School Enrollment[3]	Unemployment Rate[2]
2016	77,659	1,834,539	23,623	429	7,397	4.9%
2017	78,042	1,852,951	23,743	43.5	7,285	4.4%
2018	78,573	2,343,754	29,829	41.6	7,522	3.0%
2019	79,497	2,066,445	25,994	42.5	6,861	2.9%
2020	80,188	2,220,049	27,689	41.6	6,455	7.0%
2021	86,339	2,356,479	27,053	41.5	7,100	3.5%
2022	88,146	2,569,874	29,168	43.8	7,946	2.5%
2023	87,578	2,568,127	29,381	43.5	7,831	3.1%
2024	87,402	2,909,438	33,288	43.9	7,420	3.0%
2025	87,412	3,129,827	35,683	43.7	7,439	4.0%

Sources:

[1] Bureau of Economic and Business Research (BEBR)

[2] American Factfinder and QuickFacts Census.gov

[3] School Board of Broward County, Florida

** Personal income data expressed in thousands

CITY OF DEERFIELD BEACH, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Employer	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Publix Corporation	4,839	1	13.20%	1,518	1	3.41%
JM Family Enterprises	1,575	2	4.30%	1,086	3	2.54%
Broward Health North	1,478	3	4.03%	1,305	2	3.06%
City of Deerfield Beach	434	4	1.18%	467	6	1.09%
UPS	534	5	1.46%	515	5	1.30%
Target	612	6	1.67%	--		0.00%
Republic National Distribution	335	7	0.91%	325	7	0.00%
Peoples Trust	213	8	0.58%	--		0.00%
List Industries	247	9	0.67%	220	9	0.56%
Broward Sheriff Office	135	10	0.37%	310	8	0.79%
Sun-Sentinel	--			752	4	1.73%
MAPEI	--			--		0.00%
Medics Ambulance Services	--			114	10	0.35%
Totals	10,402			6,612		145.00%

Source: Employer's Human Resource Department
Florida Department of Economic Opportunity

CITY OF DEERFIELD BEACH, FLORIDA

FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	104	108	99	85	60	60	64	62	60	66
Public safety:										
Police:										
Uniformed	135	135	135	135	132	135	135	135	130	127
Civilians	17	17	17	16	17	17	17	17	42	42
Fire/Rescue:										
Firefighters and officers	144	144	143	143	146	146	146	145	141	139
Bldg. inspection services	--	--	--	--	--	--	--	--	--	--
Civilians	1	1	1	1	1	1	1	1	2	5
Economic environment	3	2	2	2	2	2	2	2	2	1
Culture and recreation	70	108	107	97	90	84	53	53	94	75
Human services	16	10	10	9	28	28	23	22	39	40
Public works administration	--	--	--	--	--	--	--	--	--	--
Grounds maintenance	50	2	2	2	4	4	4	4	42	39
Parks	1	5	5	12	11	11	7	5	7	7
Water and sewer	62	70	67	64	104	105	81	81	69	56
Solid waste	58	63	62	60	69	75	68	68	68	75
Transportation:										
Street maintenance	7	7	8	6	15	11	11	15	14	11
Total	668	672	658	632	679	679	612	610	710	683

Source: City of Deerfield Beach, Financial Services Department

CITY OF DEERFIELD BEACH, FLORIDA

OPERATING INDICATORS BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police										
Physical arrests	1,939	1,833	1,860	1,570	1,563	1,298	2,136	2,552	2,600	2,616
Parking violations	13,139	14,803	15,498	14,497	17,116	14,803	18,474	17,413	17,982	19,980
Traffic violations	12,851	16,922	18,259	20,388	16,007	11,354	17,361	14,031	15,402	17,220
Fire/Rescue										
Number of emergency responses	12,741	15,693	16,799	15,529	16,485	15,531	15,927	15,472	11,642	15,458
Inspections	5,646	4,303	4,384	4,473	3,702	2,879	2,651	3,193	2,420	3,916
Fire extinguished	2,230	164	178	166	127	118	130	145	185	162
Transportation										
Street maintenance:										
Streets resurfacing (miles)	--	--	1	11	6	20	11	--	--	--
Potholes repaired	135	111	86	70	117	427	403	577	436	200
Sidewalk repaired (feet)	2,956	3,015	1,907	951	3,430	4,383	4,781	3,911	2,894	3,920
Transit Services										
Total route miles	110,781	117,670	90,000	87,037	1,595	89,674	143,705	148,424	116,317	140,124
Number of trips	54,241	49,815	46,650	13,093	329	41,949	71,996	43,020	79,836	86,048
Physical Environment										
Number of burials	135	105	86	154	151	153	121	125	104	112
Culture and Recreation										
Athletic field permits issued	28	21	35	113	106	36	--	116	1,682	1,344
Number of participants in arts and education classes	155	6,349	923	1,147	4,600	1,500	6,217	2,560	2,015	6,144
Number of special event permits issued	61	65	91	184	156	57	70	115	81	76
Attendance at special evets	37,620	81,440	135,000	171,111	49,990	99,513	275,677	325,000	336,644	292,000
Human Services - HR										
Childcare:										
Average daily attendance	--	--	--	--	--	12	15	12	18	12
Number of meals served	--	--	--	--	--	9,235	6,302	18,505	15,098	18,467
Adult daycare:										
Average daily attendance	15	25	--	--	--	4	4	31	31	5
Alzheimer's daycare:										
Average daily attendance	15	25	24	--	--	34	34	151	139	28
Water										
New connections	1,275	1,185	124	20	20	30	287	34	32	5
Water main breaks	133	4	59	8	8	17	192	60	36	40
Average daily consumption (millions of gallons)	10	10	10	10	10	9	--	--	10	9
Permitted raw water withdrawal	14	14	14	14	14	14	--	9	17	12
Sewer										
Average daily sewage treatment (thousands of gallons)	4,664	5,040	5,388	5,664	5,664	5,900	5,324	5,796	7,000	7,000
Solid Waste										
Refuse collected (tons/day)	325	131	131	332	333	433	371	464	260	402
Recyclables collected (tons/day)	--	--	--	--	--	23	25	35	29	49

Sources: Various City departments

Note: Indicators are not available for the general government function

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

CITY OF DEERFIELD BEACH, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol units	66	66	172	130	130	130	130	130	130	130
Fire/Rescue										
Stations	6	6	6	6	6	6	6	6	6	6
Rescue ambulances	6	6	6	6	6	6	6	6	6	6
Fire engines	4	4	4	4	4	4	4	4	4	4
Ladder/heavy squad trucks	1	1	1	--	--	--	1	1	1	1
Transportation										
Streets (miles)	146	146	146	146	146	146	146	146	146	146
Sidewalks (miles)	136	136	136	136	136	136	136	136	136	136
Streetlights (poles)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Traffic signals	7	7	7	7	7	7	70	70	70	70
Culture and Recreation										
Parks acreage	398	398	398	398	398	398	398	298	398	398
Parks acreage	52	52	52	52	52	52	52	52	52	52
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	6	6	3	3	3	3	3	3	3	3
Water										
Water main (miles)	234	234	234	234	234	234	234	234	234	234
Maximum daily capacity (millions of gallons)	24	24	24	24	24	24	24	24	24	24
Sewer										
Sanitary sewers (miles)	188	188	188	188	136	136	136	136	136	136
Storm sewers (miles)	147	147	147	147	48	48	48	48	48	48
Average daily treatment capacity (thousands of gallons)	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Solid Waste										
Collection trucks	23	23	23	23	42	42	23	23	23	23

Sources: Various City departments

Note: No capital assets indicators are available for the general government

REPORTING SECTION

CBIZ CPAs P.C.

201 East Las Olas Boulevard
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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, the City Commission and City Manager
City of Deerfield Beach, Florida

We have audited, in accordance with the 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*"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 5, 2026. Our report includes a reference to other auditors who audited the financial statements of the City's Pension Trust Funds, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 City's internal control. 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 City'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements 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*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CBIZ CPAs P.C.

Fort Lauderdale, Florida
June 5, 2026

CBIZ CPAs P.C.

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Independent Auditors' Report on Compliance for the Major Federal Program and Each Major State Project; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

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

Report on Compliance for the Major Federal Program and Each Major State Project

Opinion on the Major Federal Program and Each Major State Project

We have audited the City of Deerfield 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 the City's major federal program and each state project for the fiscal year ended September 30, 2025. The City's major federal program and each major state project 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 the major federal program and each major state project for the fiscal year ended September 30, 2025.

Basis for Opinion on the Major Federal Program and Each Major 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"*); and 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.

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 the major federal program and each major 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 the major federal program and each major state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, 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 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 will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. Our report includes a reference to other auditors who audited the financial statements of the City's Pension Trust Funds, as described in our report on the City's financial statements. We issued our report thereon dated June 5, 2026, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, and is 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 GAAS. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Fort Lauderdale, Florida
June 5, 2026

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Federal, Pass-Through Entity, Clusters Federal Program	ALN	Contract/Grant Number	Total Expenditures
U.S. Department of Health and Human Services			
Indirect Programs:			
Pass-through the Broward County - Department of			
Elder Affairs:			
Special Programs for the Aging:			
Title III, Part B - Grants for Supportive Services and Seniors Centers	93.044	JA 124-06-2024	$ 34,830
Title III, Part B - Grants for Supportive Services and Seniors Centers - COVID-19	93.044	JA 124-06-2025	135,793
			170,623
Total Aging Cluster			170,623
Title III, Part E - National Family Caregiver Support	93.052	JA 124-06-2024	308
Title III, Part E - National Family Caregiver Support	93.052	JA 124-06-2025	1,535
			1,843
Low-Income Home Energy Assistance	93.568	JP024-06-2025	20,747
Low-Income Home Energy Assistance	93.568	JP025-06-2026	1,757
			22,504
Total U.S. Department of Health and Human Services			194,970
U.S. Department of Housing and Urban Development			
Direct Programs:			
Community Development Block Grant/Entitlement Grants	14.218	B20MW120046	426,382
Community Development Block Grant/Entitlement Grants	14.218	B21MC120046	11,556
Community Development Block Grant/Entitlement Grants	14.218	B22MC120046	205,831
Community Development Block Grant/Entitlement Grants	14.218	B23MC120046	14,479
Community Development Block Grant/Entitlement Grants	14.218	B24MC120046	285,208
			943,456
Total Community Development Block Grant Entitlement/Special Purpose Grants Cluster			943,456
Indirect Programs:			
Passed through Community Housing Development Organization			
Home Investment Partnerships Program	14.239	FY2024-2025	70,000
Total U.S. Department of Housing and Urban Development			1,013,456
U.S. Department of Agriculture			
Direct Program:			
Urban Agriculture and Innovatie Production	10.935	NRCS-ADS-093	91,945
Total U.S. Department of Agriculture			91,945
U.S. Department of Justice			
Direct Program:			
Congressionally Recommended Awards	16.753	15PBJA-22-GG-00038-BRND	218,093
Total U.S. Department of Justice			218,093
U.S. Department of Treasury			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027	N/A	1,305,615
Total U.S. Department of Treasury			1,305,615
U.S. Department of Homeland Security			
Indirect Program:			
Passed through Floirda Division of Emergency Management			
Hazard Mitigation Grant Program	97.039	H0929	913,159
Total U.S. Department of Treasury			913,159
Total Expenditures of Federal Awards			3,737,238

See notes to schedule of expenditures of federal awards and state financial assistance.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

State Agency, Pass-Through Entity, State Project	CSFA No.	Contract/Grant Number	Total Expenditures
Florida Department of Enviornmental Protection			
Direct Programs:			
Beach Managemetn Funding Assistance Program	37.003	23B02	154,688
Statewide Water Quality Restoration Project	37.039	LPA0508	286,166
Total Florida Department of Enviornmental Protection			440,854
Florida Housing Finance Corporation			
Direct Programs:			
State Housing Initiatives Partnership Program	40.901	FY22-23	313,059
State Housing Initiatives Partnership Program	40.901	FY23-24	13,809
State Housing Initiatives Partnership Program	40.901	FY24-25	73,876
			400,744
Total Florida Housing Finance Corporation			400,744
Florida Department of Elder Affairs			
Direct Programs:			
Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and Alzheimer Special Projects	65.002	JZ024-06-2025	56,009
Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and Alzheimer Special Projects	65.002	JZ025-06-2026	38,880
Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and Alzheimer Special Projects	65.002	JZ024-06-2025	30,284
Alzheimer Interventions, Memory Disorder Clinics, Brain Banks and Alzheimer Special Projects	65.002	JZ025-06-2026	6,514
			131,687
Alzheimer's Respite Services	65.004	JZ024-06-2025	78,442
Alzheimer's Respite Services	65.004	JZ025-06-2026	20,255
			98,697
Local Services Programs	65.009	JL024-06-2025	73,335
Local Services Programs	65.009	JL025-06-2026	14,164
			87,499
Total Florida Department of Elder Affairs			317,883
Total Expenditures of State Financial Assistance			1,159,481
Total Expenditures of Federal Awards and State Financial Assistance			$ 4,896,719

NOTE: No amounts were provided to subrecipients.

See notes to schedule of expenditures of federal awards and state financial assistance.

CITY OF DEERFIELD BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 and state awards of the City of Deerfield Beach, Florida (the "City") for the fiscal year ended September 30, 2025. 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 in 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.

NOTE 3 – INDIRECT COST RATE

The City has elected not to use the minimis indirect cost rate for federal programs allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

No amounts were provided to subrecipients during the fiscal year ended September 30, 2025.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' 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?	____ Yes	X None reported
Non-compliance 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 auditors' report issued on compliance for the major federal program and state projects:	*Unmodified Opinion*	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?	____ Yes	X No

Identification of Major Federal Program and State Projects:

ALN	Federal Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

CSFA No.	State Project
37.039	Statewide Water Quality Restoration Projects
40.901	State Housing Initiatives Partnership Program

Dollar threshold used to distinguish between Type A and Type B federal programs:	$1,000,000	
Dollar threshold used to distinguish between Type A and Type B state projects:	$347,844	
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	X Yes	___ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CITY OF DEERFIELD BEACH, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND STATUS

None

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

CBIZ CPAs P.C.

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Management Letter in Accordance with the Rules of the Auditor General of the State of Florida

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

Report on the Financial Statements

We have audited the financial statements of the City of Deerfield Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 5, 2026. We did not audit the financial statements of City's Pension Trust Funds, as described in our report on the City's financial statements. This management letter does not include any matters reported on separately by those other auditors in their management letter, if any.

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 ("*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.

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 the Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditors' Report on Compliance for the Major Federal Program and Each Major State Project; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Summary Schedule of Prior Audit Findings; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 5, 2026, 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. There were no findings or recommendations made in the preceding annual financial audit report.

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 of the financial statements.

Financial Condition and Management

Sections 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.

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. 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 review of financial information provided by same. The financial condition 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.

Property Assessed Clean Energy (PACE) Program

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. During the fiscal year ended September 30, 2025, all PACE Programs that operated within the City's geographical boundaries were handled directly with Broward County.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate 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 unit that failed to

provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Deerfield Beach Community Redevelopment Agency (the "CRA") required information is reported in the CRA's stand-alone financial statements for the fiscal year ended September 30, 2025.

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 fraud, waste, or abuse, that have occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but 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, the Honorable Mayor, City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

CBIZ CPAs P.C.

Fort Lauderdale, Florida
June 5, 2026

CBIZ CPAs P.C.

201 East Las Olas Boulevard
21st Floor
Fort Lauderdale, FL 33301

P: 954.320.8000

Independent Accountants' Report on Compliance Pursuant to Section 218.415, Florida Statutes

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

We have examined the City of Deerfield Beach, Florida's (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies, for the fiscal year ended September 30, 2025. 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 of the City and to meet other ethical responsibilities in accordance with relevant ethical requirements relating to the examination 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, for the fiscal year ended September 30, 2025.

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

CBIZ CPAs P.C.

Fort Lauderdale, Florida
June 5, 2026

Deerfield Beach
Florida

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared CFO, Oleg Gorokhovsky, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Deerfield Beach which is a local governmental entity of the State of Florida;

2. The governing body of the City of Deerfield Beach adopted Ordinance 2016/008 implementing an impact fee.

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

FURTHER AFFIANT SAYETH NAUGHT.

Oleg Gorokhovsky
Chief Financial Officer, Oleg Gorokhovsky

STATE OF FLORIDA
COUNTY OF BROWARD

Sworn to (or affirmed) and subscribed before me **by means of** ☑ **physical presence or** ☐ **online notarization**, this 13 day of January, 2026 (year), by Oleg Gorokhovsky (name of person making statement).

ROSEANN LOBRACCO
Notary Public - State of Florida
Commission # HH 335990
My Comm. Expires Mar 13, 2027
Bonded through National Notary Assn.

Roseann LoBracco
NOTARY PUBLIC

Personally known ✓ or produced identification ____
Type of identification produced: _____
My Commission Expires: Mar. 13, 2027