

Hillsboro El Rio Park South



Pickleball Courts



Playground



Soft Launch
for kayaks, canoes, paddleboards



City of Boca Raton, FL

Comprehensive Annual Financial Report
for the Fiscal Year Ended September 30, 2019



Government Finance Officers Association

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

Presented to

**City of Boca Raton
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF BOCA RATON, FLORIDA

FOR THE FISCAL YEAR ENDED

September 30, 2019



Prepared by the Financial Services Department

Linda C. Davidson, C.P.A., C.G.F.O., Financial Services Director
Patricia White, C.P.A., C.G.F.O., Accounting Manager
Alyssa Doerr, C.P.A. Assistant Accounting Manager
Stephen Timberlake, M.B.A., Special Projects Manager
Shannon Estremera, C.P.A., Process and Compliance Manager
Jean-Michel Neault, C.P.A., Compliance Auditor
Cormac Conahan, C.T.P., Treasury Manager
Leslie Harmon, Pension Manager
Carlisha Jenkins, C.P.A., Senior Accountant
Ann Harris Wynter, Accountant
Judy Fleurimond, Accountant
Luciana Teixeira, Accountant
Pedro Morales; Assistant Accountant
Stephanie Biagini, Office Supervisor II

ABOUT THE COVER:



The City of Boca Raton opened its new waterfront park Hillsboro El Rio South Park, on Saturday, February 22, 2020 with a ribbon-cutting ceremony. Attendees of the ceremony were among the first to use the brand-new playground, basketball courts, pickleball courts and sand beach volleyball area. There were also food trucks, bounce houses and face painting among the fun activities. The park also features a walking, or jogging, path with a fitness station, tennis courts, picnic pavilions, and a soft launch area for canoes, kayaks and paddle boards into the El Rio Canal.

The new park adds on to our over 600 acres of natural areas within the City limits, continuing our priority of maintaining green space. The 14-acre site is located on the south side of SW 18th Street between Dixie Highway and the El Rio Canal.

For more information about Hillsboro El Rio South Park, please visit <https://www.myboca.us/1523/Hillsboro-El-Rio-Park-Phase-2>.

CITY OF BOCA RATON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2019

TABLE OF CONTENTS	<u>Page #</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal.....	i
List of Principal Officials.....	x
Organization Chart.....	xi
FINANCIAL SECTION	
Independent Auditors' Report	
Management's Discussion and Analysis (Required Supplemental Information).....	1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	16
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Net Position, Proprietary Funds.....	25
Statement of Revenues, Expenses and Changes in Net Position, Proprietary Funds.....	27
Statement of Cash Flows, Proprietary Funds.....	28
Statement of Fiduciary Net Position, Pension Trust Funds.....	30
Statement of Changes in Fiduciary Net Position, Pension Trust Funds.....	31
Notes to Financial Statements.....	32
Required Supplementary Information:	
Schedules of Changes in Net Pension Liability and Related Ratios and Schedules of Contributions.....	111
Schedule of Changes in Total OPEB Liability and Related Ratios, Other Post Employment Benefits.....	122
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, General Fund.....	123
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, Community Redevelopment Agency – Mizner Park Revenue Fund.....	126
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, Beach and Park Operations Fund.....	127
Notes to Required Supplementary Information.....	128
Combining and Individual Fund Statements and Schedules (Supplementary Information):	
Major Governmental Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, Five-Year Capital Improvement Fund.....	129
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual, Infrastructure Surtax Fund.....	130
Non-Major Governmental Funds:	
Combining Balance Sheet.....	131
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	132
Non-Major Special Revenue Funds:	
Combining Balance Sheet.....	133
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	135
Community Development Block Grant Program Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	137

TABLE OF CONTENTS

Page #

FINANCIAL SECTION (continued)

Housing Assistance Trust Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	138
Law Enforcement Trust Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	139
Transportation Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	140
Ocean Breeze GBRBPD, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	141
Community Redevelopment Agency Operating Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	142
Economic Development Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	143
Land Proceeds Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	144
Grant Funds, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	145
Perpetual Care Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	146
Non-Major Debt Service Funds:	
Combining Balance Sheet.....	147
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	148
City Debt Service Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	149
Community Redevelopment Agency Debt Service Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	150
Non-Major Capital Projects Funds:	
Combining Balance Sheet.....	151
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	153
Right-of-Way Acquisition Program Fund, Schedule of Revenues, Expenditures and Changes In Fund Balance, Budget and Actual.....	155
Park Land Dedication Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	156
Downtown Land Dedication Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual.....	157
Downtown Infrastructure Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual.....	158
Non-Major Enterprise Funds:	
Combining Statement of Net Position.....	159
Combining Statement of Revenues, Expenses and Changes in Net Position.....	160
Combining Statement of Cash Flows.....	161
Internal Service Funds:	
Combining Statement of Net Position.....	163
Combining Statement of Revenues, Expenses and Changes in Net Position.....	164
Combining Statement of Cash Flows.....	165
Pension Trust Funds:	
Combining Statement of Fiduciary Net Position.....	167
Combining Statement of Changes in Fiduciary Net Position.....	168

TABLE OF CONTENTS

Page #

STATISTICAL SECTION (Unaudited)

Financial Trends

- Net Position by Component - Last Ten Fiscal Years..... 169
- Changes in Net Position - Last Ten Fiscal Years..... 171
- Fund Balances of Governmental Funds - Last Ten Fiscal Years..... 173
- Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years..... 175

Revenue Capacity

- Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Years..... 177
- Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Years..... 178
- Principal Property Taxpayers..... 179
- Property Tax Levies and Collections - Last Ten Fiscal Years..... 180

Debt Capacity

- Ratios of Outstanding Debt by Type - Last Ten Fiscal Years..... 181
- Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years..... 183
- Direct and Overlapping Governmental Activities Debt..... 184
- Pledged-Revenue Coverage for Water and Sewer Revenue Bonds - Last Ten Fiscal Years..... 185
- Pledged-Revenue Coverage for Special Assessment Bonds - Last Ten Fiscal Years..... 186
- Pledged-Revenue Coverage for Tax Increment Revenue Refunding Bonds - Last Ten Fiscal Years..... 187
- Pledged-Revenue Coverage for All Non Ad Valorem Revenue Bonds and Loans Payable - Last Ten Fiscal Years..... 188

Demographic/Economic

- Demographic and Economic Statistics - Last Ten Fiscal Years..... 189
- Principal Employers..... 190
- Full-Time Employees by Function - Last Ten Fiscal Years..... 191

Operating Information

- Operating Indicators by Function/Program - Last Ten Fiscal Years..... 192
- Capital Asset Statistics by Function/Program - Last Ten Fiscal Years..... 194

OTHER REPORTS

Compliance Reports:

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..... 197

- Management Letter in Accordance with the Rules of the Auditor General of the State of Florida..... 199

- Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes..... 201



PAGE INTENTIONALLY LEFT BLANK





CITY OF
Boca Raton

CITY HALL
201 WEST PALMETTO PARK ROAD • BOCA RATON, FL 33432
PHONE: (561) 393-7700
(FOR HEARING IMPAIRED) TDD: (561) 367-7043
www.myboca.us

April 29, 2020

To The Honorable Mayor,
Members of the City Council,
Citizens of the City of Boca Raton, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Boca Raton, Florida (the City), for the fiscal year ended September 30, 2019.

This report provides the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by an independent auditing firm.

We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Financial Services Department and the exhibits and statistical tables included herein.

The CAFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability to the citizenry by:

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

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

To the best of our knowledge and belief, the enclosed data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

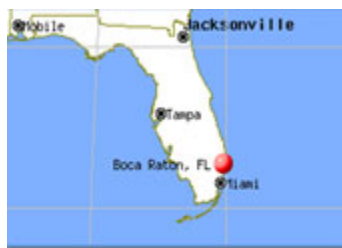
Marcum LLP, independent auditors, have issued unmodified opinions on the City of Boca Raton's financial statements for the fiscal year ended September 30, 2019. The independent auditors' report is located at the front of the financial section of this report.

The City's Financial Statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments the letter of transmittal and should be read in conjunction with it.

THE CITY OF BOCA RATON

Profile

Boca Raton is a full service City located on the south eastern coastline of Palm Beach County, Florida with a population of approximately 94,488.



The City derives its governmental authority from a charter granted by the Legislature of the State of Florida. In 1965, the Council-Manager form of government replaced the Commissioner- Manager system in Boca Raton. Four Council Members and a Mayor are elected at large on a non-partisan basis for three-year terms.

The City Council appoints the City Manager who is the Chief Administrative Officer of the City and directs the business of the City and its various departments. The City Council determines policy, adopts legislation, approves the City's budget, sets taxes and fees, and appoints the City Attorney and members of various boards and committees.

Services Provided

The City provides a full range of municipal services. The public safety program includes police, fire protection and rescue services; the City's extensive recreation program includes beaches, a pool, golf courses, libraries, tennis courts, neighborhood parks, and community centers; the Municipal Services Department provides essential traffic, facility and street maintenance, solid waste collection and storm water services as well as other technical assistance to the City; the Utility Services Department provides water and sewer services. The City's Development Services Department provides planning, zoning and building permit and inspection services and administers the City's Community Development Block Grants. The City also provides general administrative services.

Reporting Entity

This report includes all of the funds of the City. In addition to general government activities, the Community Redevelopment Agency (CRA) is included in the reporting entity. However, the Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority do not meet the established criteria for inclusion in the reporting entity and, accordingly, are not included in this report.

Accounting and Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City is periodically required to undergo an annual single audit performed under the provisions of the U.S. Office of Management and Budget Compliance Supplement (Uniform Guidance) and the Rules of the Auditor General, State of Florida. The information related to the Single Audit, including the schedule of expenditure of federal awards and state projects, schedule of findings and questioned costs, and auditors' reports on the internal control over compliance and compliance with applicable laws and regulations are included in a separate report. This report disclosed no instances of material weaknesses in internal control over financial reporting and over compliance, or significant violations of applicable laws and regulations. The City was not subject to an audit in accordance with the Uniform Guidance or the Florida Single Audit Act for the fiscal year ended September 30, 2019.

Budgetary Controls

The City charter provides that City Council shall adopt the annual budget prepared by the City Manager. This budget is reviewed by the City Council and formally adopted by the passage of a Budget Ordinance after two public hearings. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department (by fund) level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are re-appropriated as part of the following year's budget adoption. All expenditures for other than personal services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers may occur upon approval of the City Manager as long as the department budget within a fund is not increased. Budget amendments are submitted quarterly to Council for their consideration and in accordance with state law are posted to the City's website within five days of adoption.

LOCAL ECONOMY

The City of Boca Raton provides a unique environment for business – a strong business environment, with economic resources and a well-educated and talented workforce, all within a community known for its high quality of life. Boca Raton is a rich blend of corporate and regional headquarters, small businesses, and innovative start-up companies. There are economic opportunities for all types of companies and businesses. Boca Raton has grown from a small agricultural and retirement community to a large regional employment center with one of the largest business concentrations in South Florida. In fact, about half of all the large office buildings in Palm Beach County are in Boca Raton, and a number of national and international corporations call Boca Raton home. Boca Raton has easy access to road, rail, and air transportation. It is becoming a hub for technology, medical, financial, security and educational businesses, although many other business categories are represented in the City.

Boca Raton continues to face competition for new and existing national and regional corporate headquarters. The City continues to work with economic development agencies such as the



State of Florida Department of Economic Opportunity, Palm Beach County, and the Palm Beach County Business Development Board to attract businesses to the City and to retain and promote the growth of existing businesses in the City. The City created and published a brochure highlighting the economic development program and the benefits of Boca Raton. The brochure is available on the City's website at myboca.us.



Through its Economic Development Incentive Policy, the City has committed \$5.3 million in long-term economic development incentives and has leveraged over \$18 million in State and County incentives. This has resulted in a total of 10,139 jobs created or retained in the City. The City of Boca Raton continues to face tremendous competition for the relocation of new businesses to the City and for the retention

of businesses already in the City. In 2019, as part of its expansion plan, New Jersey based Orbcomm committed to opening its national headquarters in Boca Raton. Orbcomm is a publicly traded global provider of industrial Internet of Things (IoT) and has committed to creating 32 new jobs at their national headquarters based in Boca Raton.



The City continues to support and fund a strong Economic Development Incentive Program for fiscal year 2020. One of the primary components in the City's Economic Development Incentive



Policy is to provide economic development incentives for companies seeking to relocate to the City or to expand their existing business within the City. Based on the criteria listed in the policy, including job creation and/or retention, capital investment and job salaries, the City can provide incentives through a number of different methods including providing the local match for state economic development programs, making grants and/or loans, and subsidizing rents and leases. It also can provide non-financial incentives such as expedited permitting. To ensure continued long-term success of the City's Economic Incentive Program, the Economic Development Fund is

budgeted to add another \$1.0 million in funding to the Economic Development reserves this year.

Major business centers within the City include the Park at Broken Sound, formerly known as the Arvida Park of Commerce (APOC), which has over 5 million square feet of office space on its 700 acres, the Florida Atlantic University (FAU) Research Park, which is currently home to 20 companies, and the Technology Business Incubator located at the FAU Research Park, which currently hosts 10 technology companies in the early stages of development in various industries such as pharmaceutical development, software and application development, and advanced electrical engineering applications.

The three schools of higher learning in the City - Florida Atlantic University (FAU), Lynn University and Palm Beach State College - all continue to have educational successes. Florida Atlantic University's Adams Center for Entrepreneurship has been honored by the American Council of Trustees and Alumni (ACTA) as an Oasis of Excellence in 2019. The Adams Center counters traditional business programs, providing students with a unique academic experience by fostering revolutionary intellectual growth beyond conventional wisdom in the pursuit and creation of sustainable solutions to business and social problems. The center seeks to educate students for productive careers and citizenship by focusing on three program areas: cross-disciplinary academics, community outreach and venture creation from emerging technologies.



Lynn University's newest project—the Snyder Center for Health and Wellness—will raise the bar even higher. The \$5 million state-of-the-art center will bring together the university's fitness, health, counseling and wellness services under one roof. Moreover, it will create countless positive connections between the mind, body and spirit of both students and employees. Construction crews will begin work on the nearly 20,000-square-foot Snyder Center in 2019. Once completed, the facility will complement the nearby Christine E. Lynn University Center, the lively heart of the campus.

On December 21, 2019, the City of Boca Raton hosted the Cheribundi Boca Raton Bowl at Florida Atlantic University stadium. In its sixth year, this ESPN college bowl game hosted a week of activities for Southern Methodist University and Florida Atlantic University leading up to game day. By all measures, the event was a huge success for Boca Raton and Palm Beach County. There were 23,178 attendees at the Bowl Game and 2 million household viewers of the live broadcast of the Boca Raton Bowl game on ABC.



Additionally, almost all the public schools in the Boca Raton have received an “A” rating, the highest rating possible, by the State of Florida, and there are a number of nationally known private schools operating within the City.

Boca Raton also remains a regional shopping and dining location. The Town Center at Boca Raton recently completed its multimillion-dollar renovation. Town Center continues to expand and is considered the premier regional mall in South Florida. Other high-quality destination shopping and dining areas in the City include Boca Center, and the downtown areas of Mizner Park and Royal Palm Place.

MAJOR INITIATIVES

For the Year

With goals and priorities of a financially sound City government, world class municipal services, vibrant and sustainable City and a strong partnership with community, the City continues to demonstrate its ability to be one of the most financially secure local governments in Florida.

The City's taxable value is \$23.888 billion, making the City's taxable value the highest of any municipality in Palm Beach County and the fourth highest in the three South Florida counties behind Miami, Miami Beach and Ft. Lauderdale.

In 2017, Palm Beach County Voters approved a one cent sales surtax to fund infrastructure improvements throughout the county for ten years. The City of Boca Raton received \$17.5 million for infrastructure projects through September 30, 2019. The first major project was completed in February 2020. The City celebrated the grand opening of the Hillsboro El Rio Park South on February 22, 2020. Development of the Hillsboro El Rio South Park officially started in February 2019 after a renewed commitment was made to enhance activities along the City's waterfront park sites as a precursor to the development and review of the Waterfront Master Plan.



Located on the south side of SW 18th Street between Dixie Highway and the El Rio Canal, the 14-acre site is the newest city park. The project cost approximately \$7.8 million. The revitalized park features a walking, jogging path with a fitness station, a playground, basketball courts, pickleball courts, a sand volleyball court, tennis courts, picnic pavilions, a soft launch area for canoes, kayaks and paddle boards into the El Rio Canal, and parking and restroom facilities.

Additional projects the City has earmarked for these funds are street pavement projects, reconstruction of Fire Station No. 6, Recreation Park construction, and other relevant projects. Revenue and expenditures that are part of the Infrastructure Sales Surtax initiative are reported in a separate fund in the City's financial statements. Expenditures are reviewed quarterly by a Citizens Oversight Committee. The Citizens Oversight Committee provides a report to the City Council annually.



The City continues to move forward with several projects that involve the master planning of City facilities. The first is the Waterfront Master Plan, which provided an analysis of the use of the City's waterfront parks (those along the Intracoastal Waterway and the Atlantic Ocean) and recommendations for improvements and modifications that would facilitate better utilization of the parks. Wildflower Park and the adjacent Silver Palm Park will be redeveloped into one integrated waterfront park. Construction is set to begin in the fall of 2020. New amenities are expected to include walkways, terraced steps/seating, an event lawn, interactive art/play/water features, and an event pavilion with a plaza.

As previously mentioned, and as part of other Waterfront Master Plan improvements, Hillsboro El Rio Park South, along SW 18th Street and the El Rio Canal, was completed. Construction began in January 2019, and the park was opened in February 2020. The new park includes

jogging and fitness trails, picnic pavilions, pickleball courts, basketball courts, sand volleyball and a soft launch for canoes and kayaks. Another long-term project, the revitalization of Lake Wyman & Rutherford Parks the City's staff and consultants are currently working on the permit applications to the appropriate local, state, and federal agencies. Improvements will include canoe and kayak trails and launches, restroom facilities, replacing the existing boardwalk and extending the boardwalk path. Estimated completion for this project early fall 2021.

The City is continuing its commitment to sustainability. A Sustainability Manager joined the City in May of 2018 and a Sustainability Action Plan was released in the summer of 2019. The Sustainability Office is working with City departments as well as the community to increase resiliency to climate change and sea level rise, decrease greenhouse gas emissions, and develop programs which enhance the natural environment. Currently the Sustainability Office is completing the City's first greenhouse gas inventory and working with a regional group to develop a climate vulnerability assessment the results of which will inform future sustainability and resiliency actions and strategies for the City and community.

In the past year, the Boca Raton Community Redevelopment Agency (CRA) has worked to continue the vision of Downtown Boca – where residents, visitors and businesses are engaged in a vibrant and thriving environment. A place where they can come early, stay late, and enjoy all activities, attractions and services the downtown has to offer – dining, shopping, living, culture, nightlife, business and recreation.

The 2018-2019 fiscal year included numerous activities and achievements in furthering the goals of the CRA, driving engagement, supporting business and community placemaking. During the year, the CRA implemented streamlining efforts in the development process, including reducing processing and public hearing time frames through an administrative development approval by the Executive Director of small amendments that meet certain criteria. In addition, the CRA coordinated with Municipal Services in the creation of the Downtown Parking Availability Program, allowing property owners to receive revenue for underutilized parking on their property to other property owners, visitors or businesses. Also, the first phase of the Wayfinding Signage Program which included pavement markers of significant downtown destinations was completed. The second phase with in-ground wayfinding signs also started. Finally, the CRA implemented a public engagement and placemaking program in Sanborn Square, which included new bistro table and chair seating area, shade umbrellas, a corn hole game and enhanced festoon lighting; such efforts added to safety and security measures and activated a somewhat underutilized public space.

For the Future

The City recognizes that a successful downtown is a critical component for Boca Raton. To be successful, downtown Boca Raton must develop a sense of place, the public and private sector must work together with a common goal, public funds need to be wisely invested and new development should provide pedestrian connections to the overall downtown.

For the 2020 fiscal year, the City approved a slight increase in operating tax rate of \$3.4793 per \$1,000. The City's 2020 debt service tax rate decreased 4.91% to \$0.1994 per \$1,000 based upon voter approved bond issues. The increase in the operating tax rate was completely offset by the decrease in debt service tax rate.

The recent outbreak of the novel strain of the coronavirus known as COVID-19 may affect the City's operations, its suppliers and vendors, and its customer base. The duration and full impacts of the business and social disruptions of COVID-19 are yet unknown and could result in

a downturn on the local, state and global economies. Through the prior economic downturn, Boca Raton maintained its strong financial position through prudent long-term financial planning and fiscal actions to reduce or contain fixed costs. The extent to which COVID-19 may impact the City's financial condition or results of operations is highly uncertain and cannot be predicted.

LONG RANGE FINANCIAL PLANNING

The City Council has adopted a series of financial standards and policies for operating, capital and debt management. Management has made every effort to comply with these standards and policies and we believe that we are in compliance. A long-range financial plan is presented to the City Council annually in the spring. This document forecasts the General Fund and several other fund operations for the next five years and is used to guide the development of the annual operating budget and to support the long-term goal of a financially sound city.

The Capital Improvements Program (CIP) is prepared and presented to the City Council as part of the annual budget process. The projects represent the City's plan for infrastructure improvement and major equipment acquisition for the next six years. The approved CIP also includes funding for Wastewater Upgrades, Replacements and Expansion, Police Services Facilities, and Beach Restoration.

OTHER INFORMATION

Independent Audit

The City Charter, Article 3, Section II, requires an annual audit of the City's financial statements by independent accountants selected by the City Council. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boca Raton, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the 39th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Award for Distinguished Budget

The City received the GFOA Award for the Distinguished Budget Presentation for the City budget for the fiscal year ended September 30, 2019. It was the 37th consecutive year the City received the award for the document, which serves as the City's primary fiscal policy document.

ACKNOWLEDGEMENTS

The completion and issuance of this report could not have been accomplished without the dedicated efforts of the entire staff of the Financial Services Department. Special thanks must be given to Patricia White, Alyssa Doerr, Cormac Conahan, Carlisha Jenkins, Judy Fleurimond, Ann Harris-Wynter, Pedro Morales and Luciana Teixeira, for their dedication in the creation and compilation of this document. Our appreciation is also extended to Stephanie Biagini, Shannon Estremera, Jean-Michel Neault, Lynn Kunkel, Stephen Timberlake, Jerry Nickell, Ralph Ryan, George Brown, Michael Woika, Sharon McGuire, Jessica Del Vecchio, Leslie Harmon and Ella Moore-Poitier for providing support in the preparation of this report. Credit must also be given to the City Council and City Management for their commitment to support sound fiscal management practices with an emphasis on long-term financial stability.

We believe that this report clearly illustrates the strong financial posture of the City of Boca Raton and we wish to take this opportunity to thank you and the citizens of Boca Raton for the vital role you have historically played in enabling the City to achieve and maintain this high degree of fiscal responsibility.

Respectfully yours,

A handwritten signature in cursive script that reads "Linda C. Davidson".

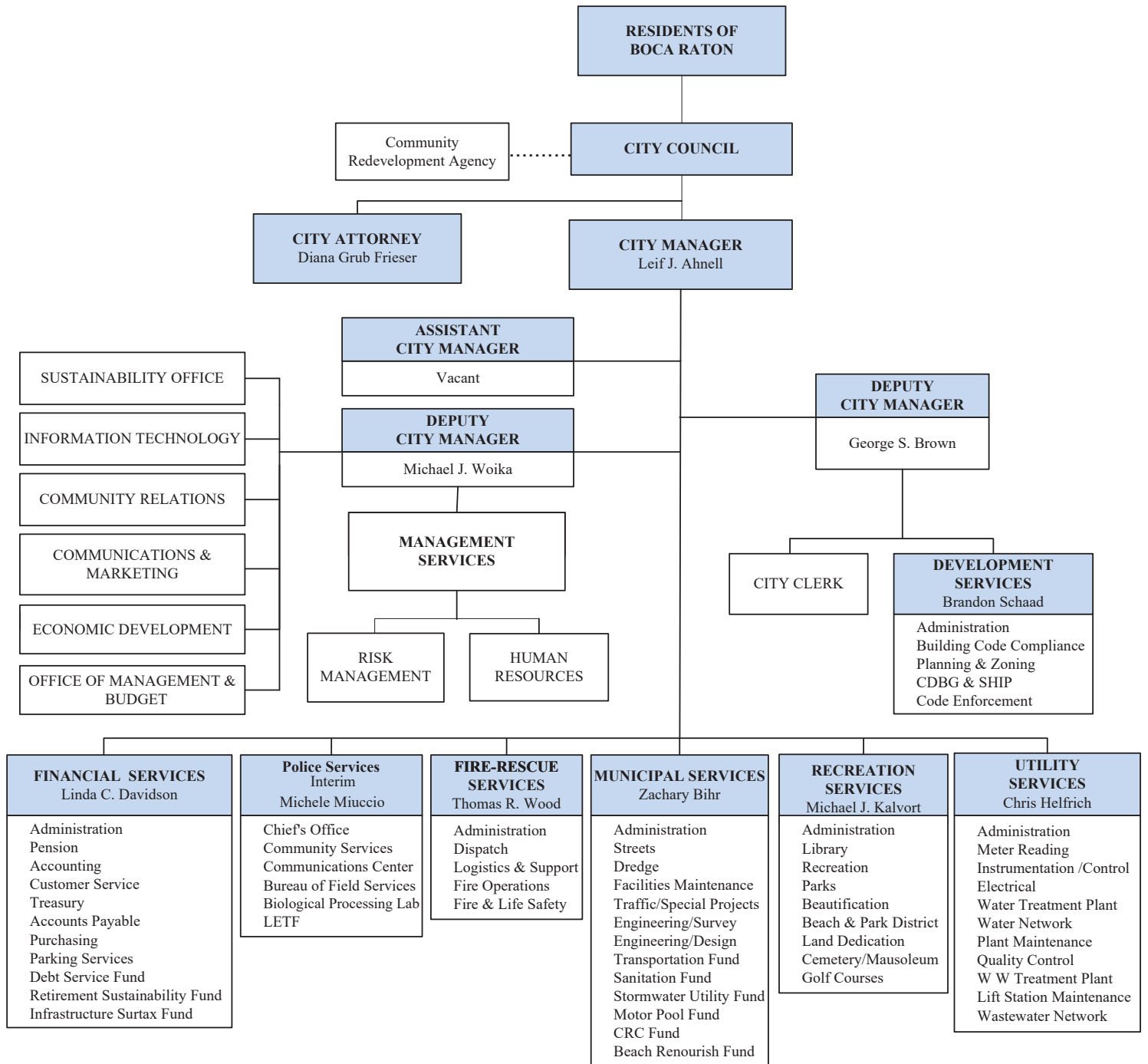
Linda C. Davidson, C.P.A., C.G.F.O.

PAGE INTENTIONALLY LEFT BLANK

LIST OF PRINCIPAL OFFICIALS
September 30, 2019

Mayor	Scott Singer
Deputy Mayor	Jeremy Rodgers
Council Member	Andrea Levine O'Rourke
Council Member	Monica Mayotte
Council Member	Andy Thomson
City Manager	Leif J. Ahnell
Deputy City Manager	George S. Brown
Deputy City Manager	Michael J. Woika
City Attorney	Diana Grub Frieser
City Clerk	Susan S. Saxton
Development Services Director	Brandon Schaad
Financial Services Director	Linda C. Davidson
Fire/Rescue Services Chief	Thomas R. Wood
Recreation Services Director	Michael J. Kalvort
Interim Police Services Chief	Michele Miuccio
Utility Services Director	Chris Helfrich
Municipal Services Director	Zachary Bihr
Office of Management and Budget Director	Sharon McGuire
Information Technology Director	Sandra Stevens
Human Resources Director	Mark Buckingham

CITY OF BOCA RATON ORGANIZATIONAL STRUCTURE



Note: For FY 2019 Office of Management and Budget was included with Financial Services.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council and City Manager
City of Boca Raton, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boca Raton, Florida, (the City), as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedules of Employer Contributions, the Schedule of Changes in Total OPEB Liability and Related Ratios, and the budgetary comparison schedules on pages 1-14 and 111-130 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, FL
April 29, 2020

Management's Discussion and Analysis (Unaudited)

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Boca Raton, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets plus deferred outflows of resources of the City exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$918.217 million (net position). Of this amount, \$169.832 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$31.797 million which was attributable to an increase in governmental activities of \$14.149 million and an increase in the business-type activities of \$17.648 million, primarily in water and sewer operations.
- The City's governmental activities reported total net position of \$499.231 million, which is an increase of \$14.149 million, or 2.9%, in comparison to the prior year. Approximately 9.95% of the total or \$49.682 million is unrestricted and thus available for spending at the City's discretion.
- The City's business-type activities reported total net position of \$418.986 million, which is an increase of \$17.648 million, or 4.4%, in comparison to the prior year. Approximately 28.68% of the total or \$120.150 million is unrestricted and thus available for spending at the City's discretion.
- At the end of the current fiscal year, fund balance for the General Fund was \$63.644 million, or 37.17% of the general fund expenditures and other financing uses. Of this balance, \$337 thousand was non-spendable for inventories and an advance to the Golf Course Fund, \$170 thousand was restricted for the Army Corp of Engineers for an overflow site in the event of emergency dredging of the Intracoastal Waterway, \$6.514 million was restricted for building permits, \$18.815 million was committed for hurricane/disaster emergency and Right of Way Beautification, \$7.425 million was assigned for the subsequent years' budget and \$30.383 million was unassigned.
- As a result of decisions made by the United States Federal Reserve regarding target rates, interest rates increased by a considerable margin this past fiscal year, resulting in a modest increase in interest earnings for the City. The City's blended average portfolio yield increased from 1.08% in 2018 to 2.25% in 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the

financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The focus of the *government-wide financial statements* is on the overall financial position and activities of the City of Boca Raton. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the City's fiduciary funds because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary funds are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties.

The *Statement of Net Position* presents financial and capital resources of the City. Assets and deferred outflows of resources; and liabilities and deferred inflows of resources are presented, with the net of these reported as net position. For example, the City reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the City. On the other hand, the City reports liabilities even though these liabilities might not be paid until several years into the future.

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. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The *Statement of Activities* presents the revenues and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private-sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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, law enforcement, fire rescue, physical environment, transportation, community development and parks and recreation. The business-type activities include water and sewer utility, cemetery/mausoleum, golf course, stormwater utility, and sanitation.

The City's government-wide financial statements are presented on pages 16-18 of this report.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, 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 (pension) funds.

Governmental Funds

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period of time after the end of the fiscal year. Additionally, included on the balance sheet are the City's deferred inflows and deferred outflows of resources. The difference between a fund's total assets and deferred outflows and the fund's total liabilities and deferred inflows is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The City maintains twenty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the major funds which are the General Fund, Community Redevelopment Agency Mizner Park Revenue Fund, the Five Year Capital Improvement Fund and the Beach and Park Operations Fund. The City presents data from all other non-major governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City's governmental fund financial statements are presented on pages 19-24.

Proprietary Funds

Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial

statements. Internal Service funds are used to account for services provided and billed on an internal basis. The City uses Internal Service Funds to account for its fleet of vehicles, information technology systems and self-insurance/benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City presents a separate column for the Water and Sewer Utility Fund since it is most significant to the City. The remaining four non-major enterprise funds are aggregated and reported in a single column. Internal Service Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 25-29.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position.

The City's fiduciary fund financial statements are presented on pages 30-31.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-110.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as other post employment benefits. This section also includes a comparison between the City's adopted and final budget and actual financial results. The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the general fund and for the major special revenue funds to demonstrate compliance with this budget.

Required supplementary information can be found on pages 111-128.

Combining and individual fund statements and schedules referred to earlier in connection with major and non-major governmental funds and proprietary funds are presented immediately following the required supplementary information and can be found on pages 129-168 of this report.

Government-Wide Financial Analysis

The following schedule is a summary of the fiscal 2019 Statement of Net Position found on pages 16-17 with comparative information for fiscal 2018.

CITY OF BOCA RATON, FLORIDA						
Net Position (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 329,847	\$ 292,699	\$ 194,181	\$ 185,702	\$ 524,028	\$ 478,401
Capital assets	379,464	385,287	257,146	252,792	636,610	638,079
Total assets	<u>709,311</u>	<u>677,986</u>	<u>451,327</u>	<u>438,494</u>	<u>1,160,638</u>	<u>1,116,480</u>
Deferred outflows	<u>51,459</u>	<u>49,406</u>	<u>4,098</u>	<u>4,498</u>	<u>55,557</u>	<u>53,904</u>
Current liabilities	24,750	21,651	9,377	10,364	34,127	32,015
Bonds and loans payable	57,440	50,665	18,162	22,634	75,602	73,299
Other non-current liabilities	164,950	150,647	6,983	6,127	171,933	156,774
Total liabilities	<u>247,140</u>	<u>222,963</u>	<u>34,522</u>	<u>39,125</u>	<u>281,662</u>	<u>262,088</u>
Deferred inflows	<u>14,399</u>	<u>19,347</u>	<u>1,917</u>	<u>2,529</u>	<u>16,316</u>	<u>21,876</u>
Net investment in capital assets	339,885	356,694	239,614	227,958	579,499	584,653
Restricted net position	109,664	84,150	59,222	61,802	168,886	145,951
Unrestricted net position	49,682	44,238	120,150	111,578	169,832	155,816
Total net position	<u>\$ 499,231</u>	<u>\$ 485,082</u>	<u>\$ 418,986</u>	<u>\$ 401,338</u>	<u>\$ 918,217</u>	<u>\$ 886,420</u>

The overall position of the City increased during the 2019 fiscal year. Changes in net position over time can be one of the best and most useful indicators of financial position. The net increase of \$31.796 million is attributable to an increase in the governmental activities of \$14.149 million and an increase in the business-type activities of \$17.648 million.

Deferred outflows increased by \$1.653 million mostly due to demographic gains and losses used in the calculation of the net pension liability for the retirement plans.

By far, the largest portion of the City's net position (63%) reflect its investment in capital assets (such as land, roads, parks, buildings, machinery and equipment) less any related outstanding debt and deferred outflows used to acquire those assets. Although the capital assets are shown net of 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 and pay for these liabilities. With a 2019 balance of \$579.499 million, net investment in capital assets decreased by 1%, or \$5.154 million, from the 2018 balance of \$584.653 million. Acquisitions amounts were out-paced by depreciation expenses, resulting in a net decrease to net investment in capital assets.

18.4% of the City's net position represents resources that are subject to external restrictions on how they may be used. The \$168.886 million ending balance in restricted net position reflects a net increase of \$22.935 million more than the 2018 balance of \$145.951 million that was primarily due to the \$20 million Infrastructure Surtax Capital Improvement Bond that was issued in October 2018.

The remaining 18.5% of the City's net position is unrestricted and may be used to meet the City's on-going obligations to its citizens and creditors. The ending balance of \$169.832 million is a 9%, or \$14.016 million, increase from the 2018 balance of \$155.816 million. This increase in unrestricted net position was the result of operations in both the governmental activities and business-type activities.

The following schedule is a summary of the fiscal year ended September 30, 2019 Statement of Activities found on page 18 with comparative information for the fiscal year ended September 30, 2018:

CITY OF BOCA RATON, FLORIDA						
Changes in Net Position (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 74,361	\$ 67,528	\$ 74,107	\$ 69,761	\$ 148,468	\$ 137,289
Operating grants & contributions	13,680	6,781			13,680	6,781
Capital grants & contributions	1,910	1,036	5,834	1,017	7,744	2,053
General revenues:						
Property taxes	84,781	79,753			84,781	79,753
Other taxes	65,386	63,490			65,386	63,490
Other	11,570	5,956	5,480	1,478	17,050	7,434
Total revenues	<u>251,688</u>	<u>224,544</u>	<u>85,421</u>	<u>72,256</u>	<u>337,109</u>	<u>296,800</u>
Expenses:						
General government	39,341	32,066			39,341	32,066
Law enforcement	49,727	49,796			49,727	49,796
Fire rescue	49,475	53,134			49,475	53,134
Physical environment	5,222	5,507			5,222	5,507
Transportation	31,725	25,420			31,725	25,420
Community development	13,517	6,384			13,517	6,384
Parks and recreation	46,220	44,873			46,220	44,873
Interest and fiscal charges	1,719	1,293			1,719	1,293
Water and sewer			53,646	52,174	53,646	52,174
Cemetery			652	671	652	671
Golf course			2,843	2,777	2,843	2,777
Stormwater utility			3,396	2,804	3,396	2,804
Sanitation			7,829	7,381	7,829	7,381
Total expenses	<u>236,946</u>	<u>218,473</u>	<u>68,366</u>	<u>65,807</u>	<u>305,312</u>	<u>284,280</u>
Increase in net position before transfers	14,742	6,071	17,055	6,449	31,797	12,520
Transfers	(593)	(144)	593	144	-	-
Increase in net position	<u>14,149</u>	<u>5,927</u>	<u>17,648</u>	<u>6,593</u>	<u>31,797</u>	<u>12,520</u>
Net position beginning, previously stated	485,082	485,748	401,338	395,169	886,420	880,917
Prior period adjustment	-	(6,593)	-	(424)	-	(7,017)
Net position, beginning of year, as restated	<u>485,082</u>	<u>479,155</u>	<u>401,338</u>	<u>394,745</u>	<u>886,420</u>	<u>873,900</u>
Net position end of year	<u>\$ 499,231</u>	<u>\$ 485,082</u>	<u>\$ 418,986</u>	<u>\$ 401,338</u>	<u>\$ 918,217</u>	<u>\$ 886,420</u>

Changes in net position:

Governmental activities increased the City's net position by \$14.149 million, an increase of \$8.222 million compared to fiscal year 2018. This increase in change in net position is a result of the following:

- Property tax revenue increased by approximately \$5.028 million due to an increase in new construction and property tax values.
- Operating grants and contributions received by the City increased by approximately \$6.899 million and capital grants and contributions increased by \$874 thousand.
- Charges for services increased by \$6.833 million. This increase is related to fire assessment, EMS Transport and new development activity.
- Other taxes increased by \$1.896 million related to sales tax.
- Expenses during 2019 increased by approximately \$18.473 million from 2018 primarily as a result of general government, transportation and community development activities.

The following is a table of the fiscal years 2019 and 2018 revenues by source for governmental activities.

**Governmental Activities
Revenues by Source
FY 2019 and 2018**
(in millions of dollars)

Revenues by Source	2019 Revenues	% of Revenues	2018 Revenues	% of Revenues
Property taxes	\$ 84.781	33	\$ 79.753	35
Other taxes	65.386	26	63.490	28
Charges for services	74.361	30	67.528	30
Operating grants & Contributions	13.680	5	6.781	3
Capital grants & Contributions	1.910	1	1.036	1
Other	11.570	5	5.956	3
Total Revenues	\$ 251.688	100	\$ 224.544	100

The following is a table of the fiscal years 2019 and 2018 expenses by source for governmental activities.

**Governmental Activities
Expenses by Source
FY 2019 and 2018**
(in millions of dollars)

Expenses by Source	2019 Expenses	% of Expenses	2018 Expenses	% of Expenses
General Government	\$ 39.341	17	\$ 32.066	15
Law Enforcement	49.727	21	49.796	23
Fire Rescue	49.475	21	53.134	24
Physical Environment	5.222	2	5.507	2
Transportation	31.725	13	25.420	12
Community Development	13.517	6	6.384	3
Parks & Recreation	46.220	19	44.873	20
Interest & Fiscal Charges	1.719	1	1.293	1
Total Expenses	\$ 236.946	100	\$ 218.473	100

Business-Type Activities

Net position for business-type activities at September 30, 2019 was \$418.986 million, a 4.40%, or \$17.648 million, increase from the 2018 balance of \$401.338 million.

The change in net position for the Water and Sewer Fund was \$17.312 million in 2019, a 161.20%, or \$10.684 million, increase from the \$6.628 million reported in 2018.

The following tables show the revenues, expenses and net position for the business-type activities by source for the fiscal year ended September 30, 2019, with comparative information for 2018.

**Business-Type Activities
Revenues by Source
FY 2019 and 2018
(in millions of dollars)**

Fund	2019 Revenues	% of Revenues	2018 Revenues	% of Revenues
Water and sewer	\$ 70.959	83	\$ 58.854	81
Cemetery	0.987	1	0.380	1
Golf course	2.775	3	2.616	4
Stormwater	2.935	3	2.599	3
Sanitation	8.358	10	7.807	11
Total Revenues	\$ 86.014	100	\$ 72.256	100

**Business-Type Activities
Expenses by Source
FY 2019 and 2018
(in millions of dollars)**

Fund	2019 Actual Expenses	2019 % of Expenses	2018 Actual Expenses	2018 % of Expenses
Water and sewer	\$ 53.646	79	\$ 52.174	79
Cemetery	0.652	1	0.671	1
Golf course	2.843	4	2.777	4
Stormwater	3.396	5	2.804	4
Sanitation	7.829	11	7.381	12
Total Expenses	\$ 68.366	100	\$ 65.807	100

**Business-Type Activities
Net Position by Source
FY 2019 and FY 2018
(in millions of dollars)**

Fund	2019	2018
Water and sewer	\$ 383.342	\$ 366.030
Cemetery	1.500	1.165
Golf course	2.173	2.241
Stormwater	19.218	19.678
Sanitation	12.753	12.224
Total net position	\$ 418.986	\$ 401.338

Financial Analysis of the City of Boca Raton's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 19-24. 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. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Major Fund Information (in thousands)

	General Fund	Community Redevelopment Agency Mizner Park Revenue Fund	Five Year Capital Improvement Fund	Infrastructure Surtax Fund	Beach and Park Operations Fund
Fiscal Year 2019					
Revenues	\$ 180,382	\$ 15,370	\$ 10,909	\$ 7,202	\$ 19,096
Expenditures	(167,121)	(10,000)	(6,413)	(8,070)	(18,921)
Other financing sources (uses)	2,152	(3,740)	(3,257)	19,899	(175)
Increase (decrease) in fund balance	<u>\$ 15,412</u>	<u>\$ 1,630</u>	<u>\$ 1,239</u>	<u>\$ 19,031</u>	<u>\$ -</u>
Fiscal Year 2018					
Revenues	\$ 159,694	\$ 14,429	\$ 11,973	\$ 6,510	\$ 17,907
Expenditures	(159,178)	(3,000)	(8,543)	(2,107)	(17,829)
Other financing sources (uses)	(8,217)	(9,438)	(2,151)	-	(78)
Increase (decrease) in fund balance	<u>\$ (7,701)</u>	<u>\$ 1,991</u>	<u>\$ 1,279</u>	<u>\$ 4,403</u>	<u>\$ -</u>

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$63.644 million, of which \$30.383 million or 47.7% was unassigned fund balance. 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 general fund expenditures and other financing uses. Unassigned fund balance represents 18.4% of total general fund expenditures and other financing uses, while total fund balance represents 38.6% of that same amount.

The fund balance of the City's General Fund increased by \$15.412 million in 2019, which is an additional \$23.113 million increase in net position from the 2018 decrease in net position of \$7.701 million. This increase was due primarily to a one time transfer of \$7 million in repayment from the City's Community Redevelopment Agency (CRA) for past services provided pursuant to an interlocal agreement between the City and the CRA for services, and \$6.254 million for Mizner Park Lock Box Fund.

The fund balance of the City's Community Redevelopment Agency (CRA) Mizner Park Revenue Fund increased by \$1.630 million in 2019, a \$361 thousand decrease from the 2018 change in net position. Revenues increased by \$941 thousand while expenditures increased by \$7.000 million. Other financing uses decreased by \$5.698 million related to debt service.

The fund balance of the City's Five Year Capital Improvement Fund increased by \$1.239 million, a \$40 thousand decrease from the 2018 change in net position primarily from increased spending on transportation and capital outlay projects.

The fund balance for the Infrastructure Surtax Fund increased by \$19.031 million a \$14.628 million increase from the 2018 change in net position.

The Beach and Park Operations Fund increased contributions from an independent special district by \$1.124 million. This increase relates to increases in the district's operating and capital costs; the City provides services to the special district through several interlocal agreements.

The fund balance in the other non-major governmental funds decreased by \$7.931 million, a \$12.345 million decrease from the 2018 change in net position. The following table compares revenues by source for the governmental funds for fiscal years 2019 and 2018.

**Governmental Funds
Revenues by Source
FY 2019 and 2018
(in millions of dollars)**

Revenues by Source	2019 Revenues	2018 Revenues
Taxes	\$ 142.745	\$ 136.043
Permits & Licenses	16.632	13.031
Intergovernmental	44.054	34.985
Charges for services	35.741	33.605
Fines & forfeitures	1.616	1.430
Special assessments	1.548	1.520
Donations in lieu of land	1.787	0.841
Investment earnings	5.122	1.433
Miscellaneous	0.555	0.724
Total Revenues	\$ 249.800	\$ 223.612

The following table compares governmental expenditures by program for fiscal years 2019 and 2018.

Expenditures by Program	2019 Expenditures	2018 Expenditures
General government	\$ 29.450	\$ 29.103
Law enforcement	50.203	47.595
Fire rescue	50.792	48.332
Physical environment	5.206	5.269
Transportation	14.613	15.487
Community development	13.873	7.310
Parks and recreation	42.649	60.655
Capital outlay	10.910	4.811
Debt service	14.593	13.406
Total expenditures	\$ 232.289	\$ 231.968

Proprietary Funds

The table below summarizes both the operating income (loss) and the change in net position for each of the City's proprietary funds.

The current year operating income for the business-type activities was \$5.940 million as compared with \$4.795 million in the previous year. The current year change in net position was \$17.648 million as compared with \$6.593 million in the previous year. The primary reason for the \$1.145 million increase in operating income was due to increased water and sewer revenues. The primary reason for the \$11.054 million increase in the change in net position was due to \$7.168 million capital contribution and a \$4.702 million in investment earnings.

The current year operating loss for the internal service funds was \$2.375 million as compared with a loss of \$0.327 million in the previous year. The current year change in net position was \$8.101 million as compared with \$11.068 million in the previous year. The primary reason for the \$2.048 million increase in operating loss was due to operating costs exceeding operating revenues for fleet, information technology, and self insurance funds. The primary reason for the \$2.967 million decrease in the change in net position was due to a reduction in transfers.

Fund Name	PROPRIETARY FUNDS			
	Operating Income (Loss) in thousands		Change in Net Position in thousands	
	2019	2018	2019	2018
Water and sewer	\$ 7,009	\$ 5,370	\$ 17,312	\$ 6,628
Cemetery / mausoleum	(273)	(295)	335	(83)
Golf course	(270)	(345)	(68)	(172)
Stormwater utility	(743)	(270)	(460)	(205)
Sanitation	217	335	529	425
Total business-type activities	\$ 5,940	\$ 4,795	\$ 17,648	\$ 6,593
Fleet management	\$ (301)	\$ (212)	\$ 2,720	\$ 3,251
Information technology	(2,471)	(2,701)	3,181	(232)
Insurance programs	(2,407)	(121)	(1,540)	125
Retirement sustainability	2,804	2,707	3,740	7,924
Total internal service funds	\$ (2,375)	\$ (327)	\$ 8,101	\$ 11,068

The following table summarizes the operations of the Proprietary Funds for fiscal years 2019 and 2018.

PROPRIETARY FUNDS						
(in millions)						
Fund Name	Operating Revenues		Operating Expenses		Non Operating Revenues (Expenses)	
	2019	2018	2019	2018	2019	2018
Water and Sewer	\$ 59.706	\$ 56.911	\$ 52.696	\$ 51.541	\$ 10.303	\$ 1.258
Cemetery/ Mausoleum	0.378	0.376	0.652	0.671	0.609	0.212
Golf course	2.573	2.432	2.843	2.777	0.202	0.172
Stormwater utility	2.653	2.534	3.396	2.804	0.282	0.065
Sanitation	8.046	7.717	7.829	7.381	0.312	0.090
Total business-type activities	<u>\$ 73.356</u>	<u>\$ 69.970</u>	<u>\$ 67.416</u>	<u>\$ 65.174</u>	<u>\$ 11.708</u>	<u>\$ 1.797</u>
Fleet management	\$ 4.862	\$ 4.420	\$ 5.163	\$ 4.632	\$ 3.021	\$ 3.465
Information technology	9.487	8.370	11.958	11.071	5.653	2.469
Insurance programs	18.536	18.834	20.944	18.955	0.867	0.245
Retirement sustainability	6.287	6.020	3.484	3.313	0.936	5.217
Total internal service funds	<u>\$ 39.172</u>	<u>\$ 37.644</u>	<u>\$ 41.549</u>	<u>\$ 37.971</u>	<u>\$ 10.477</u>	<u>\$ 11.396</u>

General Fund Budgetary Highlights

The difference between the original and final amended budget for 2019 was an increase of \$4.104 million funded from unassigned fund balance related to increased operating costs for general government, public safety, physical environment, transportation and parks and recreation.

The City generated a positive variance of approximately \$18.248 million between the final adopted budget and actual results of operations. Actual revenues were greater than final budgeted revenues by \$7.379 million due to the collection of additional property and franchise taxes, increased development and redevelopment activity and increased fire assessment collections. Actual expenditures during the year were less than final budgeted expenditures by \$10.868 million. This positive variance is due primarily to actual operating costs being less than anticipated; general government of \$3.471 million, public safety of \$2.232 million, physical environment of \$1.518 million, transportation of \$1.707 million and parks and recreation of \$1.940 million.

The original budget estimated that unassigned fund balance would increase by \$1.269 million. The final budget anticipated that \$2.835 million would be drawn down from available unassigned fund balance. During the year however, expenditures in most areas were below the budgetary estimates while revenues were greater than the budgetary estimates, producing a positive budget variance of \$18.248 million.

The following table depicts the fiscal year 2019 original and amended budgets, actual balance, as well as the budget variance..

Budgetary Comparison	Original Budget	Amended Budget	Actual Balance	Budget Variance Positive/(Negative)
Revenues	\$ 179.243	\$ 179.257	\$ 186.636	\$ 7.379
Expenditures	(177.974)	(182.092)	(171.224)	10.868
Fund Balance	<u>\$ 1.269</u>	<u>\$ (2.835)</u>	<u>\$ 15.412</u>	<u>\$ 18.248</u>

Capital Assets and Debt Administration

Capital Assets

As of year-end, the City had \$636.610 million invested in a variety of capital assets, as reflected in the following schedule. In 2019, there was a net decrease (additions less retirements and depreciation) of \$1.469 million.

CITY OF BOCA RATON, FLORIDA Capital Assets Net of Depreciation and Amortization (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 138,136	\$ 138,136	\$ 833	\$ 833	\$ 138,969	\$ 138,969
Utility Plant in Service			190,038	183,332	190,038	183,332
Buildings	48,498	51,179	442	501	48,940	51,680
Improvements other than Buildings	26,301	27,973	12,629	13,286	38,930	41,259
Equipment	21,297	20,624	35,252	31,821	56,549	52,445
Infrastructure	135,800	144,816			135,800	144,816
Construction in Progress	9,432	2,559	17,952	23,019	27,384	25,578
Total	\$ 379,464	\$ 385,287	\$ 257,146	\$ 252,792	\$ 636,610	\$ 638,079

Major capital asset events during the fiscal year included:

- Capital projects under construction increased by \$1.806 million.

Additional information can be found in Note 6 Capital Assets on pages 68-70.

Debt Administration

As of year-end, the City had \$74.680 million in debt (bonds, notes, etc.) outstanding compared to the \$72.066 million last year, a 3.6% increase (considering debt issuance). Approximately 18% of the outstanding debt for fiscal year 2019 was backed by the full faith and credit of the government and the balance was secured by various revenue sources.

CITY OF BOCA RATON, FLORIDA Bonded Debt and Loans Payable (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 13,325	\$ 17,495			\$ 13,325	\$ 17,495
Revenue Bonds	37,585	25,271 ¹	\$ 18,065	\$ 22,440	55,650	47,711
Special Assessment Debt with Government Commitments	5,705	6,860			5,705	6,860
Totals	\$ 56,615	\$ 49,626	\$ 18,065	\$ 22,440	\$ 74,680	\$ 72,066

¹ Includes accreted interest on Capital Appreciation Bonds, for FY 2019 and FY2018 that amount was \$0 and \$4,116 thousand respectively.

The debt position of the City is summarized below and is more fully explained in Note 9 Long-Term Debt on pages 71-75.

During fiscal year 2019, the City had the following debt activity:

- All decreases in the Governmental Activities for the general obligation bonds and special assessment, along with the Business-type Activities revenue bonds, were due to principal payments on the debt.
- The increase in revenue bonds for Governmental Activities was due to the issuance of \$20 million to fund certain infrastructure projects such as parks, a new Fire Station No. 6, pavement resurfacing, communications tower and other capital projects for which the debt service is paid by the Infrastructure Sales Surtax whereby the sales tax was raised a percentage from 6% to 7% for a limited period of time.

The City's General Obligation Bonds were rated AAA by all three credit rating agencies. Boca Raton was the first municipality in Florida to have been granted this credit rating by all three rating agencies. The Water and Sewer Utility Fund bonds are also rated AAA by Fitch Rating Services, Standard and Poor's and Moody's Investor Service. Under Florida Statutes, no debt limit margin is placed on local governments.

Economic Factors and Next Year's Budgets and Rates

The City Council during the annual Goal Setting Session in April 2019, established goals and priorities which included: a financially sound City government, top quality municipal services and a strong partnership with our stakeholders. These goals were used as a guide to prioritize funding for the Fiscal Year 2019-20 Approved Budget. The City expenditures have been strategically linked to the goals, objectives, core businesses, and existing obligations of the City.

- For FY 2019-20 property values increased 4.94% in the City. The net increase is composed of a 4.03% increase from reassessments of existing properties and an increase of 0.91% from new construction (net of CRA Downtown values). This is the seventh consecutive increase in property values after four prior years of decline. The City increased slightly the operating property tax rate in 2019 but the debt service rate declined slightly which resulted in no change to the total millage rate. The operating millage rate for FY2020 is 3.4793 and the debt service millage is 0.1994 for a total millage rate of 3.6787 mills per \$1,000 dollars of taxable value.
- Current projections indicate that General Fund revenues will grow at an estimated rate of 4-6% annually for the next several years while at the same time operating costs are projected to increase at 5-7% annually.
- The Florida Legislature is again considering various proposals relating to the local government financial transparency, building permits and related activities, the public procurement process and local government construction projects, home rule, and various other proposals. Potential legislation could have a significant impact on a local government's ability to maintain and or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function at its' present level.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Additional Information is also available on the City's website at www.myboca.us. If you have any questions about this report or would like additional financial information, please contact:

City of Boca Raton
Financial Services Department, Room 160
201 W. Palmetto Park Road
Boca Raton, Florida 33432

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Primary Government</u>
Assets			
Cash and cash equivalents	\$ 58,400,524	\$ 20,721,559	\$ 79,122,083
Investments	218,742,819	93,885,799	312,628,618
Receivables, net	20,375,796	11,943,142	32,318,938
Advances to other funds	320,000	(320,000)	
Due from other governmental units	8,488,589	138,732	8,627,321
Advance to other governmental units	300,000		300,000
Inventories	681,074	59,403	740,477
Other assets	16,600	1,775	18,375
Restricted:			
Cash and cash equivalents	792,532	9,141,283	9,933,815
Investments	4,023,567	57,709,042	61,732,609
Interest receivable on investments	23,927	138,279	162,206
Accounts receivable	96,791		96,791
Assessment receivable		691,351	691,351
Interest receivable on assessments		70,856	70,856
Notes receivable	17,585,000		17,585,000
Capital assets:			
Non-depreciable	147,568,051	18,784,627	166,352,678
Depreciable (net)	231,895,858	238,361,167	470,257,025
Total assets	<u>709,311,128</u>	<u>451,327,015</u>	<u>1,160,638,143</u>
Deferred outflows of resources			
Deferred amount on refunding	318,443	629,240	947,683
Deferred outflows for pensions	50,803,610	3,399,952	54,203,562
Deferred outflows for OPEB	337,126	68,354	405,480
Total deferred outflows of resources	<u>51,459,179</u>	<u>4,097,546</u>	<u>55,556,725</u>

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

CITY OF BOCA RATON, FLORIDA
STATEMENT OF NET POSITION (continued)
SEPTEMBER 30, 2019

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Liabilities			
Accounts payable and accrued liabilities	\$ 18,677,468	\$ 2,900,337	\$ 21,577,805
Accrued interest payable	442,214		442,214
Retainage payable	415,871	138,593	554,464
Performance bonds and escrow funds	4,316,847	1,000	4,317,847
Unearned revenue	897,354	21,840	919,194
Current liabilities payable from restricted assets:			
Current accounts payable		1,592,119	1,592,119
Customer deposits payable		4,229,808	4,229,808
Current retainage payable		252,630	252,630
Current accrued interest payable		240,892	240,892
Non-current liabilities			
Due within one year:			
Compensated absences	1,737,888	232,993	1,970,881
Bonds and loans	9,230,000	3,470,000	12,700,000
Estimated liability for self-insured losses	3,051,000		3,051,000
Due in more than one year:			
Compensated absences	15,640,993	2,096,935	17,737,928
Bonds and loans	48,210,166	14,691,833	62,901,999
Net pension liability	133,085,897	3,691,599	136,777,496
Total OPEB liability	4,741,669	961,395	5,703,064
Estimated liability for self-insured losses	6,693,000		6,693,000
Total liabilities	<u>247,140,367</u>	<u>34,521,974</u>	<u>281,662,341</u>
Deferred inflows of resources:			
Deferred inflows for pensions	14,321,316	1,901,306	16,222,622
Deferred inflows for OPEB	78,105	15,836	93,941
Total deferred inflows of resources	<u>14,399,421</u>	<u>1,917,142</u>	<u>16,316,563</u>
Net Position			
Net investment in capital assets	339,884,843	239,613,202	579,498,045
Restricted - nonexpendable, perpetual care	4,580,134		4,580,134
Restricted for:			
Building permits	6,513,782		6,513,782
Community development	25,167,196		25,167,196
Debt service	8,349,204	6,332,579	14,681,783
Law enforcement	1,125,401		1,125,401
Transportation	10,674,294		10,674,294
Economic development	6,175,801		6,175,801
Infrastructure	27,749,550		27,749,550
ROW beautification	225,072		225,072
Renewal and replacement		16,285,145	16,285,145
Operations and maintenance reserves		3,619,960	3,619,960
Capital projects and expansion	18,933,565	32,984,194	51,917,759
Other purposes	170,000		170,000
Unrestricted	49,681,677	120,150,365	169,832,042
Total net position	<u>\$ 499,230,519</u>	<u>\$ 418,985,445</u>	<u>\$ 918,215,964</u>

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

CITY OF BOCA RATON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expenses) Revenues and Changes in Net Position					
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total			
Primary Government:										
Governmental Activities:										
General government	\$ 39,340,641	\$ 31,308,775	\$ 475,674	\$ 311,758	\$ (7,244,434)	\$ (7,244,434)	\$ (47,465,545)	\$ (47,465,545)	\$ (47,465,545)	
Law enforcement	49,727,544	1,902,281	359,718		(47,465,545)	(47,465,545)	(34,318,687)	(34,318,687)	(34,318,687)	
Fire rescue	49,475,338	15,038,435	118,216		(34,318,687)	(34,318,687)	(3,041,029)	(3,041,029)	(3,041,029)	
Physical environment	5,222,624	206,497	1,975,098		(3,041,029)	(3,041,029)	(31,658,277)	(31,658,277)	(31,658,277)	
Transportation	31,725,086	66,809			(31,658,277)	(31,658,277)	(823,107)	(823,107)	(823,107)	
Community development	13,516,764	1,942,209	10,751,448		(823,107)	(823,107)	(20,726,045)	(20,726,045)	(20,726,045)	
Parks and recreation	46,219,665	23,895,523		1,598,097	(20,726,045)	(20,726,045)	(1,719,095)	(1,719,095)	(1,719,095)	
Interest and fiscal charges	1,719,095				(1,719,095)	(1,719,095)				
Total Governmental Activities	236,946,757	74,360,529	13,680,154	1,909,855	(146,996,219)	(146,996,219)				
Business-type Activities:										
Water and sewer	53,646,532	60,504,245		5,642,921			\$ 12,500,634	\$ 12,500,634	\$ 12,500,634	
Cemetery	652,677	377,699					(274,978)	(274,978)	(274,978)	
Golf course	2,843,001	2,534,349		191,554			(117,098)	(117,098)	(117,098)	
Stormwater utility	3,395,893	2,652,775					(743,118)	(743,118)	(743,118)	
Sanitation	7,828,989	8,037,996					209,007	209,007	209,007	
Total Business-Type Activities	68,367,092	74,107,064		5,834,475			11,574,447	11,574,447	11,574,447	
Total Primary Government	\$ 305,313,849	\$ 148,467,593	\$ 13,680,154	\$ 7,744,330	(146,996,219)	(146,996,219)	11,574,447	(135,421,772)	11,574,447	
General revenues:										
Property tax					84,781,453				84,781,453	
Utility tax					22,174,400				22,174,400	
Franchise tax					13,349,751				13,349,751	
Sales tax					7,463,838				7,463,838	
Infrastructure surtax					6,766,870				6,766,870	
Gas tax					2,264,830				2,264,830	
Incremental property tax					13,366,285				13,366,285	
State shared revenues, unrestricted					3,107,736				3,107,736	
Investment earnings					7,885,774		4,702,039		12,587,813	
Gain on disposal of capital asset					287,761		195,261		483,022	
Miscellaneous					288,490		582,677		871,167	
Transfers					(593,100)		593,100			
Total general revenues and transfers					161,144,088		6,073,077		167,217,165	
Change in net position					14,147,869		17,647,524		31,795,393	
Net position, beginning					485,082,650		401,337,921		886,420,571	
Net position, ending					<u>\$ 499,230,519</u>		<u>\$ 418,985,445</u>		<u>\$ 918,215,964</u>	

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

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2019**

	General	Community Redevelopment Agency Mizner Park Revenue	Five Year Capital Improvement Fund
ASSETS			
Cash and cash equivalents	\$ 8,257,657	\$ 919,101	\$ 4,030,975
Investments	57,921,163	4,666,070	20,465,006
Receivables, net:			
Accounts receivable	4,064,413	14,420,999	25,151
Assessments			
Interest	443,033	36,715	120,480
Due from other funds	3,236,742		
Advance to other funds	320,000		
Due from other governmental units	2,758,003		152,707
Advance to other governmental units	300,000		
Inventories	16,738		
Restricted:			
Cash and cash equivalents			
Investments			
Interest receivable on investments			
Restricted accounts receivable			
Other assets	2,000		
Total assets	77,319,749	20,042,885	24,794,319
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources			
Total assets and deferred outflows of resources	\$ 77,319,749	\$ 20,042,885	\$ 24,794,319
LIABILITIES			
Accounts payable and accrued liabilities	\$ 10,365,963		\$ 951,989
Performance bonds and escrow funds	2,365,798		56,103
Due to other funds			
Unearned revenue	897,354		
Total liabilities	13,629,115		1,008,092
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	47,020	\$ 14,348,822	
Total deferred inflows of resources	47,020	14,348,822	
FUND BALANCES			
Non-spendable:			
Nonspendable inventories	16,738		
Nonspendable advance	320,000		
Perpetual care, cemetery and mausoleum			
Restricted for:			
Army Corp of Engineers	170,000		
Building permits	6,513,782		
Debt service			
Housing			
Infrastructure			
Law enforcement			
Transportation			
Downtown		5,694,063	
Economic development			
Land dedication			
Land proceeds			
Committed to:			
Hurricane/disaster emergency	18,590,000		
Parking			
Right of way beautification	225,072		
Right of way acquisition			
Assigned to:			
Capital projects			23,786,227
Subsequent year's budget	7,425,000		
Unassigned	30,383,022		
Total fund balances	63,643,614	5,694,063	23,786,227
Total liabilities, deferred inflows of resources and fund balances	\$ 77,319,749	\$ 20,042,885	\$ 24,794,319

<u>Infrastructure Surtax Fund</u>	<u>Beach and Park Operations Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,282,142 26,868,887	\$ 200	\$ 10,463,796 36,992,041	\$ 25,953,871 146,913,167
		982	18,511,545
		230,128	230,128
44,357		210,521	855,106
			3,236,742
			320,000
1,090,169	3,934,820	435,629	8,371,328
			300,000
			16,738
		792,532	792,532
		4,023,567	4,023,567
		23,927	23,927
		96,791	96,791
14,600			16,600
<u>30,300,155</u>	<u>3,935,020</u>	<u>53,269,914</u>	<u>209,662,042</u>
<u>\$ 30,300,155</u>	<u>\$ 3,935,020</u>	<u>\$ 53,269,914</u>	<u>\$ 209,662,042</u>
\$ 2,550,605	\$ 691,169	\$ 526,952	\$ 15,086,678
	17,862	1,877,084	4,316,847
	3,225,989	10,753	3,236,742
			897,354
<u>2,550,605</u>	<u>3,935,020</u>	<u>2,414,789</u>	<u>23,537,621</u>
			14,395,842
			<u>14,395,842</u>
			16,738
			320,000
		4,243,396	4,243,396
			170,000
			6,513,782
		2,116,125	2,116,125
		807,147	807,147
27,749,550			27,749,550
		1,125,401	1,125,401
		10,674,294	10,674,294
		5,307,975	11,002,038
		6,175,801	6,175,801
		17,939,687	17,939,687
		30,804	30,804
			18,590,000
		3,067	3,067
			225,072
		2,431,428	2,431,428
			23,786,227
			7,425,000
			<u>30,383,022</u>
<u>27,749,550</u>		<u>50,855,125</u>	<u>171,728,579</u>
<u>\$ 30,300,155</u>	<u>\$ 3,935,020</u>	<u>\$ 53,269,914</u>	<u>\$ 209,662,042</u>

CITY OF BOCA RATON, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Ending fund balance - governmental funds	\$	171,728,579
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 governmental funds.		
Governmental capital assets, excluding Internal Service Funds	\$ 711,620,520	
Less accumulated depreciation/amortization	<u>(346,379,628)</u>	
Net capital assets		365,240,892
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the governmental funds.		
Note receivable	17,585,000	
Accrued interest on note receivable	116,061	
Operating lease revenues	14,348,822	
Communication Service Tax revenues	<u>47,020</u>	
		32,096,903
Long term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable on long-term debt	(442,214)	
Bonds and loans payable	(57,440,166)	
Deferred amount on refunding	318,443	
Compensated absences	(16,585,160)	
Supplemental SERP pension accrual	(2,014,938)	
Net pension liability	(131,647,670)	
Total OPEB liability	<u>(4,476,832)</u>	
Total long-term liabilities		(212,288,537)
Deferred outflows/inflows of resources reported on the statement of net position:		
Deferred outflows - pensions	49,579,625	
Deferred outflows - OPEB	318,296	
Deferred inflows - pensions	(13,648,992)	
Deferred inflows - OPEB	<u>(73,743)</u>	
		36,175,186
Internal service funds are used by management to charge the costs of fleet management, management information systems and insurance programs to individual funds. The assets, deferred outflows, liabilities, and deferred inflows of the internal service funds are included in governmental activities in the statement of net position.		
Assets and deferred outflows	121,186,690	
Liabilities and deferred inflows	<u>(14,909,194)</u>	
Net position		<u>106,277,496</u>
Net position of governmental activities	\$	<u><u>499,230,519</u></u>

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

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>General</u>	<u>Community Redevelopment Agency Mizner Park Revenue</u>	<u>Five Year Capital Improvement Fund</u>
REVENUES			
Taxes	\$ 106,501,961	\$ 13,366,285	\$ 8,022,711
Licenses and permits	16,632,462		
Intergovernmental	23,922,297		1,898,261
Charges for services	29,322,610	1,806,562	
Fines and forfeitures	1,606,135		
Special assessments			
Donations in lieu of land			311,758
Investment earnings (loss)	2,018,319	197,628	676,390
Miscellaneous	377,717		
Total revenues	<u>180,381,501</u>	<u>15,370,475</u>	<u>10,909,120</u>
EXPENDITURES			
Current:			
General government	29,038,999		405,301
Law enforcement	49,721,648		362,204
Fire rescue	50,366,565		425,861
Physical environment	5,102,456		
Transportation	6,807,249		2,297,879
Community development		10,000,000	
Parks and recreation	25,867,673		4,071
Capital outlay	216,535		2,917,816
Debt service:			
Principal			
Interest			
Bond issuance costs			
Total expenditures	<u>167,121,125</u>	<u>10,000,000</u>	<u>6,413,132</u>
Excess (deficiency) of revenues over expenditures	<u>13,260,376</u>	<u>5,370,475</u>	<u>4,495,988</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,254,079		
Transfers out	(4,102,400)	(3,740,393)	(3,256,900)
Issuance of debt			
Total other financing sources (uses)	<u>2,151,679</u>	<u>(3,740,393)</u>	<u>(3,256,900)</u>
Net change in fund balances	15,412,055	1,630,082	1,239,088
Fund balances - beginning	<u>48,231,559</u>	<u>4,063,981</u>	<u>22,547,139</u>
Fund balances - ending	<u>\$ 63,643,614</u>	<u>\$ 5,694,063</u>	<u>\$ 23,786,227</u>

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

<u>Infrastructure Surtax Fund</u>	<u>Beach and Park Operations Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,766,870		\$ 8,086,589	\$ 142,744,416
	\$ 16,304,657	1,929,027	16,632,462
	2,784,663	1,827,454	44,054,242
		9,574	35,741,289
		1,547,777	1,615,709
		1,475,160	1,547,777
435,802		1,794,124	1,786,918
	6,514	170,358	5,122,263
<u>7,202,672</u>	<u>19,095,834</u>	<u>16,840,063</u>	<u>249,799,665</u>
		5,958	29,450,258
		118,947	50,202,799
			50,792,426
		103,691	5,206,147
3,721,037		1,786,454	14,612,619
	16,777,678	3,872,937	13,872,937
	2,143,056		42,649,422
4,285,232		1,347,129	10,909,768
		8,894,599	8,894,599
		5,634,349	5,634,349
64,201			64,201
<u>8,070,470</u>	<u>18,920,734</u>	<u>21,764,064</u>	<u>232,289,525</u>
<u>(867,798)</u>	<u>175,100</u>	<u>(4,924,001)</u>	<u>17,510,140</u>
		6,881,445	13,135,524
(100,983)	(175,100)	(9,888,748)	(21,264,524)
20,000,000			20,000,000
<u>19,899,017</u>	<u>(175,100)</u>	<u>(3,007,303)</u>	<u>11,871,000</u>
19,031,219		(7,931,304)	29,381,140
8,718,331		58,786,429	142,347,439
<u>\$ 27,749,550</u>	<u>\$</u>	<u>\$ 50,855,125</u>	<u>\$ 171,728,579</u>

**CITY OF BOCA RATON, 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, 2019**

Net change in fund balances - total governmental funds		\$ 29,381,140
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 depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 8,787,393	
Less current year depreciation/amortization	\$ (15,688,138)	
		(6,900,745)
The net effect of the various miscellaneous transactions involving capital assets (i.e. sales, trade ins and donations) is to decrease net position.		
		(18,754)
Some revenues and expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.		
Operating lease revenues	134,369	
Communications Service Tax revenues	(40,827)	
Compensated absences	(272,614)	
OPEB Liability	(548,762)	
Supplemental SERP pension accrual	(1,549,230)	
Net effect of accrued interest on long term debt (difference between amount that would have been accrued in prior year and current year accrual)	(103,525)	
		(2,380,589)
Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension liability on the statement of net position.		
		(13,027,719)
Notes receivable, principal		
		(1,120,000)
Accrued interest on notes receivable		
		(7,392)
The issuance of long-term debt (e.g., bonds and loans) 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.		
Debt issued or incurred:		
Issuance of debt	(20,000,000)	
Debt retired:		
Principal payments on bonds and loans	8,894,599	
Change in accreted interest on tax increment revenue bonds payable	4,116,422	
The governmental funds report bond premiums, discounts and similar items as expenditures when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.		
Amortization of deferred amount on refunding	(311,239)	
Amortization of bond discount	(4,380)	
Amortization of bond premium	217,976	
		(7,086,622)
Deferred outflows/inflows of resources reported on the statement of net position:		
Change in deferred outflows - pensions	2,112,812	
Change in deferred outflows - OPEB	318,296	
Change in deferred inflows - pensions	4,758,347	
Change in deferred inflows - OPEB	18,193	
		7,207,648
Internal service funds are used by management to charge costs of fleet management, management information systems and insurance programs to individual funds.		
The net revenue of the activities of the internal service funds is reported with governmental activities:		
Net operating loss of the internal service funds	(2,375,662)	
Impact of external transactions on the net position of governmental activities:		
Investment income	2,770,902	
Gain on disposal of capital assets	169,762	
Net transfers from governmental funds to internal service funds decrease the fund balances of the governmental funds, but have no effect on net position as reported on a government-wide basis.	7,535,900	
		8,100,902
Change in net position of governmental activities		\$ 14,147,869

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

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 18,482,916	\$ 2,238,643	\$ 20,721,559	\$ 17,163,805
Investments	82,532,406	11,353,393	93,885,799	87,112,500
Interest receivable on investments	615,477	74,318	689,795	508,105
Interest receivable on assessments	36,640		36,640	
Accounts receivable	7,942,580	1,630,761	9,573,341	270,912
Assessments receivable	379,361		379,361	
Due from other governmental units	24,908	113,824	138,732	1,200
Inventories		59,403	59,403	664,336
Other assets		1,775	1,775	
Total unrestricted current assets	<u>110,014,288</u>	<u>15,472,117</u>	<u>125,486,405</u>	<u>105,720,858</u>
Restricted assets:				
Cash and cash equivalents	9,141,283		9,141,283	
Investments	57,709,042		57,709,042	
Interest receivable on investments	138,279		138,279	
Interest receivable on assessments	70,856		70,856	
Assessments receivable	691,351		691,351	
Total restricted current assets	<u>67,750,811</u>		<u>67,750,811</u>	
Restricted accounts receivable	<u>1,264,005</u>		<u>1,264,005</u>	
Total current assets	<u>179,029,104</u>	<u>15,472,117</u>	<u>194,501,221</u>	<u>105,720,858</u>
Noncurrent assets:				
Capital assets:				
Land	245,873	586,735	832,608	
Construction in progress	17,943,420	8,599	17,952,019	950,476
Utility plant in service	408,394,938		408,394,938	
Buildings		2,259,661	2,259,661	1,270,000
Improvements other than buildings		21,610,219	21,610,219	
Equipment	57,237,182	15,437,369	72,674,551	34,174,796
Less accumulated depreciation	(249,340,764)	(17,237,438)	(266,578,202)	(22,172,255)
Total capital assets (net of accumulated depreciation/amortization)	<u>234,480,649</u>	<u>22,665,145</u>	<u>257,145,794</u>	<u>14,223,017</u>
Total noncurrent assets	<u>234,480,649</u>	<u>22,665,145</u>	<u>257,145,794</u>	<u>14,223,017</u>
Total assets	<u>413,509,753</u>	<u>38,137,262</u>	<u>451,647,015</u>	<u>119,943,875</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	629,240		629,240	
Deferred outflows for pensions	2,624,886	775,066	3,399,952	1,223,985
Deferred outflows for OPEB	44,880	23,474	68,354	18,830
Total deferred outflows of resources	<u>3,299,006</u>	<u>798,540</u>	<u>4,097,546</u>	<u>1,242,815</u>

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

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS (continued)
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2019**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,278,110	\$ 612,205	\$ 2,890,315	\$ 1,991,723
Advances from other funds		320,000	320,000	
Compensated absences	153,596	79,397	232,993	79,372
Retainage payable	128,947	9,646	138,593	
Performance bonds and escrow funds		1,000	1,000	
Estimated liability for self-insurance losses				3,051,000
Unearned revenue		21,840	21,840	
Total unrestricted current liabilities	2,560,653	1,044,088	3,604,741	5,122,095
Current liabilities payable from restricted assets:				
Accounts payable and accrued liabilities	1,602,141		1,602,141	
Customer deposits payable	4,227,275	2,533	4,229,808	
Restricted retainage payable	252,630		252,630	
Revenue bonds payable, current portion	3,470,000		3,470,000	
Accrued interest payable	240,892		240,892	
Total current liabilities payable from restricted assets	9,792,938	2,533	9,795,471	
Total current liabilities	12,353,591	1,046,621	13,400,212	5,122,095
Non-current liabilities:				
Compensated absences	1,382,364	714,571	2,096,935	714,349
Net pension liability	2,939,423	752,176	3,691,599	1,438,227
Total OPEB liability	631,255	330,140	961,395	264,837
Revenue bonds payable	14,691,833		14,691,833	
Estimated liability for self-insurance				6,693,000
Total noncurrent liabilities	19,644,875	1,796,887	21,441,762	9,110,413
Total liabilities	31,998,466	2,843,508	34,841,974	14,232,508
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows for pensions	1,457,937	443,369	1,901,306	672,324
Deferred inflows for OPEB	10,399	5,437	15,836	4,362
Total deferred inflows of resources	1,468,336	448,806	1,917,142	676,686
NET POSITION				
Net investment in capital assets	216,948,056	22,665,146	239,613,202	14,223,017
Restricted for:				
Debt service	6,332,579		6,332,579	
Renewal and replacement	16,285,145		16,285,145	
Operations and maintenance reserves	3,619,960		3,619,960	
Capital projects and expansion	32,984,194		32,984,194	
Unrestricted	107,172,023	12,978,342	120,150,365	92,054,479
Total net position	\$ 383,341,957	\$ 35,643,488	\$ 418,985,445	\$ 106,277,496

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

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES				
Charges for sales and services		\$ 13,546,490	\$ 13,546,490	
Fleet management				\$ 4,862,036
Management information processing				9,486,632
Insurance premiums				18,536,179
Insurance premium tax				3,483,705
Retirement sustainability				2,803,800
Water sales	\$ 35,214,820		35,214,820	
Sewer service charges	21,765,489		21,765,489	
Other	2,725,362	103,666	2,829,028	
Total operating revenues	59,705,671	13,650,156	73,355,827	39,172,352
OPERATING EXPENSES				
Personnel services	12,321,330	6,068,327	18,389,657	7,249,976
Materials and supplies	4,473,165	365,255	4,838,420	136,144
General and administration	12,515,510		12,515,510	
Other services and charges	8,848,733	6,439,208	15,287,941	11,968,233
Insurance claims				15,032,352
Pension benefits				3,483,705
Depreciation/amortization of capital assets	14,537,577	1,847,770	16,385,347	3,677,604
Total operating expenses	52,696,315	14,720,560	67,416,875	41,548,014
Operating income (loss)	7,009,356	(1,070,404)	5,938,952	(2,375,662)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	4,276,142	425,897	4,702,039	2,770,902
Interest expense	(486,188)		(486,188)	
Gain (loss) on disposal of capital assets	(464,029)	195,261	(268,768)	169,762
Total nonoperating revenues (expenses)	3,325,925	621,158	3,947,083	2,940,664
Income (loss) before transfers and contributions	10,335,281	(449,246)	9,886,035	565,002
Transfers in		593,100	593,100	7,535,900
Capital contributions	6,976,835	191,554	7,168,389	
Change in net position	17,312,116	335,408	17,647,524	8,100,902
Net position, beginning	366,029,841	35,308,080	401,337,921	98,176,594
Net position, ending	\$ 383,341,957	\$ 35,643,488	\$ 418,985,445	\$ 106,277,496

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

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Enterprise Funds			Governmental Activities
	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 57,377,097	\$ 13,550,211	\$ 70,927,308	\$ 39,174,966
Payments to suppliers	(23,579,316)	(6,652,931)	(30,232,247)	(15,603,442)
Payments to employees	(13,859,531)	(5,977,143)	(19,836,674)	(7,049,116)
Claims paid				(14,861,352)
Net cash provided by operating activities	<u>19,938,250</u>	<u>920,137</u>	<u>20,858,387</u>	<u>1,661,056</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in		593,100	593,100	7,535,900
Net cash provided by noncapital financing activities		<u>593,100</u>	<u>593,100</u>	<u>7,535,900</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	5,802,296	191,554	5,993,850	
Payment of bond principal	(4,328,112)		(4,328,112)	
Acquisition of capital assets	(15,565,860)	(4,586,727)	(20,152,587)	(4,783,863)
Interest paid	(559,875)		(559,875)	
Proceeds from sale of capital assets	100,558	195,261	295,819	180,110
Net cash used in capital and related financing activities	<u>(14,550,993)</u>	<u>(4,199,912)</u>	<u>(18,750,905)</u>	<u>(4,603,753)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	3,796,502	379,358	4,175,860	2,445,716
Sale of investments	74,797,055	7,492,425	82,289,480	45,830,420
Purchase of investments	(140,241,448)	(11,353,393)	(151,594,841)	(87,112,500)
Net cash used in investing activities	<u>(61,647,891)</u>	<u>(3,481,610)</u>	<u>(65,129,501)</u>	<u>(38,836,364)</u>
Net increase (decrease) in cash and cash equivalents	(56,260,634)	(6,168,285)	(62,428,919)	(34,243,161)
Cash and cash equivalents				
Beginning of year	<u>83,884,833</u>	<u>8,406,928</u>	<u>92,291,761</u>	<u>51,406,966</u>
End of year	<u>27,624,199</u>	<u>2,238,643</u>	<u>29,862,842</u>	<u>17,163,805</u>
Cash and cash equivalents, unrestricted	18,482,916	2,238,643	20,721,559	17,163,805
Cash and cash equivalents, restricted	9,141,283		9,141,283	
End of Year	<u>\$ 27,624,199</u>	<u>\$ 2,238,643</u>	<u>\$ 29,862,842</u>	<u>\$ 17,163,805</u>

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

(Continued)

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS (continued)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Enterprise Funds			Governmental Activities
	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 7,009,356	\$ (1,070,404)	\$ 5,938,952	\$ (2,375,662)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	14,537,577	1,847,770	16,385,347	3,677,604
Change in assets, liabilities, deferred outflows & deferred inflows				
(Increase) decrease in accounts receivable	(1,122,870)	(108,724)	(1,231,594)	1,414
(Increase) decrease in assessments receivable	150,904		150,904	
(Increase) decrease in due from other governmental units	(104)	4,986	4,882	1,200
(Increase) decrease in inventories		743	743	(18,564)
(Increase) decrease in other assets		(1,775)	(1,775)	
(Increase) decrease in deferred pension outflows	105,992	174,334	280,326	67,109
Increase (decrease) in accounts payable and accrued liabilities	848,046	206,514	1,054,560	25,012
Increase (decrease) in retainage payable	(624,692)	9,646	(615,046)	
Increase (decrease) in performance bonds and escrow funds	(63,417)		(63,417)	
Increase (decrease) in customer deposits payable	29,126	1,958	31,084	
Increase (decrease) in compensated absences	127,261	(22,438)	104,823	95,013
Increase (decrease) in total OPEB liability	68,692	30,247	98,939	38,259
Increase (decrease) in estimated liability for self-insurance losses				171,000
Increase (decrease) in unearned revenue	(1,322,213)	1,835	(1,320,378)	
Increase (decrease) in net pension liability	580,559	71,270	651,829	149,257
Increase (decrease) in deferred inflows for pensions	(383,197)	(224,244)	(607,441)	(169,645)
Increase (decrease) in deferred inflows for OPEB	(2,770)	(1,581)	(4,351)	(941)
Total adjustments	12,928,894	1,990,541	14,919,435	4,036,718
Net cash provided by operating activities	\$ 19,938,250	\$ 920,137	\$ 20,858,387	\$ 1,661,056
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Unrealized (loss) on investments	\$ -	\$ -	\$ -	\$ -
Noncash portion of capital contributions	1,174,539		1,174,539	

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

**CITY OF BOCA RATON, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019**

ASSETS

Cash and cash equivalents	\$ 38,099,784
Investments:	
Common and preferred stock	219,858,347
U.S. government securities	32,235,828
Corporate bonds and debentures	71,430,923
Foreign Government Agency	299,856
Infrastructure	3,387,728
Commingled funds	137,375,951
Real estate	42,869,032
Private Equity	35,242,657
Multi Asset Class	44,506,767
Florida Municipal Pension Trust Fund	47,989,137
Total Investments	<u>635,196,226</u>
Receivables:	
Interest and dividends	598,880
Unsettled trades receivable	3,405,558
Accounts receivable	450,288
Total receivables	<u>4,454,726</u>
Other assets	18,198
Prepaid expenses	32,349
Total assets	<u>677,801,283</u>

LIABILITIES

Accounts payable and accrued liabilities	475,783
Unsettled trades payable	4,143,265
Total liabilities	<u>4,619,048</u>

NET POSITION RESTRICTED FOR PENSIONS	\$ <u>673,182,235</u>
---	------------------------------

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

**CITY OF BOCA RATON, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

ADDITIONS

Contributions:		
City	\$	17,512,208
State		3,483,705
Employee		7,718,518
Transfer from other pension trust funds		454,958
Total contributions		<u>29,169,389</u>
Investment income:		
Interest revenue		5,863,664
Dividends		7,429,800
Net appreciation in fair value of investments Other		14,324,241
investment income		39,195
Investment income		104,568
Investment expense		<u>(4,235,700)</u>
Total investment income		<u>23,525,768</u>
Total additions		<u>52,695,157</u>

DEDUCTIONS

Benefits paid:		
Retirement		31,991,648
Disability		961,584
Death		1,721,307
Deferred retirement option plan		8,439,457
Termination refunds		536,069
Administrative expenses		406,033
Transfer to other pension trust funds		<u>454,958</u>
Total deductions		<u>44,511,056</u>
Change in net position		8,184,101

NET POSITION RESTRICTED FOR PENSIONS

Beginning of year		<u>664,998,134</u>
End of year	\$	<u><u>673,182,235</u></u>

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

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

INDEX

	<u>Page</u>
Note 1 The City of Boca Raton	33
Note 2 Summary of Significant Accounting Policies	33
Note 3 Deposits and Investments	44
Note 4 Receivables and Payables	65
Note 5 Encumbrances	67
Note 6 Capital Assets	68
Note 7 Deferred Outflows and Inflows	70
Note 8 Capital Contribution (System Development or Impact Fees)	70
Note 9 Long-Term Debt	71
Note 10 Employee Retirement Systems	76
Note 11 Other Post Employment Benefits (OPEB)	103
Note 12 Interfund Receivables, Payables, Transfers and Advances	107
Note 13 Self Insurance Programs	108
Note 14 Contingent Liabilities	109
Note 15 Excess of Expenditures over Appropriations	109
Note 16 Boca Raton Community Redevelopment Agency	110
Note 17 Subsequent Events	110

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

1. The City of Boca Raton

The City of Boca Raton, Florida (the City) was incorporated in 1925 and operates under a Charter granted by the Legislature of the State of Florida, Chapter 65-1264, Special Acts, Laws of Florida. The City is governed by an elected City Council (4 members) and an elected Mayor, and provides, under the administration of an appointed City Manager, the following services: public safety, recreation, sanitation, cemetery, streets and traffic engineering, planning and zoning, water and sewer services, and general administrative services.

2. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's governmental accounting policies are described below.

A. Reporting Entity

As required by various GASB Statements, the accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The City is financially accountable if the City Council appoints a voting majority of an organization's governing body and the City is able to impose its will on that organization, or the City has a financial benefit/burden relationship or operational responsibility with the organization. Blended component units are, in substance, part of the City's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the City.

Blended Component Unit. The City Council of Boca Raton, Florida created the Boca Raton Community Redevelopment Agency (CRA) in 1980 as an independent special district by City Resolution No. 162-80. The CRA was established to prepare or have prepared a community redevelopment plan for areas within the City of Boca Raton, which are, determined to be slum or blighted areas, and to carry out the community redevelopment purposes of Part III, Chapter 163, of the Florida Statutes. As a tax increment district, the CRA receives operating revenues from tax increment assessments from three taxing jurisdictions within Palm Beach County. Funds are also provided by private contributions, fees collected, interest income, and the unexpended fund balance from the previous year. The funds of the CRA included within the reporting entity are the Community Redevelopment Agency Mizner Park Revenue Fund (major special revenue fund), Community Redevelopment Agency Operating Fund (nonmajor special revenue fund) and the Community Redevelopment Agency Debt Service Fund (nonmajor debt service fund). During fiscal year 1989, the CRA entered into an interlocal agreement with the City. This agreement called for the City to make a secondary pledge of its excise tax revenues for the CRA's debt. On February 5, 1991, the City, by referendum, adopted a

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

resolution declaring the City Council Members to constitute the Board of Commissioners of the CRA. Under Florida Statute 163.356, this made the CRA a dependent special district of the City. The CRA is reported as a blended component unit since its Board of Commissioners is the same as the governing body of the City and the City has the financial benefit/burden relationship and operational responsibility for the CRA relating to the secondary pledge of the City's excise (public service) taxes for the CRA's debt.

Discretely Presented Component Units. There are no discretely presented component units for the City. The Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority have not met the established criteria for inclusion as component units and, therefore, are excluded from this report.

B. Government-Wide And Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the City.

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary trust funds of the government are also excluded from this presentation since these resources are not available for general government funding purposes.

The Statement of Net Position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for goods or services that are recovered directly from customers for services rendered and 2) grants and contributions that are restricted to meeting the operational 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 trust 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.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

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

C. Measurement Focus, Basis Of Accounting And Financial Statement Presentation

The government-wide financial statements, the proprietary fund financial statements and the fiduciary trust fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses reported 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 revenue as soon as all eligibility requirements have been met.

All governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, public services taxes, franchise taxes and interest income associated with the current fiscal period are susceptible to accrual and are recorded as earned since they are measurable and available. In addition, revenue from Federal, State and local reimbursement type grants for which eligibility requirements have been met and which meet the availability criteria of twelve months have been accrued and recognized as revenues of the period. The City also considers funds due from the Greater Boca Raton Beach and Park District as available if received within a twelve-month period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. Licenses and permits, charges for services and miscellaneous revenues are recorded as revenue when received in cash, because they are generally not measurable until actually received.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

D. Governmental Accounting Standards Board (GASB) Pronouncements

Effective October 1, 2018, the City implemented the following GASB Pronouncement:

GASB Statement No. 84 *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The implementation of this pronouncement did not result in an impact to the City.

E. Major Funds and Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equities, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds. The non-major funds are presented in one column in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The **Community Redevelopment Agency Mizner Park Revenue Fund** is used to account for tax increment revenues assessed on downtown properties and land lease revenues that are used to fund the Mizner Park bond debt service and capital improvements that encourage development in the downtown.

The **Five-Year Capital Improvement Program Fund** is used to account for various building, park and street construction projects. Financing is being provided by general tax revenue, bond proceeds, excise tax and interest income.

The **Infrastructure Surtax Fund** is used to account for the bond proceeds and payment of designated infrastructure expenses as a result of the 1-cent sales surtax approved by Palm Beach County votes in November of 2016.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The ***Beach and Park Operations Fund*** is used to account for beach and park operations reimbursed through an interlocal agreement with the Greater Boca Raton Beach and Park Tax District. The Fund did not meet the minimum criteria for major fund determination during fiscal 2019. However, it will continue to be presented as a major fund for the purpose of consistency and to highlight the operations of the Fund.

The City reports the following major proprietary fund:

The ***Water and Sewer Fund*** accounts for the provision of water and sewer services to residents of the City and to some residents of Palm Beach County.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City's Internal Service Fund operations include Fleet Management and Information Technology for direct services and Self-Insurance for the provision of employee health, workers' compensation and property and general liability insurance for the City. The City also has an Internal Service Fund for retirement sustainability to separate funding for certain receipts and expenditures for all of the City's defined benefit plans and accounts for reserves to reduce the financial burden, if any, of retiree defined benefit plan payments on future taxpayers.

Pension Trust Funds account for activities of the City's General Employees' Pension Plan, the Police and Firefighters' Retirement System and the Executive Employees' Retirement Plan that accumulate resources for pension benefits and disability benefit payments.

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 for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. All revenues that are not program revenues are general revenues, and include *all* taxes, as well as grants, contributions and investment earnings that are not restricted to a particular program.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

assets. All items not meeting this definition are reported as nonoperating revenues and expenses.

F. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand and time deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Investment Pool, investment pools governed by interlocal agreements, and the Florida Municipal Investment Trust.

The City maintains a cash and investment pool that is available for use by all funds. This pool has deposits and other investments with maturities generally less than one year. In addition, longer-term investments are also held by the investment pool. Pooled cash is classified as "Cash and Cash Equivalents" in the Statement of Net Position and pooled investments are combined with other separate investments and classified as "Investments."

Long-term investments are valued at fair value.

2. Receivables and Payables

During the course of its operations, the City has numerous transactions between funds to provide goods or render services. To the extent that certain transactions between funds were not paid for or received as of September 30, 2019, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. Balances of advances to and from other funds are considered non-spendable fund balances of the respective funds since these balances are not available for appropriation.

All trade and other receivables are shown net of an allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is calculated based on the City's historical bad debt experience.

Water and wastewater charges to customers are based on actual water consumption. Consumption is determined on a bi-monthly cycle basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

3. Inventories

All inventories are valued at weighted average cost. Perpetual inventory records are maintained and adjusted annually to physical inventory amounts as of September 30th of each year. Inventory is reported using the consumption method whereby inventories are recorded as expenditures/expenses when used.

4. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside in accordance with bond covenants or local ordinances are classified as restricted assets on the fund level balance sheet. The "operations and maintenance reserve" is used to report resources set aside to subsidize potential deficiencies from the City's Water and Sewer Utility operations that could adversely affect debt service payments. The "renewal and replacement reserve" is used for the accumulation of resources to provide for replacement of existing system assets. The "debt service reserve" is used for the accumulation of resources needed to meet debt service requirements as they become due. Certain accounts receivable items in the Water and Sewer Fund are restricted to repay debt. Cash and investments of the City's Perpetual Care Fund are restricted to providing perpetual care for the City's cemetery and mausoleum. Additionally, cash and investments of the General Trust Fund are restricted as the funds are to be used only for specific purposes. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

5. Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's capitalization threshold for tangible capital assets is \$5,000 and for intangible assets, including software, is \$35,000. In addition, these assets must have an estimated life of greater than one year. A \$35,000 threshold is maintained for additions to infrastructure capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. All infrastructure assets acquired subsequent to June 30, 1980 are reported. 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 asset lives are not capitalized.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Property, plant, equipment, intangible and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Life</u>
Building	40
Building improvements	10-50
Roads	40
Bridges	50
Other Infrastructure	10-75
Equipment	3-40
Intangible	5-20

6. Deferred Outflows of Resources

Deferred Outflows of Resources represents the utilization of net position applicable to future periods and will not be recognized as expenses until the future period to which it applies. The City currently reports the net deferred loss on refunding of debt, deferred outflows related to pension investment gains and losses, demographic gains and employer pension contributions made after the measurement date, which will be recognized in future fiscal years.

7. Other Post-Employment Benefits (OPEB)

For the purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Other Post-Employment Trust and additions to/deductions from OPEB fiduciary net position have been determined on the same basis as they are reported by the OPEB plan.

8. Unearned Revenue

Unearned revenue is recorded for governmental fund for items that are measureable and available, but have not met the criteria for revenue recognition, such as unredeemed gift certificates. Local and business taxes are recorded as unearned revenue in the government-wide and the fund statements.

9. Liabilities – Performance Bonds, Escrow for Performance Bonds and Escrow Funds

Liabilities include amounts paid to the City by contractors as guarantees of performance. These amounts may be due back to the contractors.

10. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits and compensatory time. All vacation, sick pay and compensatory time is accrued when earned in the government-wide and proprietary fund financial statements.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements. The fund the employee is assigned to is used to liquidate compensated absences.

11. Long-Term Obligations

In the government-wide financial statements and proprietary fund types of the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable premium or discount. These premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method of amortization which approximates the effective interest method. Issuance costs are expensed in the year they are incurred.

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 on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the year they are incurred.

For purposes of measuring the net pension liability and OPEB liability, information about the fiduciary net position of the City's three pension plans and additions to/deductions from the City's Pension Plans fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

12. Deferred Inflows of Resources

Deferred Inflows of Resources represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. Currently, the items in this category are Pension and Other Post Employment Benefits (OPEB) and unavailable revenues. The respective balances represent the difference between the expected and actual pension and OPEB expense. The Pension expense is amortized over the investment terms of the pension assets and the OPEB expenses are amortized over the average expected remaining lifetime of both active and inactive employees. Governmental funds also report unavailable revenue in this category.

13. Net Position

Net position is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as net investment in capital assets, reduced by accumulated depreciation and any outstanding debt and related deferred outflows incurred to acquire,

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted. The first category represents net position related to property, plant, equipment and infrastructure.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned net position are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions by either an ordinance or resolution.

The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

14. Fund Balance

The City classifies fund balance in accordance with GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions.*" This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The City reports the following fund classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that cannot be spent because they are either not in spendable form such as inventory or legally or contractually required to be maintained intact such as a perpetual trust.

Restricted fund balance. Restricted fund balances are amounts that are constrained by the imposition externally by creditors, grantors, contributors, or laws or regulations of other governmental agencies or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. Those amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution (which are equally binding as the highest decision-making authority) are classified as committed fund balances.

Assigned fund balance. Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

balances. Assignments are recommended by the City Manager, based on the City Council direction during the annual budget process, and the City Council authorizes assignments by the adoption of a resolution.

Unassigned fund balance. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City's policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Council adopted a Fund Balance Policy by Resolution No. 137-2009 which is a financial standard to maintain a General Fund minimum unassigned fund balance of 10 percent of budgeted expenditures. General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, the other governmental funds may report negative unassigned fund balance if that fund's expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes. As part of the annual budget adoption process, which is accomplished through an ordinance, the City Council reviews the fund balance commitments. Any action to establish, modify or rescind fund balance classifications would be taken through the adoption of an ordinance approved by City Council.

G. Other Policies

1. Property Taxes

Calendar of Property Tax Events

- January 1, 2018 – Property taxes are based on assessed property value at this date as determined by the Palm Beach County Property Appraiser.
- June 27, 2018 –Property assessment roll and certificates of value by the Palm Beach County Property Appraiser are provided to the City.
- July 24, 2018 – Proposed tax millage rate approved by the City Council and provided to the Palm Beach County Property Appraiser, who mails notices to the taxpayers.
- September 24, 2018 – Property tax millage rate ordinance approved by the City Council.
- October 1, 2018 – Beginning of fiscal year for which taxes are levied.
- April 1, 2019 – Unpaid property taxes become delinquent and become a lien.
- April 2, 2019 – The Palm Beach County Property Appraiser notifies the City of the taxable value on the final property tax assessment roll.
- June 1, 2019 – Tax certificates are sold by the Palm Beach County Tax Collector.

Property Tax Collection

Property tax collections are governed by Chapter 197, Florida Statutes. The Palm Beach County Tax Collector (Tax Collector) bills and collects all property taxes levied within the County. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January and 1% in February. If property taxes are not paid by April 1, the County

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

adds a 3% penalty on real estate and a 1 ½% penalty on personal property.

The Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. Certificates not sold revert back to the County. The Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the land by paying the Tax Collector the face amount of the tax certificate plus interest and other costs. The owner of a tax certificate may at any time after taxes have been delinquent (April 1), for two years, file an application for a tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property which is sold at public auction.

The Tax Collector remits current taxes collected through four distributions to the City in the first two months of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied. The Tax Collector pays the City interest on monies held from day of collection to day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by State statutes.

Property Tax Limitation

The City is permitted by state statutes to levy taxes up to 10 mills of assessed value. The total millage rate levied by the City for the fiscal year ended September 30, 2019, was 3.679. Current tax collections for the City were approximately 96.4% of the total tax levy.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, deferred inflows/outflows and disclosure of contingent assets and liabilities 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 those estimates.

3. Encumbrances

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

3. Deposits and Investments

General Authorization:

Cash and cash equivalents include cash on hand, amounts in demand and time deposits,

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

and short-term investments with original maturity dates within three months of the date acquired by the City. All of the City's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential 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 default.

The City's investment practices are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, Section 20, the adopted investment policy, and various legal covenants related to outstanding bond issues. For all investments authorized by statute and policy, the City applies the "Prudent Man Rule" when developing investment strategies.

Types of Investments:

The City is authorized to invest in a wide range of securities that include certificates of deposit, money market funds, U.S. Treasury obligations, State and U.S. Government Agencies and Enterprises, State and Local Government Series, corporate bonds, the State Board of Administration investment pool, interlocal investment pools, the Florida Municipal Investment Trust, mutual funds, foreign obligations of the government of Israel (State of Israel), and repurchase agreements. The City uses only financial institutions qualified as public depositories by the State of Florida or "approved" security dealers to place its investments unless bond covenants specifically require other financial institutions to be used. In addition to the investments above, the Pension trust funds are authorized to invest in commercial paper, real estate; and domestic, international, convertible, commingled, common and preferred stock and private equities.

The City participates in seven pooled investment funds, three of which behave as SEC-regulated money market funds under SEC Rule 2a7. Therefore, in accordance with GASB Statement 79, *Certain External Investment Pools and Pool Participants*, which established criteria for an external investment pool for making the selection to qualify to measure its investments at amortized cost, these pools are exempt from the GASB 72, *Fair Value Measurement and Application* hierarchy disclosures and are reported at amortized cost. Detailed information for these pooled investment funds are as follows:

Florida PRIME

The State Board of Administration (SBA) administers the Florida PRIME pool which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME pool. Florida

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

PRIME invests in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. The fair value of the position in the Florida PRIME pool is equal to the value of the pool shares.

The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

With regard to redemption gates, Chapter 218.409(8) (a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2019, 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.

FLCLASS

The Florida Cooperative Liquid Assets Securities System Trust (FLCLASS) is a common law trust established, created, and authorized by an Interlocal Agreement by and among participating Florida public agencies. FLCLASS is an authorized investment pool under Section 218.415(16)(a), Florida Statutes, and was established for participating Florida agencies on April 1, 2015 under the Interlocal Agreement and commenced operations on July 15, 2015 (inception). FLCLASS is available for investment by any unit of local government within the State of Florida. The purpose of FLCLASS is to enable such units to cooperate in the investment of their available funds. FLCLASS operates like a money market mutual fund with each share valued at \$1.00.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

FL PALM

Florida Public Assets for Liquidity Management Fund (FL PALM) is a common law trust organized under the authority of the Florida Interlocal Cooperation Act of 1969, as amended (Section 163.01 of the Florida Statutes) and Section 218.415 of the Florida Statutes. FL PALM was created on October 22, 2010 by contract among its participating governmental units and is governed by its trustees.

The Trust Agreement for FL PALM permits and provides for the creation of several specialized asset portfolios. The City participates in two of these portfolios known as the FL PALM Portfolio and the FL PALM Term Portfolio. The FL PALM Portfolio seeks to maintain a stable \$1.00 net asset value and reports at amortized cost. The FL PALM Term Portfolio seeks to assure the return of principal on the planned maturity date and there is a penalty for early withdrawal. The Term Portfolio is reported at Net Asset Value (NAV).

FL-FIT

The Florida Fixed Income Trust (FL-FIT) was created on April 28, 2010, under the laws of the State of Florida, to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Trust began operations on July 1, 2010. The City participates in the FL FIT Cash Pool, one of four portfolios offered by the Trust. The FL-FIT Cash Pool does not meet the criteria required to be exempted from fair value leveling and is measured and reported at Net Asset Value (NAV).

FMIVT

The City additionally participates in two pooled investment funds administered by the Florida League of Cities which do not meet the criteria required to be exempted from fair value leveling. These funds are referred to collectively as follows:

The Florida Municipal Investment Trust (FMIVT) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

a. City of Boca Raton

At September 30, 2019, the City of Boca Raton had the following cash, cash equivalents and investments:

Portfolio/Investments	Value	Average Maturity	Credit Rating	Rating Agency	Percent Distribution
Cash Deposits	\$ 40,373,119				8.72%
Florida PRIME	18,876,181	37 days	AAAm	S&P	4.07%
FLCLASS	14,503,624	54 days	AAAm	S&P	3.13%
FL PALM Portfolio	15,302,974	39 days	AAAm	S&P	3.30%
Total Cash & Cash Equivalents	89,055,898				19.22%
FMLvT 0-2 Year High Quality Government Fund	27,109,343	0.86 years	AAAf/S1	Fitch, S&P	5.85%
FMLvT 1-3 Year High Quality Bond Fund	13,986,441	1.69 years	AAAf/S2	Fitch, S&P	3.02%
FL PALM Term Portfolio	20,000,000	38 days	AAAf	Fitch	4.32%
FL-FIT Cash Pool	17,058,638	135 days	AAAf/S1+	S&P	3.68%
U.S. Government Securities:					
U.S. Government Agencies:					
Federal National Mortgage Association	37,096,450	2.78 years	AA+	S&P	8.00%
Federal Home Loan Mortgage Corporation	100,856,303	1.16 years	AA+	S&P	21.76%
Federal Home Loan Bank	44,997,300	0.39 years	AA+	S&P	9.71%
Federal Farm Credit Bank	1,994,960	0.63 years	AA+	S&P	0.43%
Certificates of Deposit	72,179,067	1.39 years	Not rated		15.58%
Corporate Obligations:					
Bonds	11,295,344	0.87 years	A	S&P	2.44%
Bonds	7,001,230	2.33 years	A+	S&P	1.51%
Bonds	9,889,066	2.39 years	AA-	S&P	2.13%
Bonds	4,057,080	2.80 years	AA	S&P	0.88%
Bonds	2,058,900	3.40 years	AA+	S&P	0.44%
Municipal Obligations:					
Bonds	855,008	2.84 years	AA+	S&P	0.18%
Bonds	932,517	2.34 years	AAA	S&P	0.20%
International Investments:					
Foreign Bond	2,993,580	1.50 years	AA-	S&P	0.65%
Total Investments	374,361,227				80.78%
Total Cash and Investments	\$ 463,417,125				100.00%

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.

Fair Value Hierarchy

The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Level 3 – Investments reflect prices based upon unobservable inputs.

The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank’s (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

At September 30, 2019, the investments by fair value level are:

Investment Type	As of 9/30/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FMLvT 0-2 Year High Quality Government Fund	\$ 27,109,343	\$ -	\$ 27,109,343	\$ -
FMLvT 1-3 Year High Quality Bond Fund	13,986,441	-	13,986,441	-
U.S. Government Agencies:				
Federal National Mortgage Association	37,096,450	-	37,096,450	-
Federal Home Loan Mortgage Corporation	100,856,303	-	100,856,303	-
Federal Home Loan Bank	44,997,300	-	44,997,300	-
Federal Farm Credit Bank	1,994,960	-	1,994,960	-
Corporate Bonds	34,301,620	-	34,301,620	-
Municipal Bonds	1,787,525	-	1,787,525	-
International Investments:				
Foreign Bond	2,993,580	-	2,993,580	-
Total Investments at Fair Value	265,123,522	\$ -	\$ 265,123,522	\$ -

Investment at the net asset value (NAV)	As of 9/30/2019	Redemption Frequency	Days Notice Before Redemption
FL PALM Term Portfolio	20,000,000	Fixed Term	Same Day
FL-FIT Cash Pool	17,058,638	Daily	Same Day
Total Investments measured at NAV	<u>37,058,638</u>		
Certificates of Deposit (exempt)	<u>72,179,067</u>		
Total Investments	<u>\$ 374,361,227</u>		

FMLvT 0-2 Year High Quality Government Fund

This fund invests mainly in US government and agency securities and asset-backed securities. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. (Level 2 inputs).

FMLvT 1-3 Year High Quality Bond Fund

This fund invests mainly in US government and agency securities and asset-backed

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

securities. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. (Level 2 inputs).

U.S. Government Securities

The City's investment policy allows investments in U.S. Treasury, but there were no U.S. Treasury Notes in the City's investment portfolio at September 30, 2019.

U.S. Government Agencies

Security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

Corporate Notes

Security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

Municipal Notes

Security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

International Investments

The City's investment policy allows investments in obligations of the government of Israel (State of Israel) and the single foreign obligation that is in the City's investment portfolio at September 30, 2019 is an Israel Jubilee Bond. The security prices were valued using a matrix pricing technique. Matrix pricing is used to value securities based on broker/dealer quotes (Level 2 inputs).

Violations:

There were no violations of the legal or contractual provisions for deposits and investments.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy limits investments

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

to those having a maturity, at the time of purchase, of less than five years. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2019.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. The City's investment policy allows investments in U.S. Government sponsored agencies and enterprises, corporate notes, municipal notes, the Florida PRIME investment pool, interlocal investment pools, and the Florida Municipal Investment Trust. The ratings of the investments held at year end are shown above. All are rated within the policy guidelines.

Concentration of Credit Risk

In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The percentage allocation of each cash investment type in the portfolio is shown in the preceding table. The City's investment policy allows investment concentrations in various percentages for different types of investments. GASB Statement No. 40 requires disclosures when the percent is 5% or more of total investments in any one issuer. As of September 30, 2019, the City had more than 5% invested with FL PALM, FMIvT, Federal National Mortgage Corporation, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and Capital Bank. The percentage concentrations of investments from each issuer are shown above, except for certificates of deposit issued by Capital Bank, which make up 11.22% of total cash & investments.

Custodial Risk

The City's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2019, the City's investment portfolio was held with a third-party custodian.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

b. Executive Employees' Retirement Plan

At September 30, 2019, the Executive Employee's Retirement Plan (EERP) invested in securities and fixed income investments listed as follows:

Executive Employees' Retirement Plan Portfolio/Investments	Value	Weighted Average Maturity	Credit Rating	Rating Agency	Percent Distribution
Cash and short-term investments	\$ 241,152				0.50%
FMIvT Core Plus Fixed Income Fund	4,533,647	5.16 years	Not rated		9.40%
FMIvT Broad Market High Quality Bond Fund	4,630,108	6.43 years	AAf/S4	Fitch	9.60%
FMIvT Large Cap Diversified Value Portfolio	19,243,885		Not rated		39.90%
FMIvT Diversified Small Cap Equity Portfolio	6,655,780		Not rated		13.80%
FMIvT International Equity Portfolio	8,536,761		Not rated		17.70%
FMIvT Core Real Estate	4,388,956		Not rated		9.10%
Total Investments	47,989,137				99.50%
Total Cash and Investments	\$ 48,230,289				100.00%

Fair Value Hierarchy

The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs.

The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank's (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

At September 30, 2019, the investments by fair value level are:

Executive Employees' Retirement Plan		Fair Value Measurements Using		
Investment by fair value level	9/30/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FMIvT Broad Market High Quality Bond Fund	\$ 4,630,108	\$ -	\$ 4,630,108	\$ -
FMIvT Large Cap Diversified Value Portfolio	19,243,885	-	19,243,885	-
FMIvT Diversified Small Cap Equity Portfolio	6,655,780	-	6,655,780	-
FMIvT International Equity Portfolio	8,536,761	-	8,536,761	-
Total Investments at Fair Value	39,066,534	\$ -	\$ 39,066,534	\$ -

Investment at the net asset value (NAV)*	Redemption Frequency	Redemption Notice Period
FMIvT Core Real Estate	Quarterly	5 business days prior
FMIvT Core Plus Fixed Income	Monthly	to valuation
Total Investments measured at NAV	8,922,603	
Total Investments	\$ 47,989,137	

* As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

FMIvT Broad Market High Quality Bond Fund

This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. Value is based on market-corroborated data. (Level 2 inputs).

FMIvT Large Cap Diversified Value Portfolio

This portfolio invests mainly in domestic stocks and in a single underlying fund, the Intech U.S. Broad Enhanced Plus Fund, LLC (Intech Fund), shares of which are not publicly traded. The majority of the underlying securities have observable Level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. Value is based on market-corroborated data. (Level 2 inputs).

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

FMIVT Diversified Small to Mid Cap Equity Portfolio

This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable Level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. Value is based on market-corroborated data. (Level 2 inputs).

FMIVT International Equity Portfolio

This portfolio invests in a single underlying fund, the Investec International Dynamic Equity Fund, LLC (Investec Fund), shares of which are not publicly quoted. The Investec Fund invests in stocks sold on U.S. and international exchanges, all of which have observable Level 1 quoted pricing inputs. The value of the portfolio's shares of the Intech Fund investment are determined based on the net asset value provided by the Investec Fund, which was calculated in accordance with generally accepted accounting principles. Value is based on market-corroborated data. (Level 2 inputs).

FMIVT Core Real Estate Fund

This portfolio invests in a single underlying fund, the Morgan Stanley Prime Property Fund (Morgan Stanley Fund), shares of which are not publicly quoted. The Morgan Stanley Fund invests in core real estate in the U.S. The value of the Morgan Stanley Fund investments was determined based on quarterly real estate appraisals, which were calculated in accordance with generally accepted accounting principles. Value is based on unobservable inputs (Level 3 inputs). This fund is reported at NAV as a practical expedient. There are no unfunded commitment requirements.

FMIVT Core Plus Fixed Income Fund

This fund invests in two underlying funds, the Franklin Templeton Global Multi-Sector Plus Fund, LP and the Pioneer Institutional Multi-Sector Fixed Income Portfolio, LLC. Shares of these funds are not publicly quoted. These underlying funds invest in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, litigation trusts for both U.S. and foreign companies and governments. Value is based on unobservable inputs. (Level 3 inputs). This fund is reported at NAV as a practical expedient. There are no unfunded commitment requirements.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The EERP has a maximum maturity at purchase of 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days. Bankers' Acceptances maximum maturity

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

shall not exceed 270 days from the time of purchase. Nonnegotiable certificates of deposit shall not exceed 2 years. No investments held in the portfolio exceed these limits.

Credit Risk

The EERP allows investments in Commercial Paper with A1/P1 or a comparable rating as provided by two of the top nationally recognized statistical rating organizations; and that the corporation's long-term debt, if any, is rated at least A1/A+ by a nationally recognized statistical rating organization or, if backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated at least AA (or comparable rating) by at least two of the nationally recognized statistical rating agencies publishing ratings for financial institutions. Banker's Acceptances issued with the U.S. by institutions with a long-term debt rating of at least AA or short term debt rating of P1 (or comparable rating) as provided by one nationally recognized statistical rating organization.

Nonnegotiable Certificates of Deposit must be rated at least A1/P1 (or comparable rating) and a long-term rating of a least A (or comparable rating) as provided by two of the top nationally recognized rating agencies. Guaranteed Investment Contracts must be rated in the highest category by AM Best Rating System or a comparable nationally recognized statistical rating organization. All investments held at September 30, 2019 in the portfolio met these requirements.

Concentration of Credit Risk

The EERP allows no more than \$5 million in certificates of deposit with any one depository at one time. Corporate fixed income securities are limited to no more than 3% of any one corporation at the time of purchase. No more than \$10 million in investment agreements with other financial institutions may be entered into with any one financial institution. GASB No. 40 requires disclosures when the percent is 5% or more of fiduciary net position in any one issuer. As of September 30, 2019, all investments were within the allowable limits.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

c. General Employees' Pension Plan

At September 30, 2019, the General Employees' Pension Plan's (the Plan) portfolio consisted of the following securities and fixed income investments:

General Employees' Pension Plan Portfolio/Investments	Value	Weighted Average Maturity	Credit Rating	Rating Agency	Percent Distribution
Cash deposits	\$ 30,942,927				13.81%
Short-term investments	2,272,697				1.01%
Total Cash and Short-Term Investments	<u>33,215,624</u>				<u>14.83%</u>
U.S. Government Securities:					
U.S. Treasury Securities:					
U.S. Treasury bonds	10,464,864	4.29 years			4.67%
U.S. Government Sponsored Agencies:					
Mortgage Backed Securities:					
Federal National Mortgage Association	107,378	14.59 years	Aaa	Moody's	0.05%
Government National Mortgage Association	9,963		Aaa	Moody's	0.00%
Federal Home Loan Mortgage Corporation	121,455		Aaa	Moody's	0.05%
Corporate Bonds & Debentures:					
Corporate Obligations:					
Bonds	2,425,735	2.98 years	Aa	Moody's	1.08%
Bonds	12,502,336		A	Moody's	5.58%
Bonds	393,670		Baa	Moody's	0.18%
Government issued commercial mortgage-backed securities	343,346	1.07 years	Aaa	Moody's	0.15%
Stock and Convertible Securities:					
Common stock	88,722,434				39.60%
Convertible preferred stock	2,794,448				1.25%
Corporate convertible bonds	13,837,692				6.18%
Preferred stock	774,500				0.35%
Global infrastructure fund	3,387,728				1.51%
Real Estate Funds:					
Real estate direct investment partnership	10,090,410				4.50%
Real estate investment trust	7,993,504				3.57%
Commingled Funds:					
International equity fund	26,805,182				11.96%
Domestic equity fund	10,042,835				4.48%
Total Investments	<u>190,817,480</u>				<u>85.17%</u>
Total Cash and Investments	<u>\$ 224,033,104</u>				<u>100.00%</u>

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied Aa+ rating from Standard & Poor's.

Fair Value Hierarchy

The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs.

The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank's (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, mutual fund equities and Real Estate Investment Trusts (REITs).

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed, municipal bonds and corporate obligations, including asset backed securities.

The Plan has investments in alternative asset classes including commingled funds, master limited partnerships and a core real estate fund which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

At September 30, 2019, the investments by fair value level are:

General Employees' Pension Plan		Fair Value Measurements Using		
Investment by fair value level	Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
Corporate bonds and debentures	\$ 15,665,087	-\$	15,665,087	\$ -
U.S. government securities	10,703,660	-	10,703,660	-
Total Debt Securities	26,368,747	-	26,368,747	-
Stock and convertible securities:				
Common stock	85,362,971	\$ 85,362,971	-	-
Convertible preferred stock	2,794,448	2,648,797	145,651	-
Preferred stock	774,500	774,500	-	-
Commingled funds	36,848,017	36,848,017	-	-
Corporate convertible bonds	13,837,692	-	13,837,692	-
Real estate investment trust	7,993,504	7,993,504	-	-
Total Stock and Convertible Securities	147,611,132	133,627,789	13,983,343	-
Total investments at fair value	173,979,879	\$ 133,627,789	\$ 40,352,090	-

Investment measured at the net asset value (NAV)*	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common stock (1)	3,359,463	\$ -	Daily
Infrastructure (2)	3,387,728	-	Daily
Real estate direct investment partnership (3)	10,090,410	-	Quarterly
Total investments measured at NAV	16,837,601	-	45 Days
Total investments	\$ 190,817,480	\$ -	

* As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

(1) *Common stock*: This is a security that represents ownership in a corporation. There are different varieties of stocks traded in the market. Over the long term, stocks tend to outperform other investments but are more exposed to volatility over the short term.

(2) *Infrastructure fund*: This partnership (MLP) invests primarily in master limited partnerships as well as domestic common stocks or similar equity securities of high quality, financially secure companies listed on principal exchanges.

(3) *Real Estate Direct Investment Partnership*: This fund enters into real estate partnerships with various joint venture partners that provide management, leasing and construction-related services to the properties in which the Fund has a limited ownership partner interest.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to provide sufficient liquidity to pay obligations as they become due. Treasury inflation indexed securities are limited to ten year maturities. The weighted average maturity in years for each investment type at September 30, 2019, is included in the preceding table.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to have a minimum rating by two of the three major credit rating agencies. The minimum rating for corporate bonds is Baa2 (Moody's) or BBB (Standard & Poor's/Fitch). The minimum rating for short-term commercial paper/bankers acceptances is P-1 (Moody's), A-1 (Standard & Poor's) or F-1 (Fitch) with the issuer having a minimum long-term debt rating of A. The minimum rating for commercial mortgage-backed and asset-backed securities is Aaa (Moody's/Standard & Poor's) or AAA (Fitch). Further, the investment policy does not permit private mortgages or tax-exempt bonds. At September 30, 2019, the portfolio met the credit rating limitations of the investment policy as presented in the preceding table.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. The investment policy requires that corporate bond issues cannot represent more than 2% of the total bond portfolio. The policy further requires that corporate bond issues rated below A3/A- (Moody's/Standard & Poor's) cannot represent more than 20% of the total bond portfolio. GASB No. 40 requires disclosures when the percent is 5% or more of fiduciary net position in any one issuer. At September 30, 2019, the portfolio met the corporate single issuer and quality ratings limitations of the policy.

Custodial Credit Risk

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or commingled funds.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is therefore, not exposed to foreign currency risk.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

d. Police and Firefighter's Retirement System

At September 30, 2019, the Police and Firefighter's Retirement System invested in the following securities and fixed income investments:

Police and Firefighters' Retirement System Portfolio/Investments	Value	Weighted Avg Maturity	Credit Rating	Rating Agency	Percent Distribution
Cash and Short-Term Investments					
Cash Deposits	\$ 1,247,725				0.31%
Short-term Investments	3,395,284				0.85%
Total Cash and Short-Term Investments	4,643,009				1.16%
Common Stock	127,566,965				31.81%
U.S. Government Securities					
U.S. Treasury Securities:					
U.S. Treasury notes	3,508,942				0.87%
U.S. Treasury bonds	3,852,663				0.96%
Total U.S. Treasury Securities	7,361,605	17.72 years			1.85%
Municipal Provincial Securities:					
Municipal Provincial bonds	308,139		Aaa	Moody's	0.08%
Total Municipal Provincial Securities	308,139	2.71 years			0.08%
U.S. Government Sponsored Agencies:					
Mortgage-backed Securities					
Federal National Mortgage Association	7,745,800		Aaa	Moody's	1.93%
Government National Mortgage Association	3,065,426		Aaa	Moody's	0.76%
Federal Home Loan Mortgage Corporation	3,051,198		Aaa	Moody's	0.76%
Total Mortgage-backed Securities	13,862,424	26.35 years			3.46%
Total U.S. Government Securities	21,532,168				5.38%
Foreign Government Agencies:					
Foreign Government Treasury Notes	299,856		Aa	Moody's	0.06%
Total Foreign Government Agencies	299,856	2.71 years			0.06%

continued

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Police and Firefighter's Retirement System securities and fixed income investments continued.

Police and Firefighters' Retirement System Portfolio/Investments	Value	Weighted Avg Maturity	Credit Rating	Moody's	Percent Distribution
Corporate Bonds & Debentures:					
Corporate Obligations:					
Bonds	21,210,460		Aaa	Moody's	5.29%
Bonds	1,836,494		Aa	Moody's	0.46%
Bonds	7,657,107		A	Moody's	1.91%
Bonds	8,583,437		Baa	Moody's	2.14%
Bonds	134,416		Not rated		0.03%
Total Corporate Obligations	<u>39,421,914</u>	15.96 years			<u>9.83%</u>
Commercial Mortgage Backed Securities (CMBS):	<u>774,807</u>	31.89 years	Aaa	Moody's	<u>0.19%</u>
Asset Backed Securities:					
ABS	1,429,635		Aaa	Moody's	0.36%
ABS	301,788		Not rated		0.08%
Total Asset Backed Securities	<u>1,731,423</u>	2.92 years			<u>0.43%</u>
Total Corporate Bonds and Debentures	<u>41,928,144</u>				<u>10.46%</u>
Commingled Funds:					
Mutual funds	9,269,704		Not rated		2.31%
Long/Short equity fund of funds	22,937,450				5.72%
International equity funds	63,823,139				15.91%
High yield fixed income fund	4,497,641				1.12%
Total Commingled Funds	<u>100,527,934</u>				<u>25.07%</u>
Real Estate	<u>24,785,118</u>				<u>6.18%</u>
Private Equity	<u>35,242,657</u>				<u>8.79%</u>
Multi Asset Class	<u>44,506,767</u>				<u>11.10%</u>
Total Investments	<u>396,389,609</u>				<u>98.84%</u>
Total Cash and Investments	<u>\$ 401,032,618</u>				<u>100.00%</u>

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied AA+ rating from Standard & Poor's.

Fair Value Hierarchy

The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs. The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank's (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, mutual fund equities and REITs.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed, municipal bonds and corporate obligations, including asset backed securities.

The Plan has investments in alternative asset classes including commingled funds and a real estate fund which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

At September 30, 2019, the investments by fair value level are:

Police and Firefighters' Retirement System	9/30/2019	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by fair value level	9/30/2019			
Common stock	\$ 104,916,888	\$ 104,916,888	-	\$ -
US government securities	21,532,168	-	\$ 21,532,168	-
Corporate bonds and debentures	20,881,857	-	20,881,857	-
Foreign government securities	299,856	-	299,856	-
Commingled funds	73,092,843	73,092,843	-	-
Total investments at fair value	220,723,612	\$ 178,009,731	\$ 42,713,881	\$ -

Investment at the net asset value (NAV)*	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Common stock (1)	22,650,077	\$ -	Monthly	5 days
Corporate bonds and debentures (2)	21,046,287	-	Quarterly	90 days
Commingled Funds				
Commingled small cap equity fund (3)	22,937,450	-	Quarterly	65 days
High yield fixed income securities (4)	4,497,641	-	N/A	N/A
Total commingled funds	27,435,091	-		
Private equity (5)	35,242,657	65,454,342		
Multi asset class (6)	44,506,767	-		
Real estate direct investment partnership				
Real estate fund (7)	15,356,365	-	Quarterly	45 days
Private real estate fund (8)	9,428,753	1,747,882	N/A	N/A
Total real estate direct investment partnership	24,785,118	1,747,882		
Total investments measured at NAV	175,665,997	67,202,224		
Total investments	\$ 396,389,609	\$ 67,202,224		

* As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

(1) *Common stock*: This investment consists of warrants, rights and other derivatives instruments. These instruments are used opportunistically to gain exposure to certain stocks when purchasing the underlying physical security is either difficult or too expensive. They are used sparingly, and rarely consist of more than a few percent of the portfolio's total assets. The overall portfolio is highly liquid, and redeemable with daily liquidity, and five days' notice.

(2) *Corporate bonds and debenture* : These are financial assets which are issued by the borrowing company, for a price which is equal to, less than, or more than, its face value, but are not one and the same.

(3) *Commingled fund*: This fund consists of assets from several accounts that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment, diversification, and professional money management.

(4) *High yield fixed income securities* : These securities are a composite of yield bonds that are a higher paying bond with a lower credit rating than investment grade corporate bonds, Treasury bonds and municipal bonds. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.

(5) *Private equity*: This is equity that share representing ownership of an interest in an entity that is not publicly listed or traded.

(6) *Multi asset class*: This is a combination of asset classes such as cash, equity or bonds, used as an investment. It contains more than one asset class, creating a group, or portfolio of assets.

(7) *Real estate fund* : This fund enters into real estate partnerships with various joint venture partners that provide management, leasing and construction-related services to the properties in which the Fund has an ownership interest. The fund is valued at net asset value.

(8) *Private real estate fund* : The portfolio consists primarily of direct investments in privately negotiated real estate transactions. The portfolio is valued quarterly at net asset value.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to match anticipated cash flow requirements in order to pay obligations when due. The weighted average maturity as of September 30, 2019, in years, for each investment type is included in the preceding table.

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to maintain a weighted average credit quality rating of A or better. The policy further limits high yield fixed income securities to 3% of the portfolio. The investment policy does not permit private placement bonds, except for Rule 144A securities of U.S. issuers which are limited to 10% percent of the portfolio. At September 30, 2019, for those where ratings are available, the portfolio met the credit rating limitations of the policy.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. GASB No. 40 requires disclosures when the percent is more than 5% of the net position restricted for pension benefits. At September 30, 2019, the portfolio met the corporate single issuer and quality ratings limitation of the policy.

Custodial Credit Risk

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or commingled funds in the name of the Plan.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy permits a maximum of 10% of the fair value of the fixed income portfolio to be invested in Yankee securities (foreign issuers of U.S. dollar-denominated debt). At September 30, 2019, 3.32% of the fair value of the fixed income portfolio was invested in Yankee securities, which met the limitations of the policy. The Plan is not subject to foreign currency risk.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

e. Risks and Uncertainties – Pension Trust Funds

The Plans invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the statement of fiduciary net position for each Plan. The Plans, through their investment advisors, monitor Plan investments and the risks associated therewith on a regular basis which each Plan believes minimizes these risks.

Contributions to the Plans are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

4. Receivables and Payables

Notes Receivable

On February 2, 2018, the City entered into an interlocal agreement with the Greater Boca Raton Beach and Park District to provide funding to the District for the acquisition of real property (Ocean Breeze Property) for the development of a public golf course. The District will reimburse the City for all associated costs, including all principal and interest payments, legal, and other fees related to the 15-year \$19.1 million bonds issued on February 23, 2018. The Note is secured by the City's pledge of its non ad valorem revenues. The City holds title to the property for as long as the Note remains outstanding. Upon full reimbursement by the District to the City, the City shall convey to the District the title and interest in the Ocean Breeze property, known as the Boca Raton National Golf Course.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Accounts Receivable

Accounts receivable as of the fiscal year-end for the City's individual major and non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental	General	Community Redevelopment Agency/ Mizner Park Revenue	Five Year Capital Improvement	Infrastructure Surtax Fund	Greater Boca Raton Beach & Park District	Other Governmental	Internal Services	Total
Receivables:								
Accounts, net	\$ 4,064,413		\$ 25,151		\$ -	\$ 97,773	\$ 270,912	\$ 4,458,249
Assessments						230,128		230,128
Lease revenues		\$ 14,420,999						14,420,999
Interest on investments	443,033	36,715	120,480	\$ 44,357		234,448	508,105	1,387,138
Net governmental receivables	\$ 4,507,446	\$ 14,457,714	\$ 145,631	\$ 44,357	\$ -	\$ 562,349	\$ 779,017	\$ 20,496,514

Receivables for the City's business-type activities, including individual major funds and allowances for uncollectible accounts are as follows:

Business-type	Water & Sewer	Other Enterprise	Total
Receivables:			
Accounts, net	\$ 7,942,580	\$ 1,630,761	\$ 9,573,341
Assessments	1,070,712		1,070,712
Interest on assessments	107,496		107,496
Interest on investments	753,756	74,318	828,074
Net business-type receivables	\$ 9,874,544	\$ 1,705,079	\$ 11,579,623

Accounts Payable

Accounts payable and accrued liabilities as of fiscal year-end for the City's individual major and non-major funds, and internal service funds in the aggregate, are as follows:

Governmental Payables	General	Five Year Capital Improvement	Infrastructure Surtax Fund	Beach and Park Operations	Other Governmental	Internal Services	Total
Payables:							
Vendors	\$ 6,004,409	\$ 951,989	\$ 2,550,605	\$ 375,510	\$ 486,507	\$ 1,639,418	\$ 12,008,438
Salaries and benefits	4,361,554			315,659	40,445	352,305	5,069,963
Governmental payables	\$ 10,365,963	\$ 951,989	\$ 2,550,605	\$ 691,169	\$ 526,952	\$ 1,991,723	\$ 17,078,401

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Accounts payable and accrued liabilities for the City's business-type activities, including individual major funds, are as follows:

Business-type	Water & Sewer	Other Enterprise	Total
Payables			
Vendors	\$ 1,773,501	\$ 369,476	\$ 2,142,977
Salaries and benefits	504,609	242,729	747,338
Business-type payables	<u>\$ 2,278,110</u>	<u>\$ 612,205</u>	<u>\$ 2,890,315</u>

5. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances from fiscal year 2019 that were re-appropriated on October 1, 2019 were:

Major funds:	
General Fund	\$ 907,020
Five Year Capital Improvement Fund	3,088,230
Infrastructure	<u>8,483,615</u>
Total Major funds	12,478,865
Non-Major Governmental Funds	<u>2,962,788</u>
Total Encumbrances	<u><u>\$ 15,441,653</u></u>

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

6. Capital Assets

The following is a summary of capital asset activity for the fiscal year ended September 30, 2019:

Governmental activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated/amortized:					
Land	\$ 138,135,702				\$ 138,135,702
Construction in progress	2,559,087	\$ 9,828,266		\$ 2,955,004	9,432,349
Total capital assets not being depreciated/amortized	140,694,789	9,828,266	-	2,955,004	147,568,051
Capital assets being depreciated/amortized:					
Buildings	92,638,685	-			92,638,685
Improvements other than buildings	61,564,669	621,290	\$ (43,785)	460,754	61,681,420
Equipment	66,995,240	6,086,942	43,785	2,909,446	70,216,521
Infrastructure	375,911,114	-			375,911,114
Total capital assets being depreciated/amortized	597,109,708	6,708,232	-	3,370,200	600,447,740
Less accumulated depreciation/amortization for:					
Buildings	41,459,507	2,681,672			44,141,179
Improvements other than buildings	33,591,723	2,292,816	(43,785)	460,754	35,380,000
Equipment	46,371,400	5,374,547	43,785	2,870,105	48,919,627
Infrastructure	231,094,369	9,016,707			240,111,076
Total accumulated depreciation/amortization	352,516,999	19,365,742	-	3,330,859	368,551,882
Total capital assets being depreciated/amortized, net	244,592,709	(12,657,510)	-	39,341	231,895,858
Governmental activities capital assets, net	\$ 385,287,498	\$ (2,829,244)	\$ -	\$ 2,994,345	\$ 379,463,909

Business-type activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Water and sewer					
Capital assets not being depreciated/amortized:					
Land	\$ 245,873				\$ 245,873
Construction in progress	23,018,744	\$ 14,241,853	\$ -	\$ 19,317,177	17,943,420
Total capital assets not being depreciated/amortized	23,264,617	14,241,853	-	19,317,177	18,189,293
Capital assets being depreciated/amortized:					
Utility plant in service	391,537,119	18,558,178		1,700,359	408,394,938
Equipment	58,516,150	3,234,102		4,513,070	57,237,182
Total capital assets being depreciated/amortized	450,053,269	21,792,280	-	6,213,429	465,632,120
Less accumulated depreciation/amortization for:					
Utility plant in service	208,204,720	11,532,400		1,380,075	218,357,045
Equipment	32,247,308	3,005,177	-	4,268,766	30,983,719
Total accumulated depreciation/amortization	240,452,028	14,537,577	-	5,648,841	249,340,764
Total capital assets being depreciated/amortized, net	209,601,241	7,254,703	-	564,588	216,291,356
Total water and sewer capital assets, net	\$ 232,865,858	\$ 21,496,556	\$ -	\$ 19,881,765	\$ 234,480,649

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Non-major funds, business-type activities	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 586,735			-	\$ 586,735
Construction in progress	-	\$ 8,599	\$ -	-	8,599
Total capital assets not being depreciated	<u>586,735</u>	<u>8,599</u>	<u>-</u>	<u>-</u>	<u>595,334</u>
Capital assets being depreciated:					
Buildings	2,259,661			-	2,259,661
Improvements other than buildings	21,610,219	-			21,610,219
Equipment	12,188,391	\$ 4,668,719	\$ -	1,419,741	15,437,369
Total capital assets being depreciated	<u>36,058,271</u>	<u>4,668,719</u>	<u>-</u>	<u>1,419,741</u>	<u>39,307,249</u>
Less accumulated depreciation for:					
Buildings	1,758,496	59,221		-	1,817,717
Improvements other than buildings	8,324,474	656,720			8,981,194
Equipment	6,635,848	1,131,831	-	1,329,153	6,438,526
Total accumulated depreciation	<u>16,718,818</u>	<u>1,847,772</u>	<u>-</u>	<u>1,329,153</u>	<u>17,237,437</u>
Total capital assets being depreciated, net	<u>19,339,453</u>	<u>2,820,947</u>	<u>-</u>	<u>90,588</u>	<u>22,069,812</u>
Total non-major funds, capital assets, net	<u>19,926,188</u>	<u>2,829,546</u>	<u>-</u>	<u>90,588</u>	<u>22,665,146</u>
Total business-type activities, capital assets, net	<u>\$ 252,792,046</u>	<u>\$ 24,326,102</u>	<u>\$ -</u>	<u>\$ 19,972,353</u>	<u>\$ 257,145,795</u>

Depreciation/amortization expense was charged to function / programs of the primary government as follows:

	Depr & Amort Expense
Governmental activities:	
General government	\$ 350,016
Law enforcement	1,419,212
Fire rescue	1,487,825
Physical environment	54,493
Transportation, including depreciation of general infrastructure assets	9,953,710
Community development	139,836
Parks and recreation	<u>2,283,046</u>
Sub Total	15,688,138
Depreciation and amortization of the capital assets held by the government's Internal Service Funds are charged to the various functions based on their usage of the assets	<u>3,677,604</u>
Total depreciation/amortization expense, governmental activities	<u><u>19,365,742</u></u>
Business-type activities:	
Water and sewer depreciation	14,363,984
Water and sewer amortization	<u>173,593</u>
Total water and sewer	14,537,577
Cemetery	62,275
Golf course	78,193
Stormwater utility	716,830
Sanitation	<u>990,472</u>
Total depreciation and amortization expense, business-type activities	<u>16,385,347</u>
Total government wide depreciation and amortization expense	<u><u>\$ 35,751,089</u></u>

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Construction and Purchase Commitments:

The City has active construction projects as of September 30, 2019. The projects include infrastructure projects and various water, wastewater and drainage projects. In addition, the City has outstanding purchase commitments for engineering and design services. At fiscal year-end, the City's significant commitments with contractors are as follows:

Project	Spent to-date	Remaining Commitment
Infrastructure projects	\$ 84,728,747	\$ 14,005,851
Water, wastewater and drainage projects	103,756,390	27,810,752
Total	\$ 188,485,137	\$ 41,816,603

The infrastructure projects were financed through revenue bonds. The water and sewer improvements are financed through revenue bonds from system revenues. All other commitments are financed from existing City resources.

7. Deferred Outflows and Inflows

Deferred outflows and inflows as of the fiscal year-end as presented on the City's fund level and government-wide statements in the aggregate, are as follows:

Deferred Outflows:	Fund-Level Statements	Government-Wide Statements
Deferred charge on refunding of bonds	\$ 629,240	\$ 947,683
Deferred outflows for pensions	4,623,937	54,203,562
Deferred outflows for OPEB	87,184	405,480
Total deferred outflows	\$ 5,340,361	\$ 55,556,725

Deferred Inflows:	Fund-Level Statements	Government-Wide Statements
Unavailable revenue	\$ 14,395,842	
Deferred inflows for pensions	2,573,630	\$ 16,222,622
Deferred inflows for OPEB	20,198	93,941
Total deferred inflows	\$ 16,989,670	\$ 16,316,563

8. Capital Contribution (System Development or Impact Fees)

Capital contributions are fees designed to recover the cost of providing capacity for new customers. The fees represent a major source of financing for the Water and Sewer System (System) and will provide a significant portion of the debt service coverage for the 2008 Revenue Bonds. A Florida State Supreme Court decision outlined the basic requirements of an equitable System Development Charge structure. These requirements are as follows:

- System development charges must reflect a pro rata share of the cost of new capacity.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

- System development charges revenue may be applied only to capital projects expressly designed to expand System capacity.
- Anticipated system development charge revenues may not exceed the costs to be incurred by the municipality in expanding capacity to accommodate new users of the System.

The City's system development charge structure, implemented in 1980, was designed to comply with this decision. Compliance is achieved in the following manner:

- The Consulting Engineers have reviewed the proposed Capital Improvement Program and identified the expansion portions of the program directed as providing capacity for growth.
- The debt service associated with the cost of providing for this growth will be met through system development charges from new customers and the capital recovery portion of the rates paid by new customers.
- System development charge revenues will be utilized solely for meeting construction costs or annual debt service or for early retirement of debt specifically designated for System expansion.

A computerized model has been developed to verify the validity of this approach. It is the City's intent to utilize this model to make necessary adjustments in the system development charge schedule from time to time to ensure that compliance with fee objectives is maintained.

The City has classified system development charges as capital contributions (non-operating revenue) as the fees are revenues which are incidental to the Water and Sewer Enterprise Fund's primary service activities which are provision of potable water and processing of wastewater.

9. Long Term Debt

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City as a whole and not its individual funds. In each year that debt is outstanding, an ad valorem tax is levied equal to principal and interest due. No reserves are maintained. These bonds generally are issued as 20-year serial bonds.

B. Special Assessment Bonds

The City issues special assessment debt to finance capital improvements in the Downtown District where both principal and interest are payable from pledged funds, which consist of special assessment proceeds on the benefitted property owners in the Downtown District. In the event that the pledged funds are insufficient to make the debt service

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

payments, the City has committed to make an annual appropriation of available non-ad valorem revenues to make up any deficiencies.

On September 10, 2018 the City Council adopted Resolution No. 126-2018, which equalized and adopted the special assessment roll for the Downtown Special Assessment and established the special assessment amounts due January 1, 2019. During the fiscal year, the City assessed \$1,516,578 and collected \$1,478,149 which was 97.46% of the assessment levied.

C. Governmental Activities Non Ad Valorem Revenue Bonds

The City issues bonds where the City pledges revenues from non-ad valorem revenues.

D. Governmental Activities Infrastructure Surtax Revenue Bonds

The City issues a bond pledging the additional infrastructure sales surtax revenues.

E. Enterprise Funds Revenue Bonds and Defeasance of Debt

The City issues bonds where the City pledges income derived from the operations of the water and sewer system and a system development charge of the water and sewer system to pay debt service.

F. Outstanding Bonds and Loans Payable

Governmental activities bonds and loans outstanding at September 30, 2019 consist of the following:

Governmental activities	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
General Obligation Bonds:					
Series 2010	Improvement	\$ 9,225,000	\$ 5,940,000	3.00 – 4.00%	\$ 670,700
Series 2011 Refunding	Improvement	9,525,000	3,320,000	2.00 – 5.00%	1,223,500
Series 2011 Refunding	Improvement	6,060,000	1,920,000	2.00 – 3.00%	679,800
Series 2014 Refunding	Refunding	<u>12,560,000</u>	<u>2,145,000</u>	1.52%	2,177,604
		<u>37,370,000</u>	<u>13,325,000</u>		
Special Assessment Bonds:					
Series 2009, Refunding	Refunding	11,205,000	3,195,000	2.00 – 4.25%	1,162,388
Series 2010	Improvement	<u>3,705,000</u>	<u>2,510,000</u>	2.00 – 4.125%	286,769
		<u>14,910,000</u>	<u>5,705,000</u>		
Revenue Bond:					
Series 2018	Long Term Advance	19,100,000	17,585,000	2.64%	1,617,788
Series 2018	Improvement	<u>20,000,000</u>	<u>20,000,000</u>	2.92%	
		<u>39,100,000</u>	<u>37,585,000</u>		3,207,111
Total for Governmental Activities		<u><u>\$ 91,380,000</u></u>	<u><u>\$ 56,615,000</u></u>		

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Business-type activities bonds outstanding at September 30, 2019 consist of the following:

Business-type activities	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
Utility system revenue bonds:					
Series 2008	Refunding	\$ 40,040,000	\$ 4,225,000	3.00 – 5.00%	\$ 2,203,900
Series 2015	Refunding	15,555,000	13,840,000	2.26%	1,703,225
Total for Business-type Activities		<u>\$ 55,595,000</u>	<u>\$ 18,065,000</u>		

Long-term bonds and loans payable activity for the fiscal year ended September 30, 2019 was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Bonds and notes payable:					
General obligation bonds	\$ 17,495,000		\$ 4,170,000	\$ 13,325,000	\$ 4,260,000
Tax increment revenue bonds	2,449,599		2,449,599	-	-
Accretion	4,116,422		4,116,422	-	-
Special assessment bonds	6,860,000		1,155,000	5,705,000	1,205,000
Revenue bonds	18,705,000	\$ 20,000,000	1,120,000	37,585,000	3,765,000
Net premium on bonds	1,038,762	4,380	217,976	825,166	
Total governmental bonds and loans payable, net	<u>\$ 50,664,783</u>	<u>\$ 20,004,380</u>	<u>\$ 13,228,997</u>	<u>\$ 57,440,166</u>	<u>\$ 9,230,000</u>

Business-type activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
<i>Water and Sewer:</i>					
Revenue bonds	\$ 22,440,000		\$ 4,375,000	\$ 18,065,000	\$ 3,470,000
Net premium on bonds	193,666		\$ 96,833	96,833	
Total business-type bonds and loans payable, net	<u>\$ 22,633,666</u>		<u>\$ 4,471,833</u>	<u>\$ 18,161,833</u>	<u>\$ 3,470,000</u>

Other long-term liability activity for the fiscal year ended September 30, 2019 was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Compensated absences	\$ 17,011,254	\$ 17,378,881	\$ 17,011,254	\$ 17,378,881	\$ 1,737,888
Estimated liability for self-insurance losses	9,573,000	12,379,675	12,166,675	9,786,000	
Total governmental activities, long-term liabilities	<u>\$ 26,584,254</u>	<u>\$ 29,758,556</u>	<u>\$ 29,177,929</u>	<u>\$ 27,164,881</u>	<u>\$ 1,737,972</u>

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Business-type activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Compensated absences - Water and Sewer	\$ 1,408,699	\$ 160,435	\$ 33,173	\$ 1,535,961	\$ 153,596
Compensated absences - other business-type activities	816,406	67,592	90,031	793,967	79,397
Total business-type activities, long-term liabilities	\$ 2,225,105	\$ 228,027	\$ 123,204	\$ 2,329,928	\$ 232,909

Summary of Annual Debt Service Requirements:

Fiscal Year Ending September 30,	Governmental Activities						Business-type Activities	
	General Obligation Bonds		Special Assessment and Revenue Bonds		Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 4,260,000	\$ 477,704	\$ 1,205,000	\$ 226,688	\$ 3,765,000	\$ 1,056,355	\$ 3,470,000	\$ 424,564
2021	2,215,000	356,200	1,260,000	179,438	3,875,000	941,526	3,590,000	308,028
2022	2,305,000	262,900	1,320,000	128,681	3,985,000	831,680	1,470,000	232,102
2023	505,000	165,700	210,000	74,119	4,100,000	718,720	1,500,000	198,541
2024	520,000	150,550	220,000	66,769	4,215,000	602,486	1,535,000	164,246
2025-2029	2,880,000	461,475	1,215,000	204,181	13,040,000	1,434,556	6,500,000	297,868
2030-2032	640,000	25,600	275,000	11,343	4,605,000	245,256		
Total	\$ 13,325,000	\$ 1,900,129	\$ 5,705,000	\$ 891,219	\$ 37,585,000	\$ 5,830,579	\$ 18,065,000	\$ 1,625,349

G. Compensated Absences

Accumulated compensated absences and other post employment benefit obligations are recorded in the government-wide and proprietary financial statements when earned. Expenditures are recorded in the governmental funds when paid. For the governmental funds, compensated absences are liquidated from the fund in which employees are compensated.

H. Water and Sewer System Bond Covenants

The Water and Sewer System (the System) bond ordinances provide for two separate revenue flows to meet the needs of the System operations, reserves and debt service. System Development Charges (impact fees) are deposited into separate accounts. An annual calculation determines the portion of the charge to be transferred to the debt service fund. Impact fees are restricted to payment of debt service related to the construction of new plant capacity. Impact fees may not be used for operations (see Note 8).

First, operating revenue of the System is used to meet the operations and maintenance requirements. Next, revenue is used to pay any portion of the bond interest, principal and reserve requirements not paid from impact fees. Next, an amount not less than 5% of the prior year's revenue is transferred to the System's renewal and replacement fund until the balance in the fund totals 1% of gross book value of assets of the System. Revenue is then used to fund an operation and maintenance reserve fund, which is maintained at a level equal to 1/12 of the operating budget. Remaining monies can be used for any legal City purpose.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

At September 30, 2019, all reserves including the bond reserve account were fully funded. The rate structure is calculated annually to assure adequate coverage of all requirements.

J. Pledged Revenues

The City issues bonds that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds as of September 30, 2019 are as follows:

Source of Revenue Pledged	Governmental Activities		Business-type Activities
	Special Assessment	Infrastructure Surtax	Water & Sewer Revenues
Current revenue pledged	\$ 1,547,777	\$7,202,672	\$ 25,823,075
Current debt service	1,426,269	100,983	4,930,471
Total future revenues pledged	6,596,219	22,413,460	19,690,349
Description of debt	Special Assessment Refunding & Improvement Bonds, Series 2009-2010 (Visions 90 Projects)	Capital Improvement Surtax Bonds, issued 2018	Water and Sewer Utility Revenue Bonds, issued 2008, 2009 & 2015
Purpose of debt	Series 2009, to refund Special Assessment Bonds, Series 2001; Series 2010, to finance certain improvements within the Downtown District	Infrastructure	Construction and Refunding
Term of commitment	2010-2030	2018-2026	2008-2020
Percentage of debt service to pledged revenues (current year)	92%	1%	19%

Additional information related to pledge revenue debt coverage is provided in the Debt Capacity of the Statistical Section.

K. Defeasance of Debt

In prior years, City defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's basic financial statements. At September 30, 2019, \$11,970,000 of bonds outstanding is considered defeased.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

10. Employee Retirement Systems

The City of Boca Raton sponsors three defined benefit plans – General Employees’ Pension Plan, Police and Firefighters’ Retirement System and the Executive Employees’ Retirement Plan. The General Employees’ Pension Plan, the Police and Firefighters’ Retirement System and the Executive Employees’ Retirement Plan each issue a publicly available audited GAAP financial report that includes financial statements and required supplementary information. The information reported below is a brief summary of information reported in more detail in the independently published financial statements for each pension plan. Copies of these reports are available at City Hall in the Financial Services Department, Room 160, located at 201 West Palmetto Park Road, Boca Raton, FL 33432.

The pension plans’ financial statements are prepared using the accrual basis of accounting. Contributions from members are recognized in the period the City makes payroll deductions from participants. City contributions to each Plan are recognized when due as determined actuarially and are remitted on a monthly basis along with the members’ contributions. The City has made a formal commitment to provide the contributions to the pension plans. Benefit payments and refunds to members are recognized when due and payable in accordance with the terms of each plan.

Current Membership of Pension Plans:

Current membership, at September 30, 2019 in the General Employees’ Pension Plan, Police and Firefighters’ Retirement System and Executive Employees’ Retirement Plan, is comprised of the following:

	General Employees’ Pension Plan	Police and Firefighters’ Retirement System	Executive Employees’ Retirement Plan
Inactive plan members/beneficiaries currently receiving benefits	576	338	39
Inactive plan members entitled to, but not yet receiving, benefits	43	13	12
Active plan members	617	383	48
Total	<u>1,236</u>	<u>734</u>	<u>99</u>

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

The following summarizes the pension related amounts for the City as of the indicated measurement date.

	Measurement Date	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ (Income)
General Employees' Pension Plan	9/30/18	\$ 7,712,365	\$ 10,038,739	\$ 5,968,316	\$ 1,420,032
Police and Firefighters' Retirement System	9/30/18	117,755,265	38,630,140	7,903,606	8,722,058
Executive Employees' Retirement Plan	9/30/18	10,528,987	5,106,323	2,301,178	(445,247)
Florida Retirement System Plan	6/30/19	732,259	401,499	44,469	230,314
Retiree Health Insurance Subsidy Program	6/30/19	48,620	26,861	5,053	8,225
Total		<u>\$ 136,777,496</u>	<u>\$ 54,203,562</u>	<u>\$ 16,222,622</u>	<u>\$ 9,935,382</u>

General Employees' Pension Plan:

General Information about the Pension Plan:

Plan Description:

The General Employees' Pension Plan (GE Plan) is a single-employer defined benefit plan administered by a Board of Trustees (the Board) that covers all regular full-time City employees except police, fire, and executive management employees. The Board consists of eight trustees, each serving a term of three years. Four of the trustees are Plan members who are elected by members of the Plan and the other four trustees are appointed by City Council. The GE Plan was established by Ordinance No.1806, adopted April 17, 1973, by City Council. The GE Plan is also governed by Chapter 112, Florida Statutes. The Plan issued a publicly available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained online at <https://myboca.us/> or by writing to:

General Employees' Pension Plan
Boca Raton City Hall, Suite 230
201 West Palmetto Park Road
Boca Raton, Florida 33432

The GE Plan is divided into three levels of benefit- Plan A, Plan B and Plan C. Employees hired prior to October 1, 1987 are enrolled in GE Plan A. Employees hired from October 1, 1987 to October 31, 2007 or transferred from GE Plan A are enrolled in GE Plan B. Employees hired on or after November 1, 2007, or who elect to transfer from GE Plan A or B, may enroll in GE Plan C or the City's defined contribution plan. On an ongoing basis, all assets accumulated for the payment of benefits may legally be used to pay benefits to members or beneficiaries of GE Plan A, B and C.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Benefits Provided:

Retirement benefits are calculated by multiplying the member's earnings averaged over five years times the member's years of continuous service times a multiplier determined by their plan level.

Members become eligible for unreduced benefits upon the attainment of age 65, without regard to service, age 55 with the completion of 20 years of continuous service, or age 53 with the completion of 30 years of continuous service. GE Plan A and B participants utilize a 3.00% multiplier and GE Plan C participants utilize a 1.75% multiplier.

Members become eligible for a Rule 68 retirement benefit when age plus service equals 68 and requires a minimum age of 50 and minimum continuous service of 15 years. For the Rule of 68 retirement option, GE Plan A participants utilize a 2.5% multiplier. GE Plan B and C participants utilize a 1.50% multiplier.

Members qualify for alternate unreduced early retirement upon the attainment of age 55 and minimum continuous service of 15 years. GE Plan A and B participants utilize a 2% multiplier. GE Plan C participants utilize a 1.75% multiplier.

Members qualify for early retirement benefits upon attaining age 50 with 20 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year early retirement precedes the normal retirement age 55.

Active employees who become disabled receive 60% (50% of earnings for disabilities incurred away from work) of the monthly earnings in effect at the time of disability, reduced by workers' compensation or any public disability benefits to which the member is entitled. Disability benefits are paid until the earlier of death, recovery, or the end of the maximum benefit period. The maximum benefit period is until age 65 if the member became disabled prior to attainment of age 60 or for 60 months if the member became disabled after the attainment of age 60.

If an employee dies while an active member or on disability, the benefit is equal to 3.5 times the member's annual earnings as of the date of death or the date the member became disabled. The beneficiary receives an initial lump sum followed by monthly payments until the designated amount is paid in full. Interest, at a rate equal to the yield of the five-year U.S. Treasury Note on the first day of the fiscal year, is approved annually by the Board of Trustees and is credited on the unpaid balance.

If a member meets the minimum service requirement of 10 years of continuous service at the time employment terminates, the benefit will be paid when the member turns 65 or later attains the age requirement for unreduced benefits provided the service requirement

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

for unreduced benefits was met prior to termination. A member may elect to take an immediate reduced benefit, when eligible, calculated in the same manner as for early retirement.

If termination occurs after the completion of 10 years of continuous service, the full accrued retirement benefit is payable at the normal retirement date. If termination occurs prior to the completion of 10 years of continuous service, the member's contributions will be refunded with interest credited at 3% per year, compounded annually.

The Deferred Retirement Option Plan (DROP) is available to all GE Plan members who are still actively employed and have attained the age of 55 with at least 20 years of continuous service, age 53 with at least 30 years of continuous service, or a reduced benefit at age 50 with 20 years of continuous service. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the GE Plan but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate interest during the remainder of the member's employment with the City. City and employee contributions cease when a member elects to participate in the DROP. Maximum duration of participation is five years. If a member continues to remain in employment more than the maximum period, no further deposits will be made to the member's account and investment earnings will cease to be posted. Upon termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the GE Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2019, there were 62 DROP participants with a total balance of \$6,220,283.

There are no automatic annual cost-of-living adjustments for members in the Plan. However, under Section 12-03, City Code of Ordinance, provides for a biennial review of retirement and disability benefits. In 2019, Ordinance No. 5496 was passed by City Council, providing for a one-time lump sum payment equal to 2.0% of the annual retirement benefit to members who began receiving benefits on or after October 1, 2006 and on or before September 30, 2011. Members receiving benefits before October 1, 2006, received an increase of 4.0% to said monthly benefit payment effective October 1, 2019.

GE Plan Contributions:

GE Plan A and B members are required to contribute 9.65% of their annual earnings while GE Plan C members are required to contribute 6% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

agreement. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings does not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2019 determined using the actuarial valuation dated October 1, 2017 were 7.12% of covered payroll for GE Plan A, B and C members. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

City's Net Pension Liability Regarding the GE Plan:

The City's liability for the net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions.

The total pension liability was determined by an actuarial valuation as of October 1, 2017, rolled forward to September 30, 2018 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.6%
Salary increases	3.0%
Investment rate of return	7.85%

Mortality rates were based on the Florida Retirement System (FRS) mortality assumptions. FRS uses the RP-2000 Generational table Scale BB with 100% White Collar for healthy females and 50/50 White Collar/Blue Collar for healthy males, the RP-2000 100% Disabled Females set forward two years, no projection scale for disabled females, and the 100% Disabled Male setback four years, no projection for disabled males.

The long-term expected rate of return on the GE plan investments is 7.85%. The GE plan's policy regarding the allocation of investments is established by the GE Plan Board of Trustees. The long-term expected rate of return of each pension plan asset class is based upon the historical average or mean returns. This historical data reveals a tendency for the returns of various asset classes to fall within a range, but the expected returns are based upon the average returns during these past periods. In order to determine the real rates of return, it is necessary to subtract the expected inflation rate from the nominal investment return. The long-term expected rate of return for the GE plan was calculated by weighing the expected future rates of return of each asset class by the corresponding target allocation percentages.

Best estimates of real rates of return for each major asset class included in the GE plan's target asset allocation as of September 30, 2018 measurement date are summarized as follows:

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	8.4%
International equity	3.4
Convertibles	9.4
MLPs	6.8
Infrastructure	6.3
Fixed Income	3.0
REITs	8.8
Real estate	4.9
Cash	0.7

The discount rate used to measure the total pension liability was 7.85 percent. The projection of cash flows was used to determine the discount rate assumed the GE Plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the GE Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current GE Plan members. Therefore, the long-term expected rate of return on GE Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

Component	General Employees' Pension Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2017	\$ 224,428,754	\$ 219,066,145	\$ 5,362,609
Changes for the year:			
Service cost	3,439,409	-	3,439,409
Interest	17,465,497	-	17,465,497
Assumption changes	1,083,605	-	1,083,605
Plan changes	-	-	-
Differences between expected and actual experience	2,976,520	-	2,976,520
Contributions - employer	-	2,093,506	(2,093,506)
Contributions - employee	-	2,560,917	(2,560,917)
Net investment income	-	18,067,722	(18,067,722)
Benefit payments, including refunds of employee contributions	(13,435,956)	(13,435,956)	-
Transfers	(398,832)	(398,832)	-
Administrative Expenses	-	(106,870)	106,870
Net changes	11,130,243	8,780,487	2,349,756
Balance at September 30, 2018	\$ 235,558,997	\$ 227,846,632	\$ 7,712,365

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.85 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.85%) or 1-percentage-point higher (8.85%) than the current rate:

	1% Decrease 6.85%	Current Rate 7.85%	1% Increase 8.85%
Net pension liability (asset)	\$ 31,389,051	\$ 7,712,365	\$ (12,387,776)

GE Plan Fiduciary Net Position:

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to GE Plan:

For the fiscal year ended September 30, 2019 the City recognized pension expense of \$1,420,032 on the government-wide Statement of Activities for the GE Plan. This amount is included as part of personal services expenses within the functional program activities.

At September 30, 2019, the City reports deferred outflows and inflows of resources related to the GE Plan from the following sources:

General Employees' Pension Plan	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gain/loss	\$ 1,511,297	\$ -
Asset gain/loss	-	1,627,843
Assumptions	1,945,972	-
Contributions made subsequent to the measurement date	2,240,997	-
Total	<u>\$ 5,698,266</u>	<u>\$ 1,627,843</u>

The total aggregated deferred outflows and deferred inflows related to the General Employees' Pension plan is \$10,038,739 and \$5,968,316, respectively. The net effect of these amounts is \$4,070,423. The above table represent the netting of such amounts.

Deferred outflows of resources related to the GE Plan, totaling \$2,240,997 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2020. Other asset and liability gains & losses reported as deferred outflows of resources and as deferred inflows of resources related to the GE Plan will be recognized in pension expense in subsequent years as follows:

Year ended September 30:	
2020	\$ 3,207,103
2021	(574,155)
2022	(579,248)
2023	(224,274)

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provide additional information about the

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

net pension liability, plan assets and contributions.

Police and Firefighters' Retirement System:

General Information about the Pension Plan:

Plan Description:

The Police and Firefighters' Retirement System (PF Plan) is a single-employer defined benefit plan administered by Board of Trustees (the Board) which covers all City of Boca Raton (the City) police officers and firefighters. The Board consists of eight trustees, each serving a term of two years. Two of the trustees are eligible police officer members of the Plan who are elected by the other police officer members of the Plan. Two of the trustees are eligible firefighter members of the Plan who are elected by other firefighter members of the Plan. The other four trustees are appointed by the City Council. The PF Plan issued a publicly available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained online at the City's website by writing to:

Police and Firefighters' Retirement System
Boca Raton City Hall, Suite 230
201 West Palmetto Park Road
Boca Raton, Florida 33432

The PF Plan was established by Ordinance No. 1806, adopted April 17, 1973, by City Council. The PF Plan is also governed by Chapters 112, 175, and 185, Florida Statutes. Pursuant to Chapters 175 and 185 of the Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the PF Plan. This amount totaled \$3,483,705 for the fiscal year ended September 30, 2019: \$2,004,767 for property insurance contracts for firefighters under Chapter 175 and \$1,478,938 for casualty insurance contracts for police officers under Chapter 185. This amount was recognized as an expenditure and revenue in the Retirement Sustainability Internal Service Fund.

Benefits Provided:

The earliest date at which a police officer and a firefighter can receive full benefits is called the normal retirement date. The normal retirement date is the first day of the month coincident with or following completion of 20 years of continuous service or attainment of age 55 with 10 years of continuous service. There is no mandatory retirement date; members may work past their normal retirement date and continue to accrue additional benefits subject to certain maximums as described below.

Police officer members exercising normal retirement are entitled to receive monthly benefits payable at 3.5% of their average monthly earnings (AME), which is the highest two-year average preceding retirement, multiplied by their years of continuous services, subject to a maximum of the greater of 87.5% of AME or 2% of AME multiplied by the

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

years of service. For those police officers retiring on or after April 14, 2015, the maximum benefit is 77% of AME. The maximum benefit shall be increased to include the percentage attributable to the past service purchase but in no event shall the total benefit exceed 87.5% of AME. For those members retiring on or after April 14, 2015, longevity pay shall not be included in AME and AME will be the highest 3-year average prior to retirement, provided that the AME for a police officer member who retires prior to October 1, 2017 shall be the greater of the arithmetic average of the highest 2 years preceding actual retirement or the arithmetic average of annual earnings for the 3 consecutive years immediately preceding retirement. A police officer, who becomes a member of the Plan on or after April 14, 2015, shall not have any overtime pay included in the calculation of AME.

Notwithstanding the prior maximums, the maximum normal retirement benefit for members who retire on or after July 24, 2018 shall be 84% of AME; provided, if a member's accrued benefit as of July 24, 2018 exceeded 84% of the AME, the member shall retain the accrued benefit as of that date but shall not thereafter accrue any additional benefit. In no event shall such member's normal retirement benefit be less than 2% of the AME for each year of service. For those members who purchased past service on or before April 14, 2015, the maximum benefit of 84% of AME shall be increased to include the percentage attributable to the previously past service, but in no event shall the maximum normal retirement benefit (when applied to the normal form of benefit) at the time of retirement shall not exceed 87.5% of AME. Past service purchased on or after April 14, 2015 shall not increase the maximum normal retirement benefit above 84% of the AME.

Firefighter members exercising normal retirement are entitled to receive monthly benefits of 3.4% of their AME, multiplied by the member's years of continuous service, subject to a maximum of 100% of AME. For those firefighter members retiring on or after April 14, 2015, the maximum benefit shall be the lesser of \$100,000 or 90% of AME. This maximum benefit will increase 2% per year.

Members separating from service receive a \$10.50 monthly supplement per year of service. Members retiring on or before October 26, 2010 received a \$10 monthly supplement per year of service. The supplement for terminated vested members was frozen as of April 14, 2015, and going forward, members are no longer eligible for the retirement supplement.

A member of the PF Plan may be eligible for early retirement after attainment of age 50 with 10 years of continuous service. Members so qualifying may receive benefits under one of the following two options:

- The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as discussed above under normal retirement, or
- The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 3% for each year prior to the normal retirement date.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Active employees under a disability retirement shall be entitled to receive a retirement benefit equal to 75% of the member's average monthly earnings or accrued benefit if the disability occurred in-service. The monthly benefit for a non-service incurred disability is equal to the normal benefit accrued by the member as of the date of the disability. Such benefit is payable from the first day of disability. Disability benefits are paid until the earlier of death or recovery from disability.

If an active employee dies from a service-incurred death, a lump-sum payment of \$5,000 is paid to the beneficiaries. In addition, the surviving spouse receives a monthly benefit until death, equal to 75% of the average monthly earnings. An additional 7½% of the average monthly earnings is paid for each minor child, but in no event does the amount paid to the spouse and children exceed 90% of the member's average monthly earnings. The payments to the children end upon the earlier of death, marriage, attainment of age 18, or age 22 if the child is a full-time student in an accredited school.

If an active employee dies from a non-service incurred cause and has less than one year of continuous service, a single payment of \$2,500 is paid to the beneficiaries. If the employee has more than one year of continuous service, a single payment of \$5,000 is paid to the beneficiaries. If the employee has five or more years of service, the surviving spouse will receive a monthly pension equal to 65% of the employee's accrued pension. An additional 7½% of the average monthly earnings is paid for each minor child, but in no event does the amount paid to the spouse and children exceed 50% of the member's average monthly earnings. Payments to the children end upon the earlier of death, marriage, attainment of age 18, or age 22 if the child is a full-time student in an accredited school.

If a member terminates employment and is not eligible for any other benefits under the system, he or she is entitled to the following:

- With less than 10 years of continuous service, a refund of the member contribution is made plus 3% interest, or
- With 10 or more years of continuous service, the pension accrued to the date of termination, payable commencing at his or her normal retirement date, or at the member's option, a lump sum refund of the member contribution plus 3% interest.

Police officers and firefighters who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). Upon electing to participate in the DROP, members are considered to have retired for purposes of the pension plan, but continue to remain in active employment with the City. Under Section 12-153, City of Boca Raton Code of Ordinances, as of July 24, 2018, a police officer member's election into the DROP will be deemed irrevocable. The member's normal retirement benefit is calculated as if the member had actually retired on the date of DROP participation, using continuous service and average monthly earnings as of that date.

Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

interest during the remainder of the member's employment with the City. The DROP account may remain a commingled part of the pension plan or may be self-directed with an established retirement corporation. City and employee contributions cease when a member elects to participate in the DROP.

During the period of DROP participation, the member's DROP account is credited monthly with investment earnings at the same rate that is earned on the total pension fund or as self-directed, if applicable. In addition, each member's account is charged with a portion of the administrative expenses. The maximum duration of DROP participation is five years. If a member continues to remain in employment more than five years, no further deposits will be made to the member's account and investment earnings will cease to be posted. Administrative expenses will continue to be charged. There is no taxation of benefits during the period of DROP participation.

Upon termination of employment, members may elect to receive their funds from the DROP account in a lump sum, annual installments or monthly annuity distributions. Benefit distributions must commence by age 70 ½. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the PF Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2019, there were 98 DROP participants with a total balance of \$27,125,257.

Police officer members eligible to receive normal retirement benefits at the time they leave the employment of the City, on or after October 1, 2001, are eligible to receive a 2% annual increase every year after the year of retirement. Retirements before October 1, 2001 receive a 3% annual increase every 2 years. On or after April 14, 2015 a police officer member shall be eligible to receive an annual increase upon attainment of their normal retirement date while actively employed. For police officer members who enter the DROP on or after April 14, 2015, the annual increase on the retirement benefit will begin the earlier of 1 year after termination of employment or 3 years after DROP entry.

Firefighter members eligible to receive normal retirement benefits at the time they leave the employment of the City (who retired prior to April 14, 2015) and have 22 or more years of continuous service (or 20 years if retired prior to December 9, 2008), are eligible for a cost of living adjustment of 3% each year once they have attained the age of 52 or have been retired one year, whichever comes later. Firefighter members with 21 years of continuous service are eligible for the cost-of-living adjustment after two years and with 20 years of continuous service are eligible after three years. For firefighter members retiring on or after April 14, 2015, for that portion of the retirement benefit that accrues on or after April 14, 2015, the cost of living adjustment shall be based on the continuous service earned on or after April 14, 2015 and the annual cost of living adjustment shall be 2.5 percent.

Benefits payable for service-related death and disability benefits are increased by 3% each year starting with the date they would have attained age 52. No increases apply to nonservice related death or disability benefits unless they complete 20 years of continuous

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

service prior to their death or disability. For firefighter members retiring on or after April 14, 2015, for that portion of the retirement benefit that accrues on or after April 14, 2015, the cost of living adjustment shall be based on continuous service earned on or after April 14, 2015, the annual increase in their retirement benefit shall be 2.5 percent.

PF Plan Contributions:

Firefighter member contributions are at the rate of 10.2% of compensation. Effective October 1, 2015 police officer member contributions increased from 10.2% to 11.5% of compensation. Employer contributions for the year ended September 30, 2019, determined using the actuarial valuation dated October 1, 2017, were 43.29% of covered payroll. The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. Administrative costs are funded through investment earnings.

Police officer members are required to contribute 11.5% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. For those police officers who became members of the Plan prior to April 14, 2015 annual earnings include basic wages, longevity pay and the first 300 hours of overtime but exclude any overtime earnings in excess of 300 hours, bonuses and any other extra compensation. For those police officers who became members of the Plan on or after April 14, 2015 annual earnings include basic wages only.

Firefighter members are required to contribute 10.2% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages, certification pay and longevity pay but exclude overtime, bonuses and any other extra compensation.

For police officers, the PF Plan receives funding from premium taxes on certain property and casualty insurance contracts written on City properties that is collected by the State and remitted directly to the PF Plan as a contribution, which was 7.91% of covered payroll for police officers. Employer contributions for the fiscal year ended September 30, 2019 determined using the actuarial valuation dated October 1, 2017 were 34.63% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

For firefighters, the PF Plan receives funding from premium taxes on certain property and casualty insurance contracts written on City properties that is collected by the State and remitted directly to the PF Plan as a contribution, which was 9.97% of covered payroll for firefighters. Employer contributions for the fiscal year ended September 30, 2019 determined using the actuarial valuation dated October 1, 2017 were 33.17% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

City's Net Pension Liability Regarding the PF Plan:

The City's liability for the net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions.

The total pension liability was determined by an actuarial valuation as of October 1, 2017, rolled forward to September 30, 2018 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.0%
Salary increases	4.25%
Investment rate of return	7.85%
Cost of living adjustment	varies

Mortality rates were based on the Florida Retirement System (FRS) special risk mortality assumptions. For healthy members, mortality rates are based on the RP-2000 Generational Mortality Tables for healthy Males (10% White Collar / 90% Blue Collar) or healthy Females (100% White Collar), with adjustments for mortality improvements based on Scale BB. For disabled members, mortality rates are based on a combination of 60% RP-2000 Disabled Male setback four years or Female setback two years / 40% Annuitant White Collar with no setback, no projection scale.

The long-term expected rate of return on the PF plan investments is 7.85%. The PF plan's policy in regard to the allocation of investments is established by the PF Plan Board of Trustees. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return for the PF plan by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimate of arithmetic real rates of return for each major asset class included in the PF Plan's target asset allocation as of September 30, 2018, measurement date are summarized in the following table:

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	6.10%
U.S. Small Cap Equity	8.00
International Developed Equity	7.40
Emerging Markets Equity	9.80
Core Fixed income	1.80
High Yield Fixed Income	4.30
Emerging Markets Debt	4.60
Multi-Asset Class Solutions	5.10
Private Equity	10.70
Long/Short Equity Strategies	5.10
Credit/Event Hedge Strategies	5.60
Real Estate - Core	5.10
Timber	5.90
Farmland	6.90
Oil & Gas	11.00
Infrastructure	6.50

The discount rate used to measure the total pension liability was 7.85 percent. The projection of cash flows was used to determine the discount rate assumed the PF Plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PF Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current PF Plan members. Therefore, the long-term expected rate of return on PF Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Changes in Net Pension Liability:

	Police & Firefighters' Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2017	\$ 476,509,581	\$ 369,807,971	\$ 106,701,610
Changes for the year:			
Service cost	10,027,517		10,027,517
Interest	37,651,191		37,651,191
Changes of benefit terms	1,270,260		
Differences between expected and actual experience	4,019,386		4,019,386
Changes of assumptions	2,874,659		
Contributions - employer		10,186,562	(10,186,562)
Contributions - State		3,313,018	(3,313,018)
Contributions - employee		3,956,634	(3,956,634)
Contributions - buy back	113,861	113,861	
Net investment income		27,561,870	(27,561,870)
Benefit payments, including re-funds of employee contributions	(22,420,013)	(22,430,313)	
Transfers	(10,300)		(10,300)
Administrative expense		(228,726)	228,726
Net changes	<u>33,526,561</u>	<u>22,472,906</u>	<u>11,053,655</u>
Balance at September 30, 2018	<u>\$ 510,036,142</u>	<u>\$ 392,280,877</u>	<u>\$ 117,755,265</u>

Florida State Statutes Chapters 175 and 185 establish minimum benefits and standards for all municipal Police Officer and Firefighter pension plans. The statutes govern the allocation of insurance premium excise taxes that are levied to provide a partial funding source for these plans. In 2015, the statutes were amended to allow the City and the Unions to mutually agree on the use of these funds. The balance of the insurance premium excise taxes to be used for future benefits at September 30, 2019 totals \$16,761,985.

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.85 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.85%) or 1-percentage-point higher (8.85%) than the current rate:

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

	1% Decrease	Current Rate	1% Increase
	6.85%	7.85%	8.85%
Net pension liability	\$ 181,579,130	\$ 117,755,265	\$ 65,390,058

PF Plan Fiduciary Net Position:

Detailed information about the PF Plan's Fiduciary Net Position is available in a separately issued financial report. The report may be obtained on the internet at the City's website (<http://myboca.us/>).

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to PF Plan:

For the fiscal year ended September 30, 2019 the City recognized pension expense of \$8,722,058 on the government-wide Statement of Activities for the PF Plan. This amount is included as part of personal services expenses within the functional program activities.

At September 30, 2019, the City reported deferred outflows and inflows of resources related to the PF Plan from the following sources:

Police and Firefighters' Retirement System	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 5,019,870	\$ 77,373
Changes of assumptions	11,079,901	-
Actual earnings on pension plan investments	-	2,096,226
Contributions made subsequent to the measurement date	16,800,133	-
Total	<u>\$ 32,900,133</u>	<u>\$ 2,173,599</u>

The total aggregated deferred outflows and deferred inflows related to the Police and Firefighters' Pension plans is \$38,630,140 and \$7,903,606, respectively. The net effect of these amounts is \$30,726,534. The above table represent the netting of such amounts.

Deferred outflows of resources related to the PF Plan, totaling \$16,800,362, resulting from City and State contributions subsequent to the September 30, 2018 measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2020. Other asset and liability gains & losses reported as deferred outflows of resources and as deferred inflows of resources related to the PF Plan will be recognized in pension expense in subsequent years as follows:

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Year ended September 30:		
2020	\$	6,527,104
2021		1,958,981
2022		2,182,618
2023		2,108,461
2024		1,149,008

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provide additional information about the net pension liability, plan assets and contributions.

Executive Employees' Retirement Plan

Plan Description:

The Executive Employees' Retirement Plan (EE Plan) is a single-employer defined benefit plan administered by a five-member Board of Trustees (the Board) that covers the executive employees of the City of Boca Raton. Two of the trustees are members of the Plan appointed by the city manager, two are appointed by the city council, and the other is the city manager. The EE Plan was established by Ordinance 4745, adopted November 12, 2003, by City Council. The EE Plan is also governed by Chapter 112, Florida Statutes. The Plan issued a publicly available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained online at <https://myboca.us/> or by writing to:

Florida Municipal Pension Trust Fund
Florida League of Cities, Inc.
Post Office Box 1757
Tallahassee, FL 32302-1757
Direct Line (850) 701-3633

EE Plan members are assigned to one of four divisions, each providing different levels of benefits depending on their division and entry into the plan. Division 1 includes D1, D2 and D3 pay classifications; Division 2 includes D4 and higher D pay classifications; Division 3 includes DD pay classifications and Division 4 includes the City Manager and City Attorney, if they elect to participate in the EE Plan.

Retirement benefits are calculated by multiplying the member's earnings averaged over five years (for Division 1 through Division 3) or two years (for Division 4) times the member's years of continuous service times a multiplier determined by their plan level subject to a maximum of 90% for those members that entered the plan on or prior to September 30, 2010 and 80% for those members that entered the plan after September 30, 2010.

Division 1, Division 2 or Division 3 members in the plan on or before September 30, 2010 utilize multipliers of 3.05, 3.15 and 3.25 respectively. Division 4 members utilize a

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

multiplier of 4.45 for the first 10 years and 3.35 thereafter. Members assigned to Division 1, Division 2, Division 3 and Division 4 categories after September 30, 2010 utilize multipliers of 2.35, 2.45, 2.55 and 2.65 respectively.

Members are eligible to retire the earlier of reaching age 65 with at least 6 years of vesting service or reaching age 55 with at least 10 years of vesting service or for new members after September 30, 2010 age 58 with at least 10 years of vesting service. Monthly benefits are calculated as a percentage of average final compensation. A cost of living increase of 2% per year for Divisions 1, 2 and 3 and 3% per year for Division 4 in current monthly benefits commence on October 1st following 5 years after retirement. Members who terminate with 10 years or more of benefit service and are eligible for immediate early or normal retirement receive a \$10 monthly supplement per year of service. The EE Plan also permits early retirement for all participants at the age of 50 and the completion of 10 years of vesting service or for new members after September 30, 2010 age 53 and the completion of 10 years of vesting service.

Members qualify for early retirement benefits upon attaining age 50 with 10 years of continuous service or for new members after September 30, 2010 age 53 with 10 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year the early retirement precedes the normal retirement age 55 or 58 for new members who join the plan after September 30, 2010.

Members who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). They will remain active employees of the City, but will no longer contribute to the EE Plan. Their benefits will remain frozen and continue to accrue interest until they retire from the City, at which time DROP benefits will be paid. Maximum duration of participation is sixty months. At September 30, 2019, there were 10 DROP participants with a total balance of \$1,631,962.

Active employees who become disabled receive 60% of the average final compensation as of the date of disability payable starting at age 65. Disability benefits are paid until the earlier of death or recovery from disability. If an active employee dies, a member's beneficiary is entitled to an accrued benefit that varies with age, length of service and employee division. If an employee terminates his employment with the City and is not eligible for any other benefits under the EE Plan, the member is entitled to the following:

- with less than six years of continuous service, a refund of member contribution plus 5% interest.
- with six or more years of continuous service, the pension accrued to the date of termination, payable commencing at the member's normal retirement date.

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

The City by Ordinance No. 4749 established a Preservation of Benefits Plan to pay benefit obligations. In the event that the accrued benefit for a member under the EE Plan is reduced pursuant to Section 401(a)(17) or Section 415(b) of the Internal Revenue Code, the City will pay a supplemental benefit amount equal to the amount reduced under the Internal Revenue Code limits.

EE Plan Contributions:

Members are required to contribute 11% of their annual earnings. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings do not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2019 determined using the actuarial valuation dated October 1, 2017 were 34.94% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

City's Net Pension Liability Regarding the EE Plan:

The City's liability for the net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2017, rolled forward to September 30, 2018 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	3.00%
Salary increases	Varies
Investment rate of return	7.25%
Cost of living adjustment	Varies

Mortality rates were based on the Florida Retirement System (FRS) mortality assumptions. FRS uses the RP-2000 Generational table Scale BB with 100% White Collar for healthy females and 50/50 White Collar/Blue Collar for healthy males, the RP-2000 100% Disabled Females set forward two years, no projection scale for disabled females, and the 100% Disabled Male setback four years, no projection for disabled males.

The long-term expected rate of return on the EE plan investments is 7.25%. The EE plan's policy regarding the allocation of investments is established by the EE Plan Board of Trustees. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return for the EE plan by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

inflation. Best estimate of arithmetic real rates of return for each major asset class included in the EE Plan's target asset allocation as of September 30, 2018, measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Bonds	4.3%
Multi-Sector	4.5
U.S. Large Cap Equity	8.1
U.S. Small Cap Equity	8.5
Non-U.S. Equity	8.5
Core Real Estate	7.3

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows was used to determine the discount rate assumed the EE Plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the EE Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current EE Plan members. Therefore, the long-term expected rate of return on EE Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability:

	Executive Employees' Pension Plan		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2017	\$ 52,747,317	\$ 41,862,845	\$ 10,884,472
Changes for the year:			
Service cost	1,033,954		1,033,954
Interest	3,759,183		3,759,183
Differences between expected and actual experience	1,258,361		
Changes to assumptions	461,746		
Contributions - employer		1,850,134	(1,850,134)
Contributions - employee		885,015	(885,015)
Transfer from other pension plans		409,132	(409,132)
Net investment income		3,770,512	(3,770,512)
Benefit payments, including re- funds of employee contributions	(3,860,948)	(3,860,948)	
Administrative expense		(46,064)	46,064
Net changes	<u>2,652,296</u>	<u>3,007,781</u>	<u>(355,485)</u>
Balance at September 30, 2018	<u>\$ 55,399,613</u>	<u>\$ 44,870,626</u>	<u>\$ 10,528,987</u>

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Rate	1% Increase
	6.25%	7.25%	8.25%
Net pension liability	\$ 16,950,889	\$ 10,528,987	\$ 5,180,439

EE Plan Fiduciary Net Position:

Detailed information about the EE Plan's Fiduciary Net Position is available in a separately issued financial report. The report may be obtained online at the City's website at <http://myboca.us> or by writing to:

Florida Municipal Pension Trust Fund
Florida League of Cities, Inc.
Post Office Box 1757
Tallahassee, FL 32302-1757
Direct Line (850)701-3633

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to EE Plan:

For the fiscal year ended September 30, 2019 the City recognized pension expense of \$445,247 on the government-wide Statement of Activities. This amount is included as part of personal services expenses within the functional program activities.

At September 30, 2019, the City reports deferred outflows and inflows of resources related to the EE Plan from the following sources:

Executive Employees' Retirement Plan	Deferred Outflow of Resources	Deferred Inflow of Resources
Liability (gain) loss	\$ 1,316,192	-
Asset (gain)/loss		\$ 1,797,186
Assumption change	1,331,585	-
Contributions made subsequent to the measurement date	1,954,554	-
Total	<u>\$ 4,602,331</u>	<u>\$ 1,797,186</u>

The total aggregated deferred outflows and deferred inflows related to the Executive Employees' Pension plan is \$5,106,323 and \$2,301,178, respectively. The net effect of these amounts is \$2,805,145. The above table represent the netting of such amounts.

Deferred outflows of resources related to the EE Plan, totaling \$1,954,554, resulting from City contributions subsequent to the September 30, 2018 measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2020. Other asset and liability gains & losses reported as deferred outflows of resources and as deferred inflows of resources related to the EE Plan will be recognized in pension expense in subsequent years as follows:

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Year ended September 30:

2020	\$	1,038,725
2021		191,339
2022		(240,266)
2023		(139,207)

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provide additional information about the net pension liability, plan assets and contributions.

Florida Retirement System (FRS) Plans:

General Information about the FRS Pension Plans

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website (www.dms.myflorida.com) or by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Research and Education Section
P. O. Box 9000
Tallahassee, FL 32315-9000
850-488-5706 or toll free at 877-377-1737

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

Plan Description:

FRS Pension Plan

The FRS Pension Plan (Plan) is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. Only elected officials of the City may become members of the Plan under the FRS Elected Officers' Class (EOC) of membership.

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

The 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 Florida Department of Management Services, Division of Retirement.

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 (AFC). For members initially enrolled before July 1, 2011, the AFC is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the AFC is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The percentage value for each year of service credit earned under the FRS Elected Officers' Class is 3.00%.

Pursuant to 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% 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% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. 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, 2019 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.

Plan Contributions:

FRS Pension Plan

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for the Elected Officials Class during the 2019 fiscal year were as follows:

Percent of Gross Salary		Percent of Gross Salary	
<u>October 1, 2018 to June 30, 2019</u>		<u>July 1, 2019 to September 30, 2019</u>	
<u>Employee</u>	<u>Employer¹</u>	<u>Employee</u>	<u>Employer¹</u>
3.00%	48.7%	3.00%	48.82%

¹Employer rates include a postemployment HIS contribution rate of 1.66% and an Investment plan administrative charge of .06%.

The City's contributions to the Plan totaled \$70,515 for the fiscal year ended September 30, 2019. This excludes the HIS defined benefit pension plan contributions and the investment plan administrative charge.

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

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

compensation for all active FRS members. The HIS contribution rate for the periods October 1, 2018 through June 30, 2019 and July 1, 2019 through September 30, 2019 was 1.66 percent. Contribution rates remained unchanged for the Plan's new fiscal year beginning July 1. The City contributed 100% of its statutorily required contributions for the current year preceding three years. This 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.

The City's contributions to the HIS Plan totaled \$2,490 for the fiscal year ended September 30, 2019.

City's Net Pension Liability Regarding the FRS Plan:

Actuarial Assumptions

Actuarial assumptions for both the FRS and HIS 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 valuations 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:

	FRS	HIS
Actuarial Cost Method	Individual Entry Age	
Investment Rate of Return	6.90%	3.50%
Salary Increase	3.25%	3.25%
Inflation	2.60%	2.60%

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018, and mortality assumptions for the HIS Program were based on the Generational RP-2000 with Projection Scale BB tables.

The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The long-term expected rate of return on the FRS 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

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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 ¹	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Real estate	10.0%	6.7%	6.1%	11.7%
Private equity	11.0%	11.2%	8.4%	25.8%
Strategic investments	6.0%	5.9%	5.7%	6.7%
Total	100.0%			
Assumed Inflation - Mean			2.6%	1.7%

¹As outlined in the FRS Pension Plan's investment policy

The discount rate used to measure the total pension liability was 6.9% for the FRS plan. The Plan's 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. Therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.5% 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.

The following changes in actuarial assumptions occurred in 2019:

- FRS: The long-term expected rate of return was decreased from 7.00% to 6.90%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB to the PUB-2010 base table, projected generationally with Scale MP-2018.
- HIS: The municipal bond rate used to determine total pension liability was decreased from 3.87% to 3.50%.

Net Pension Liability

At September 30, 2019, the City reported a liability of \$732,259 for its proportionate share of the FRS Pension Plan's net pension liability and \$48,620 for the HIS net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

City's contributions for the year ended June 30, 2019 relative to the contributions made during the year ended June 30, 2018 of all participating members. At June 30, 2019, the City's proportionate share was .002126274% for the FRS plan and .000434533% for the HIS plan, which represent an increase of .0000139858% and a decrease of .0000104115% from the proportionate shares measured as of June 30, 2018.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease	Current Rate	1% Increase
	5.90%	6.90%	7.90%
Net pension liability	\$ 1,265,832	\$ 732,259	\$ 286,635

Plan Fiduciary Net Position

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

Pension Expense and Deferred Outflows and Inflows of Resources

For the fiscal year ended September 30, 2019 the City recognized pension expense of \$230,314 related to the FRS Pension Plan and \$8,225 related to the HIS plan. . In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 43,432	\$ 591	\$ 44,023
Changes in assumptions	188,076	5,630	193,706
Net difference between projected and actual investment earnings		31	31
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	152,909	19,986	172,895
City FRS contributions subsequent to the measurement date	17,082	623	17,705
Total Deferred Outflows of Resources	\$ 401,499	\$ 26,861	\$ 428,360

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ (454)	\$ (60)	\$ (514)
Changes in assumptions	-	(3,973)	(3,973)
Net difference between projected and actual investment earnings	(40,512)	-	(40,512)
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	(3,502)	(1,020)	(4,522)
Total Deferred Inflows of Resources	\$ (44,468)	\$ (5,053)	(49,521)

The deferred outflows of resources related to pensions, totaling \$17,705, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	FRS	HIS	Total
2020	\$ 114,684	\$ 5,442	\$ 120,126
2021	60,710	5,217	65,927
2022	89,062	4,710	93,772
2023	59,638	3,979	63,617
2024	13,595	1,494	15,089
Thereafter	2,260	344	2,604

Payables to the Pension Plan – At September 30, 2019, the City did not report a payable to the Plan for the fiscal year ended September 30, 2019.

11. Other Post Employment Benefits (OPEB)

OPEB Plan Description

The City provides a single employer defined benefit health care plan (the Plan) to all of its employees except for the firefighter members covered by the collective bargaining agreement between the City and the International Association of Firefighters. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The Plan has no assets and does not issue a separate financial report.

The Plan allows its employees and their beneficiaries, at their own cost and until the attainment of age 65, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the Plan conform to the Florida Statutes, which are the legal authority for the Plan. Eligible employees of the City who satisfy early or normal retirement provisions of their respective pension plan are allowed access to the Plan until the participant reaches Medicare eligibility at the participant's cost. There is no subsidy offered by the City to retirees. General eligibility rules are as follows:

- General employees, police, and executive employees, must meet the eligibility requirements for their respective retirement plan.
- Participants electing to participate in the City's Internal Revenue Code (IRC) 401a plan, in lieu of the City's three defined retirement benefit plans, must meet the eligibility requirements under the City's IRC 401a plan.

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Where applicable, participants currently electing to participate in the Deferred Retirement Option Program (DROP) are assumed to begin receiving benefits under OPEB at the end of the DROP period, which is 5 years.

Dependents and surviving spouses of participants are allowed access to the plan at the participant cost. There is no subsidy offered by the City for dependents.

Participants who terminate employment prior to reaching retirement eligibility are not allowed access to the plan.

At September 30, 2019, the OPEB Plan covered 1,091 active employees and 85 retirees.

Total OPEB Liability

Actuarial Methods and Assumptions

The OPEB liability is based on the October 1, 2018 valuation which includes several actuarial assumptions. September 30, 2019 was the actuarial measurement date. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities. Significant methods and assumptions are listed below.

Actuarial Assumptions	Rate/ Methodology
Actuarial Cost Method	Entry Age Normal (EAN)
Discount Rate (based on the 20-year GO Bond index)	2.75%
Inflation rate	2.40%
Medical Trend Rate (using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions)	4.10%
Salary Increase	General - 3% Police & Executives - Varies RP-2014 mortality fully generational using scale MP- 2016
Mortality Rate	2016

The discount rate used to determine the liabilities under GASB 75 is based on an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 3.83% as of September 30, 2018 and 2.75% as of September 30, 2019.

Because this year's GASB 75 disclosure is based on the same data and assumptions (other than a small change in the discount rate) as the prior year, there is no difference between actual and expected experience from the prior year.

The City does not provide funding for any portion of the premiums after retirement;

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs.

Total OPEB Liability

At September 30, 2019, the City reported a total OPEB liability of \$5,703,064, representing 7.57% of covered payroll. The components of the City's OPEB liability were as follows:

Component	Value
Total OPEB liability	\$ 5,703,064
Plan fiduciary net position	--
Total OPEB liability	<u>\$ 5,703,064</u>
Plan fiduciary net position as a percentage of OPEB liability	0%
Covered payroll	\$ 75,374,981
Total OPEB liability as a percentage of covered payroll	7.57%

Change in OPEB Liability

The detail of the change in OPEB liability for fiscal year 2019 is presented below:

Component	Increase (Decrease)
Balance at September 30, 2018	\$ 5,017,104
Changes for the year:	
Service cost	263,838
Interest	187,333
Plan changes	
Changes in assumptions	486,576
Benefit payments, net of retiree contributions	<u>(251,787)</u>
Net changes	<u>685,960</u>
Balance at September 30, 2019	<u>\$ 5,703,064</u>

Sensitivity of Total OPEB Liability to Changes in Discount Rate or Medical Trend Rate

The chart that follows presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate.

	1% Decrease 1.75%	Discount Rate 2.75%	1% Increase 3.75%
Total OPEB liability	\$ 6,210,359	\$ 5,703,064	\$ 5,250,511

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

The chart below presents the total OPEB liability of the City, calculated using a health care cost trend rate of 4.1%, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower (3.1%) or 1-percentage-point higher (4.1%) than the current rate.

	1% Decrease 3.10%	Medical Trend 4.10%	1% Increase 5.10%
Total OPEB liability	\$ 5,134,586	\$ 5,703,064	\$ 6,365,334

OPEB expense

For the fiscal year ended September 30, 2019, the City recognized OPEB expense of \$508,782. Each fund pays costs in proportion to the payroll costs incurred, and they are liquidated by the fund in which employees are compensated. This amount is broken down in more details below.

Expense	Amount
Service cost	\$ 263,838
Interest	187,333
Changes in assumptions	
In current fiscal year, recognized in current year	81,096
From past years recognized in current year	<u>(23,485)</u>
Total	<u>57,611</u>
Total OPEB expense	<u>\$ 508,782</u>

Changes in OPEB liability are recognized in OPEB expense during the fiscal year except for certain items as discussed in the deferred inflows/outflows of resources section below.

OPEB Fiduciary Net Position

Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended September 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following source(s):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 405,480	\$ 93,941
Total	<u>\$ 405,480</u>	<u>\$ 93,941</u>

Deferred outflows of resources of \$405,480 and deferred inflows of resources of \$93,941 are the result of changes in assumption which increased the total OPEB liability by \$486,576, of which \$81,096 was recognized in OPEB expense at September 30, 2019. The remainder of the balance will be recognized to OPEB expense as follows:

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

Fiscal year ended September 30:	
2020	\$ 57,611
2021	57,611
2022	57,611
2023	57,610
2024	81,096
	\$ 311,539

12. Interfund Receivables, Payables, Transfers and Advances

A. Due To/From Other Funds (Balances Expected To Be Repaid Within One Year)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

The following is a summary of interfund receivable and payable balances at September 30, 2019:

	Interfund Receivables (Due From)	Interfund Payables (Due To)
Major funds:		
General Fund	\$ 3,236,742	
Beach and Park Operations Fund		\$ 3,225,989
Non-Major Governmental Funds		10,753
Total interfund receivables/payables	\$ 3,236,742	\$ 3,236,742

The inter-fund balances above represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year end.

B. Interfund Transfer Reconciliation

Transfers from:	To General	To Other Governmental	To Internal Service	To Non- Major Enterprise	Total
General			\$4,102,400		\$ 4,102,400
CRA Mizner Park Revenue		\$ 3,740,393			3,740,393
5 Year Capital Improvements			3,256,900		3,256,900
Beach and Park Operations			175,100		175,100
Water and Sewer			-		-
Non-major governmental	\$ 6,254,080	3,141,052	1,500	\$ 593,100	9,989,732
Non-major enterprise			-		-
Total	\$ 6,254,080	\$ 6,881,445	\$7,535,900	\$ 593,100	\$21,264,525

Non-major governmental fund transfers in are regarding payments for CRA operations and debt service payments. The transfers into the internal service funds are for the

CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

purchase of capital assets, which are not recovered through normal user fees and to partially offset operating costs in the Information Technology Fund.

13. Self-Insurance Programs

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; and natural disasters. The City has established a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. Under this program the City has established three programs, Workers Compensation, Employees' Health and General and Automobile Liability.

The City is fully self-insured for workers' compensation, general liability, automobile liability, employment liability, police professional liability and errors and omissions. In addition, the City purchases an excess policy at a self-insured retention of \$500,000 for workers' compensation each accident, except \$875,000 for police, fire, and presumption claims and \$200,000 per occurrence for general liability, auto liability, law enforcement liability, and public official's liability losses. The City has excess policy insurance with Lloyd's of London BRITT for general liability coverage and New York Marine for excess workers' compensation coverage. The City purchases commercial insurance for property damage up to \$150,000,000 after a deductible of \$100,000. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed the insurance coverage for each of the past three years. The City has a contract with Florida Blue to provide for employee health insurance through a self-insurance program with Florida Blue as a third party payer. The City has Stop-Loss coverage for the group medical and pharmacy plan with a specific deductible of \$300,000 and with Aggregate contract attachment point of \$11,959,775 with 125% aggregate corridor. The City is ultimately responsible for and establishment of reserve amounts on claims.

All funds of the City participate in the program and make payments to the Self-Insurance Fund, based on actuarial estimates of amounts needed to pay prior and current year claims. The claims liability of \$9,744,000 reported in the Fund at September 30, 2019 is based on the requirements of GASB Statement No. 10, "*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*," which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A discount rate of 4.50% is assumed for group medical claims.

The City's estimated liability for self-insured losses for general liability and workers' compensation was determined by an independent actuarial valuation performed as of September 30, 2019. Liabilities include an amount for claims incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for self-insured losses are based on estimates and the ultimate settlement of the claims may differ from the amounts recorded. A discount rate of 2.50%

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

is assumed for general liability and workers compensation claims.
The estimated liability at September 30, 2018 and 2019 is as follows:

Type	As of 9/30/18	As of 9/30/19	Due Within One Year
Workers Compensation	\$ 5,834,000	\$ 5,942,000	\$ 1,241,000
General and Automobile Liability	3,205,000	3,184,000	1,192,000
Health Insurance	534,000	618,000	618,000
Total	<u>\$ 9,573,000</u>	<u>\$ 9,744,000</u>	<u>\$ 3,051,000</u>

Changes in the estimated liability for the fiscal years ended September 30, 2018 and 2019 are as follows:

Fiscal Year	Liability on October 1	Changes in Estimates	Claim Payments	Liability on September 30
2018	\$ 9,360,000	\$ 13,257,817	\$ 13,044,817	\$ 9,573,000
2019	\$ 9,573,000	\$ 15,032,352	\$ 14,861,352	\$ 9,744,000

14. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is management's opinion that there are not any significant contingent liabilities relating to these grants.

The City is a defendant in various lawsuits at September 30, 2019. The estimated liability for probable losses, as a result of the lawsuits, was determined based on advice from legal counsel after giving consideration for insurance coverage and, in certain instances, the Florida statutory limitations of governmental liability, and is included in the estimated liability for self-insured claims in the internal service fund (see Note 13). Although the ultimate outcome of these lawsuits is not presently determinable, it is the opinion of management, based on advice from legal counsel, that the amount of losses resulting from the above litigation in excess of the amount accrued as of September 30, 2019, would not have a material adverse effect on the financial position of the City.

15. Excess of Expenditures over Appropriations

The expenditures of the following department exceeded appropriations by the amount indicated:

Downtown Infrastructure Fund:
General Government \$390

**CITY OF BOCA RATON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

16. Boca Raton Community Redevelopment Agency

The Florida Legislature during the 2019 Legislative Session revised Chapter 163.387 relating to the redevelopment trust funds to provide for a financial audit each year by an independent certified public accountant or firm of the financial statements and the issuance of an audit report. The Boca Raton Community Redevelopment Agency, a component unit of the City of Boca Raton, has engaged an independent public accountant firm which has performed a financial audit and fund financial statements which are available on the City's website.

17. Subsequent Event

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China and has spread around the world resulting in business and social disruption. On January 30, 2020 the World Health Organization declared the coronavirus outbreak (COVID-19) a "Public Health Emergency of International Concern" and on March 11, 2020 declared COVID-19 a pandemic. The impact of COVID-19 could negatively impact the City's operations, suppliers or other vendors and customer base. Any business or social disruptions to the City's operations, or those of its customers and residents may adversely impact the City's revenues, ability to provide services and operating results. The duration and full impacts of the challenges responding to these disruptions are yet unknown and may have a negative impact on the local, national, and global economy. It could result in an economic downturn that could affect demand for goods and services. The extent to which COVID-19 may impact the City's financial condition or results of operations is highly uncertain and cannot be predicted.

PAGE INTENTIONALLY LEFT BLANK



PAGE INTENTIONALLY LEFT BLANK

CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years⁽¹⁾

General Employees' Pension Plan

September 30,	Year 2018	Year 2017	Year 2016	Year 2015
Total Pension Liability				
Service cost	\$ 3,439,409	\$ 3,224,234	\$ 3,855,305	\$ 3,952,877
Interest	17,465,497	16,928,618	16,311,059	15,878,172
Reserve for 2% lump sum payments				
Changes of benefit terms		1,501,811		
Differences between expected and actual experience	2,976,520	(1,491,049)	113,363	(1,726,306)
Changes of Assumptions	1,083,605	2,087,606	636,444	
Benefit payments, including refunds of member contributions	(13,435,956)	(12,101,909)	(12,610,638)	(12,424,759)
Transfers (net)	(398,832)	(310,001)	(108,675)	(48,097)
Net Change in Total Pension Liability	<u>11,130,243</u>	<u>9,839,310</u>	<u>8,196,858</u>	<u>5,631,887</u>
Total Pension Liability - Beginning	<u>224,428,754</u>	<u>214,589,444</u>	<u>206,392,586</u>	<u>200,760,699</u>
Total Pension Liability - Ending (a)	<u>235,558,997</u>	<u>224,428,754</u>	<u>214,589,444</u>	<u>206,392,586</u>
Plan Fiduciary Net Position				
Contributions - employer	2,093,506	2,340,675	3,361,534	3,925,569
Contributions - member	2,560,917	2,431,496	2,509,043	2,335,348
Net investment income (loss)	18,067,722	22,496,220	16,484,179	(2,130,561)
Benefit payments, including refunds of member contributions	(13,435,956)	(12,101,909)	(12,610,638)	(12,424,759)
Administrative expense	(106,870)	(135,013)	(132,952)	(90,032)
Transfers (net)	(398,832)	(310,001)	(108,675)	6,442
Net Change in Plan Fiduciary Net Position	<u>8,780,487</u>	<u>14,721,468</u>	<u>9,502,491</u>	<u>(8,377,993)</u>
Plan Fiduciary Net Position - Beginning	<u>219,066,145</u>	<u>204,344,677</u>	<u>194,842,186</u>	<u>203,220,179</u>
Plan Fiduciary Net Position - Ending (b)	<u>227,846,632</u>	<u>219,066,145</u>	<u>204,344,677</u>	<u>194,842,186</u>
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ 7,712,365</u>	<u>\$ 5,362,609</u>	<u>\$ 10,244,767</u>	<u>\$ 11,550,400</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.73%	97.61%	95.23%	94.40%
Covered Payroll	\$ 37,233,984	\$ 36,206,318	\$ 35,094,926	\$ 35,658,133
Net Pension Liability (Asset) as a Percentage of Covered Payroll	20.71%	14.81%	29.19%	32.39%

Notes to Schedule:

¹This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years⁽¹⁾**

General Employees' Pension Plan

Year 2014

\$ 4,070,341
15,543,810

(3,613,328)

(10,670,374)
(264,439)

5,066,010
195,694,689
200,760,699

3,744,111
2,360,378
19,283,849

(10,670,374)
(243,981)
(264,439)

14,209,544

189,010,635
203,220,179

\$ (2,459,480)

101.23%

\$ 34,835,028

(7.06)%

Notes to Schedule:

¹This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years**

General Employees' Pension Plan

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess/ (deficiency) (2)-(1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered payroll (2)/(4)
2010	\$ 2,503,965	\$ 2,503,965		\$ 32,165,959	7.78%	7.78%
2011	3,333,945	3,333,945		29,915,815	11.14%	11.14%
2012	3,427,410	3,427,410		28,583,981	11.99%	11.99%
2013	4,268,084	4,268,084		27,597,864	15.47%	15.47%
2014	3,744,111	3,744,111		34,835,028	10.75%	10.75%
2015	3,925,569	3,925,569		35,658,133	11.01%	11.01%
2016	3,361,534	3,361,534		35,094,926	9.58%	9.58%
2017	2,340,675	2,340,675		36,206,318	6.46%	6.46%
2018	2,093,506	2,093,506		37,233,984	5.62%	5.62%
2019	2,240,997	2,240,997		31,486,792	7.12%	7.12%

Notes to Schedule:

Valuation date: October 1, 2017

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

Methods and assumptions used to determine contribution rates:

Measurement date	October 1
Actuarial cost method	Entry age
Asset valuation method	4-year smoothing
Salary increases	3% annum
Inflation	2.6%
Investment rate of return	7.85%

Mortality is assumed to follow the Florida Retirement System (FRS) Mortality Table.

PAGE INTENTIONALLY LEFT BLANK

CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years⁽¹⁾

Police & Firefighters' Retirement System

September 30,	Year 2018	Year 2017	Year 2016	Year 2015
Total Pension Liability				
Service cost	\$ 10,027,517	\$ 9,139,764	\$ 8,067,516	\$ 8,019,243
Interest	37,651,191	35,591,072	33,015,209	31,100,803
Changes of benefit terms	1,270,260			(12,002,331)
Differences between expected and actual experience	4,019,386	1,149,110	(154,745)	2,110,050
Transfer from (to) General Employees' Plan	(10,300)			
Changes of Assumptions	2,874,659	2,864,781	13,548,989	
Contributions - buy back	113,861	135,964	25,319	51,514
Benefit payments, including refunds of member contributions	(22,420,013)	(21,835,563)	(19,320,864)	(15,478,755)
Net Change in Total Pension Liability	33,526,561	27,045,128	35,181,424	13,800,524
Total Pension Liability - Beginning	476,509,581	449,464,453	414,283,029	400,482,505
Total Pension Liability - Ending (a)	<u>510,036,142</u>	<u>476,509,581</u>	<u>449,464,453</u>	<u>414,283,029</u>
Plan Fiduciary Net Position				
Contributions - employer	10,186,562	8,020,870	8,111,246	11,352,729
Contributions - State	3,313,018	2,771,797	3,899,711	3,198,125
Contributions - member	3,956,634	3,620,915	3,436,368	3,109,262
Contributions - buy back	113,861	135,964	25,319	51,514
Transfer from General Employees' Plan	(10,300)			
Net investment income	27,561,870	38,904,664	26,257,007	2,205,514
Benefit payments, including refunds of member contributions	(22,420,013)	(21,835,562)	(19,320,864)	(15,478,755)
Administrative expense	(228,726)	(250,745)	(256,228)	(222,131)
Other				
Net Change in Plan Fiduciary Net Position	22,472,906	31,367,903	22,152,559	4,216,258
Plan Fiduciary Net Position - Beginning	369,807,971	338,440,068	316,287,509	312,071,251
Plan Fiduciary Net Position - Ending (b)	<u>392,280,877</u>	<u>369,807,971</u>	<u>338,440,068</u>	<u>316,287,509</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 117,755,265</u>	<u>\$ 106,701,610</u>	<u>\$ 111,024,385</u>	<u>\$ 97,995,520</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.91%	77.61%	75.30%	76.35%
Covered Payroll	\$ 36,539,436	\$ 33,450,986	\$ 31,834,502	\$ 29,855,531
Net Pension Liability (Asset) as a Percentage of Covered Payroll	322.27%	318.98%	348.75%	328.23%

Notes to Schedule:

¹ This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years⁽¹⁾**

Police & Firefighters' Retirement System

Year 2014	Year 2013
\$ 8,842,600 30,257,546 132,304 28,668 <u>(16,310,699)</u> 22,950,419 <u>377,532,086</u> <u>400,482,505</u>	\$ 8,187,593 28,465,767 <u>(13,511,539)</u> 23,141,821 <u>354,390,265</u> <u>377,532,086</u>
13,182,553 2,868,153 2,985,855 28,668 132,304 26,241,511 (16,310,699) (362,469) <u>28,765,876</u> <u>283,305,375</u> <u>312,071,251</u>	12,419,043 2,843,696 2,981,727 34,407,247 <u>(13,511,539)</u> (444,233) 5593 <u>38,701,534</u> <u>244,603,841</u> <u>283,305,375</u>
<u>\$ 88,411,254</u>	<u>\$ 94,226,711</u>
77.92%	75.04%
\$ 29,422,696	\$ 29,655,556
300.49%	317.74%

Notes to Schedule:

¹This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years**

Police & Firefighters' Retirement System

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess/ (deficiency) (2)-(1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered payroll (2)/(4)
2010	\$ 10,152,847	\$ 9,434,840	\$ (718,007)	\$ 29,499,000	34.42%	31.98%
2011	11,498,774	11,290,578	(208,196)	28,591,000	40.22%	39.49%
2012	12,902,505	12,790,958	(111,547)	29,458,000	43.80%	43.42%
2013	15,099,422	15,262,739	163,317	29,655,556	50.92%	51.47%
2014	16,050,706	16,050,706		29,422,696	54.55%	54.55%
2015	12,642,612	14,550,854	1,908,242	29,855,531	42.35%	48.74%
2016	13,919,199	12,010,957	(1,908,242)	31,834,502	43.72%	37.73%
2017	10,792,667	10,792,667		33,450,986	32.26%	32.26%
2018	13,499,580	13,499,580		36,539,436	36.95%	36.95%
2019	16,800,362	16,800,362		38,811,038	43.29%	43.29%

Notes to Schedule:

Valuation date: October 1, 2017

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

Methods and assumptions used to determine contribution rates:

Measurement date	October 1
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, closed
Remaining amortization period	20 years (as of 10/1/2017)
Asset valuation method	4-year smoothing
Payroll growth projection	2.92% per annum
Inflation	2.00%
Investment rate of return	7.90%

Mortality is assumed to follow the Florida Retirement System (FRS) Mortality Table.

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years⁽¹⁾**

Executive Employees' Retirement Plan

September 30,	Year 2018	Year 2017	Year 2016	Year 2015
Total Pension Liability				
Service cost	\$ 1,033,954	\$ 999,642	\$ 887,093	\$ 830,044
Interest	3,759,183	3,607,804	3,302,491	3,130,704
Changes of benefit terms				
Differences between expected and actual experience	1,258,361		1,605,801	(145,142)
Changes of assumptions	461,746	1,970,552		
Benefit payments, including refunds of member contributions	(3,860,948)	(1,870,177)	(1,804,008)	(1,360,326)
Net Change in Total Pension Liability	<u>2,652,296</u>	<u>4,707,821</u>	<u>3,991,377</u>	<u>2,455,280</u>
Total Pension Liability - Beginning	<u>52,747,317</u>	<u>48,039,496</u>	<u>44,048,119</u>	<u>41,592,839</u>
Total Pension Liability - Ending (a)	<u>55,399,613</u>	<u>52,747,317</u>	<u>48,039,496</u>	<u>44,048,119</u>
Plan Fiduciary Net Position				
Contributions - employer	1,850,134	1,525,219	1,482,115	1,457,248
Contributions - member	885,015	639,876	762,047	635,026
Transfer from other pension plans	409,132	314,525	108,675	21,680
Net investment income	3,770,512	5,423,879	2,819,391	85,342
Benefit payments, including refunds of member contributions	(3,860,948)	(1,870,177)	(1,804,008)	(1,360,326)
Administrative expense	(46,064)	(31,744)	(29,006)	(27,327)
Net Change in Plan Fiduciary Net Position	<u>3,007,781</u>	<u>6,001,578</u>	<u>3,339,214</u>	<u>811,643</u>
Plan Fiduciary Net Position - Beginning	<u>41,862,845</u>	<u>35,861,267</u>	<u>32,522,053</u>	<u>31,710,410</u>
Plan Fiduciary Net Position - Ending (b)	<u>44,870,626</u>	<u>41,862,845</u>	<u>35,861,267</u>	<u>32,522,053</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,528,987</u>	<u>\$ 10,884,472</u>	<u>\$ 12,178,229</u>	<u>\$ 11,526,066</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.99%	79.36%	74.65%	73.83%
Covered Payroll	\$ 5,361,342	\$ 5,748,308	\$ 5,359,816	\$ 4,748,431
Net Pension Liability as a Percentage of Covered Payroll	196.39%	189.35%	227.21%	242.73%

Notes to Schedule:

¹This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years⁽¹⁾**

Executive Employees' Retirement Plan

Year 2014

\$ 807,122
2,970,466

327,026
1,055,238

(1,088,490)
4,071,362
37,521,477
41,592,839

1,458,974
717,085

2,784,339

(1,088,489)
(38,294)
3,833,615

27,876,795
31,710,410

\$ 9,882,429

76.24%

\$ 4,463,155

221.42%

Notes to Schedule:

¹This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years**

Executive Employees' Retirement Plan

Fiscal Year Ended	(1) Actuarially Determined Contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess/ (deficiency) (2)-(1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered payroll (2)/(4)
2010	\$ 899,928	\$ 899,928		\$ 4,896,787	18.38%	18.38%
2011	1,029,022	1,083,506	\$ 54,484	4,745,685	21.68%	22.83%
2012	1,111,897	1,098,407	(13,490)	4,376,313	25.41%	25.10%
2013	1,350,306	1,367,748	17,442	4,418,964	30.56%	30.95%
2014	1,458,974	1,458,974		4,463,155	32.69%	32.69%
2015	1,457,248	1,457,248		4,748,431	30.69%	30.69%
2016	1,482,115	1,482,115		5,359,816	27.65%	27.65%
2017	1,525,219	1,525,219		5,748,308	26.53%	26.53%
2018	1,850,134	1,850,134		5,361,342	34.51%	34.51%
2019	1,954,554	1,954,554		5,593,482	34.94%	34.94%

Notes to Schedule:

Valuation date: October 1, 2017

Actuarially determined contribution rates are calculated as of October 1, 1 year prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Measurement date	October 1
Actuarial cost method	Entry age
Asset valuation method	5-year smoothing
Salary increases	varies
Inflation	2.75%
Investment rate of return	7.25%

Mortality is assumed to follow the Florida Retirement System (FRS) Mortality Table.

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Florida Retirement System (FRS) Pension Plan
Last Ten Fiscal Years ^(1,2)**

June 30,	Year 2019	Year 2018	Year 2017 ³	Year 2016	Year 2015	Year 2014
City of Boca Raton's proportion of the FRS net pension liability (asset)	0.002126274%	0.002140260%	0.001760086%	0.000573538%	0.000594821%	0.000399841%
City of Boca Raton's proportionate share of the FRS net pension liability (asset)	\$ 732,259	\$ 644,657	\$ 520,622	\$ 144,819	\$ 76,829	\$ 24,396
City of Boca Raton's covered-employee payroll	\$ 145,333	\$ 145,333	\$ 121,950	\$ 37,800	\$ 37,800	\$ 34,200
City of Boca Raton's proportionate share of the FRS net pension liability (asset) as a percentage of its covered-employee payroll	503.85%	443.57%	426.91%	383.12%	203.25%	71.33%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Health Insurance Subsidy (HIS) Plan
Last Ten Fiscal Years^(1,2)**

June 30,	Year 2019	Year 2018	Year 2017 ³	Year 2016	Year 2015	Year 2014
City of Boca Raton's proportion of the HIS net pension liability (asset)	0.000434533%	0.000444945%	0.000382574%	0.000122446%	0.000124595%	0.000109049%
City of Boca Raton's proportionate share of the HIS net pension liability (asset)	\$ 48,620	\$ 47,093	\$ 40,907	\$ 14,271	\$ 12,707	\$ 10,196
City of Boca Raton's covered-employee payroll	\$ 145,333	\$ 145,333	\$ 121,950	\$ 37,800	\$ 37,800	\$ 34,200
City of Boca Raton's proportionate share of the HIS net pension liability (asset) as a percentage of its covered-employee payroll	33.45%	32.40%	33.54%	37.75%	33.62%	29.81%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Notes to Schedule:

- ¹ This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available
- ² The amounts presented for each fiscal year were determined as of the measurement date, June 30.
- ³ The increase in NPL at 2017 was primarily due to the implementation of GASB 75.

**CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY CONTRIBUTIONS
Florida Retirement System (FRS) Pension Plan
Last Ten Fiscal Years ^(1,2)**

September 30,	Year 2019	Year 2018	Year 2017	Year 2016	Year 2015	Year 2014
Contractually required contribution	\$ 70,515	\$ 62,634	\$ 62,261	\$ 15,352	\$ 15,724	\$ 11,834
Contributions in relation to the contractually required contribution	(70,515)	(62,634)	(62,261)	(15,352)	(15,724)	(11,834)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Boca Raton's covered-employee payroll	\$ 150,000	\$ 140,667	\$ 150,000	\$ 37,800	\$ 37,800	\$ 34,200
Contributions as a percentage of covered-employee payroll	47.01%	44.53%	41.51%	40.61%	41.60%	34.60%

**SCHEDULE OF CITY CONTRIBUTIONS
Health Insurance Subsidy (HIS) Plan
Last Ten Fiscal Years ^(1,2)**

September 30,	Year 2019	Year 2018	Year 2017	Year 2016	Year 2015	Year 2014
Contractually required contribution	\$ 2,490	\$ 2,335	\$ 2,490	\$ 627	\$ 514	\$ 416
Contributions in relation to the contractually required contribution	(2,490)	(2,335)	(2,490)	(627)	(514)	(416)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Boca Raton's covered-employee payroll	\$ 150,000	\$ 140,667	\$ 150,000	\$ 37,800	\$ 37,800	\$ 34,200
Contributions as a percentage of covered-employee payroll	1.66%	1.66%	1.66%	1.66%	1.36%	1.22%

Notes to Schedule:

¹ This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

² The amounts presented for each fiscal year were determined as of the measurement date, June 30.

**CITY OF BOCA RATON, FLORIDA
OTHER POST EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS***

September 30,	<u>Year 2019</u>	<u>Year 2018</u>
Total OPEB Liability		
Service cost	\$ 263,838	\$ 265,614
Changes of benefit terms	187,333	169,577
Changes of assumptions	486,576	(140,911)
Benefit payments	<u>(251,787)</u>	<u>(244,453)</u>
Net change in total OPEB liability	685,960	49,827
Total OPEB liability - beginning	<u>5,017,104</u>	<u>4,967,277</u>
Total OPEB liability - ending	<u><u>\$ 5,703,064</u></u>	<u><u>\$ 5,017,104</u></u>
Covered-employee payroll	\$ 75,374,981	\$ 70,611,024
Total OPEB liability as a percentage of covered-employee payroll	7.57%	7.11%

***Note to schedule**

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.</p>

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
PROPERTY TAXES	\$ 71,658,200	\$ 71,658,200	\$ 72,578,516	\$ 920,316
EXCISE TAXES				
Utility	18,071,300	18,071,300	18,104,204	32,904
Total excise taxes	18,071,300	18,071,300	18,104,204	32,904
FRANCHISE TAXES				
Electrical	10,800,000	10,800,000	10,204,392	(595,608)
Television	1,300,000	1,300,000	1,521,884	221,884
Natural gas	225,000	225,000	190,674	(34,326)
Solid waste	1,410,000	1,410,000	1,432,801	22,801
Total franchise taxes	13,735,000	13,735,000	13,349,751	(385,249)
Total taxes	103,464,500	103,464,500	104,032,471	567,971
LICENSES AND PERMITS				
Local business taxes	1,657,000	1,657,000	1,799,929	142,929
Beverage licenses	140,000	140,000	199,522	59,522
Building permits	8,500,000	8,500,000	12,745,716	4,245,716
Other	1,406,000	1,406,000	1,887,295	481,295
Total licenses and permits	11,703,000	11,703,000	16,632,462	4,929,462
INTERGOVERNMENTAL				
State revenue sharing	10,941,000	10,941,000	11,219,592	278,592
Palm Beach County	10,628,000	10,628,000	10,427,395	(200,605)
Beach tax district	1,745,900	1,745,900	1,518,154	(227,746)
Other shared local revenue	302,200	302,200	757,156	454,956
Total intergovernmental	23,617,100	23,617,100	23,922,297	305,197
CHARGES FOR SERVICES				
Physical environment	140,000	140,000	206,497	66,497
Planning and zoning fees	1,047,900	1,047,900	1,145,437	97,537
Fire services	14,634,000	14,634,000	14,783,812	149,812
Police services	295,000	295,000	326,633	31,633
Library	208,600	208,600	199,380	(9,220)
Recreation services	2,856,200	2,856,200	2,705,808	(150,392)
Beautification services	2,558,800	2,558,800	2,586,207	27,407
Amphitheater services	63,300	63,300	126,791	63,491
Parking	500,000	500,000	583,089	83,089
Administrative service charge	8,812,300	8,812,300	8,840,866	28,566
Other charges for services	290,000	290,000	305,257	15,257
Total charges for services	31,406,100	31,406,100	31,809,777	403,677
FINES AND FORFEITURES	1,306,200	1,320,200	1,606,135	285,935
INVESTMENT EARNINGS (LOSS)	1,300,000	1,300,000	2,018,319	718,319
MISCELLANEOUS	191,500	191,500	360,040	168,540
Total revenues	172,988,400	173,002,400	180,381,501	7,379,101
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
City council	468,000	468,000	402,556	65,444
City manager				
Administration	1,321,000	1,321,000	1,296,761	24,239
City clerk	955,400	956,400	820,495	135,905
Board and committees	98,700	98,700	57,646	41,054
Human resources	2,553,500	2,557,200	2,057,119	500,081
Mizner Park Amphitheater	1,153,500	1,207,500	1,116,107	91,393
Communications	509,800	529,400	464,806	64,594
Sustainability Office	145,200	145,200	106,562	38,638
Total city manager	6,737,100	6,815,400	5,919,496	895,904

(CONTINUED)

See accompanying note to required supplementary information

CITY OF BOCA RATON, FLORIDA
GENERAL FUND (continued)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
Financial services				
Financial services administration	\$ 1,003,800	\$ 1,007,900	\$ 988,549	\$ 19,351
Pension	596,900	596,900	423,604	173,296
Accounting	713,600	713,600	580,910	132,690
Treasury	264,000	264,000	120,757	143,243
Accounts payable	304,000	304,000	251,267	52,733
Alarm administration	176,500	176,500	132,394	44,106
Purchasing	1,013,100	1,014,800	976,627	38,173
Office of management and budget	471,500	479,000	508,975	(29,975)
Parking	643,000	645,900	544,763	101,137
Total financial services	<u>5,186,400</u>	<u>5,202,600</u>	<u>4,527,846</u>	<u>674,754</u>
City attorney	<u>1,455,800</u>	<u>1,455,800</u>	<u>1,396,926</u>	<u>58,874</u>
Development services				
Development services administration	975,600	975,600	834,767	140,833
Code compliance/licensing	7,356,100	7,356,100	6,513,782	842,318
Planning and zoning	1,595,200	1,672,800	1,461,881	210,919
Total development services	<u>9,926,900</u>	<u>10,004,500</u>	<u>8,810,430</u>	<u>1,194,070</u>
Other non-departmental services	<u>7,696,400</u>	<u>8,563,900</u>	<u>7,981,745</u>	<u>582,155</u>
Total general government	<u>31,470,600</u>	<u>32,510,200</u>	<u>29,038,999</u>	<u>3,471,201</u>
PUBLIC SAFETY				
Law enforcement				
Communications/dispatch	3,455,900	3,459,100	2,866,948	592,152
Community services	15,543,300	15,851,300	14,439,122	1,412,178
Bureau of field services	32,072,600	32,084,300	32,220,264	(135,964)
Biological Processing Lab	201,100	201,100	195,314	5,786
Total law enforcement	<u>51,272,900</u>	<u>51,595,800</u>	<u>49,721,648</u>	<u>1,874,152</u>
Fire rescue services				
Fire administration	4,868,100	4,901,100	4,120,522	780,578
Logistics and support	3,617,800	3,627,500	3,291,600	335,900
Fire operations	40,131,200	40,192,000	40,581,384	(389,384)
Fire and life safety	2,032,100	2,032,100	2,401,053	(368,953)
Total fire rescue services	<u>50,649,200</u>	<u>50,752,700</u>	<u>50,394,559</u>	<u>358,141</u>
Total public safety	<u>101,922,100</u>	<u>102,348,500</u>	<u>100,116,207</u>	<u>2,232,293</u>
PHYSICAL ENVIRONMENT				
Physical environment administration	1,307,900	1,307,900	944,797	363,103
Dredge	550,700	551,200	447,020	104,180
Facilities management	4,473,500	4,761,300	3,710,639	1,050,661
Total physical environment	<u>6,332,100</u>	<u>6,620,400</u>	<u>5,102,456</u>	<u>1,517,944</u>
TRANSPORTATION				
Streets	1,398,900	1,399,800	1,181,642	218,158
Traffic/special projects	4,944,100	5,176,200	4,209,517	966,683
Engineering-survey	398,300	398,800	332,302	66,498
Engineering-design	1,570,800	1,570,300	1,114,448	455,852
Total transportation	<u>8,312,100</u>	<u>8,545,100</u>	<u>6,837,909</u>	<u>1,707,191</u>

(CONTINUED)

See accompanying note to required supplementary information

CITY OF BOCA RATON, FLORIDA
GENERAL FUND (continued)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
PARKS AND RECREATION				
Parks and rec administration	\$ 1,939,500	\$ 1,940,500	\$ 1,684,583	\$ 255,917
Library	5,268,100	5,301,100	5,028,086	273,014
Community center	801,700	806,000	767,950	38,050
Train depot	57,900	57,900	48,595	9,305
Camp programs	684,500	685,500	439,652	245,848
Athletics	487,700	550,000	469,284	80,716
Skateboard park	61,700	61,800	61,952	(152)
Special programs	366,500	366,500	365,994	506
Aquatics	466,800	480,800	425,422	55,378
Tennis center	326,600	335,300	268,763	66,537
Special interest activity	705,300	718,400	487,566	230,834
Ocean rescue	2,138,900	2,138,100	2,149,465	(11,365)
Parks District I	4,668,100	4,906,300	4,618,376	287,924
Parks District II	1,025,200	1,016,100	982,345	33,755
Mizner Park	768,700	668,700	572,727	95,973
Park rangers	601,100	601,600	541,877	59,723
Irrigation	793,300	843,700	886,841	(43,141)
Beautification	6,473,300	6,487,200	6,226,076	261,124
Total parks and recreation	<u>27,634,900</u>	<u>27,965,500</u>	<u>26,025,554</u>	<u>1,939,946</u>
Total expenditures	<u>175,671,800</u>	<u>177,989,700</u>	<u>167,121,125</u>	<u>10,868,575</u>
Excess (deficiency) of revenues over expenditures	<u>(2,683,400)</u>	<u>(4,987,300)</u>	<u>13,260,376</u>	<u>18,247,676</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Mizner Park lock box	6,233,100	6,233,100	6,233,079	(21)
Downtown Infrastructure Fund	21,000	21,000	21,000	
Total transfers in	<u>6,254,100</u>	<u>6,254,100</u>	<u>6,254,079</u>	<u>(21)</u>
Transfers out:				
Information Technology Fund	(159,600)	(1,959,600)	(1,959,600)	
Fleet Management Fund	(2,142,800)	(2,142,800)	(2,142,800)	
Total transfers out	<u>(2,302,400)</u>	<u>(4,102,400)</u>	<u>(4,102,400)</u>	
Total other financing uses	<u>3,951,700</u>	<u>2,151,700</u>	<u>2,151,679</u>	<u>(21)</u>
Net change in fund balance	<u>\$ 1,268,300</u>	<u>\$ (2,835,600)</u>	15,412,055	<u>\$ 18,247,655</u>
Fund balance - beginning, as previously reported			48,231,559	
Fund balance - ending			<u>\$ 63,643,614</u>	

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY - MIZNER PARK REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 13,200,000	\$ 13,200,000	\$ 13,366,285	\$ 166,285
Charges for services	1,180,000	1,180,000	1,806,562	626,562
Investment earnings (loss)	40,000	40,000	197,628	157,628
Total revenues	<u>14,420,000</u>	<u>14,420,000</u>	<u>15,370,475</u>	<u>950,475</u>
EXPENDITURES				
Current:				
Community development	10,000,000	10,000,000	10,000,000	
Total expenditures	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	
Excess (deficiency) of revenues over expenditures	<u>4,420,000</u>	<u>4,420,000</u>	<u>5,370,475</u>	<u>950,475</u>
OTHER FINANCING USES				
Transfers out	<u>(4,255,000)</u>	<u>(4,255,000)</u>	<u>(3,740,393)</u>	<u>514,607</u>
Total other financing uses	<u>(4,255,000)</u>	<u>(4,255,000)</u>	<u>(3,740,393)</u>	<u>514,607</u>
Net change in fund balance	<u>\$ 165,000</u>	<u>\$ 165,000</u>	1,630,082	<u>\$ 1,465,082</u>
Fund balance - beginning			<u>4,063,981</u>	
Fund balance - ending			<u>\$ 5,694,063</u>	

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA
 BEACH AND PARK OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Intergovernmental	\$ 21,101,500	\$ 23,112,600	\$ 16,304,657	\$ (6,807,943)
Charges for services	2,989,900	2,989,900	2,784,663	(205,237)
Miscellaneous			6,514	6,514
Total revenues	<u>24,091,400</u>	<u>26,102,500</u>	<u>19,095,834</u>	<u>(7,006,666)</u>
EXPENDITURES				
Current:				
Parks and recreation	21,678,400	23,696,800	16,777,678	6,919,122
Capital outlay	<u>2,237,900</u>	<u>2,230,600</u>	<u>2,143,056</u>	<u>87,544</u>
Total expenditures	<u>23,916,300</u>	<u>25,927,400</u>	<u>18,920,734</u>	<u>7,006,666</u>
Excess (deficiency) of revenues over expenditures	<u>175,100</u>	<u>175,100</u>	<u>175,100</u>	
OTHER FINANCING USES				
Transfers out	<u>(175,100)</u>	<u>(175,100)</u>	<u>(175,100)</u>	
Total other financing uses	<u>(175,100)</u>	<u>(175,100)</u>	<u>(175,100)</u>	
Net change in fund balance	<u>\$</u>	<u>\$</u>		<u>\$</u>
Fund balance - beginning			<u> </u>	
Fund balance - ending			<u>\$</u>	

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2017**

Stewardship, Compliance and Accountability

A. Budgetary Information

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements, which govern the City's operations. Annual budgets have been legally adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for the General Fund, Special Revenue Funds (except the General Trust Fund), Debt Service Funds and Capital Projects Funds. Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year end encumbrances.

The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that increase the total expenditures of any department or fund must be approved by the City Council. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department (by fund) level. All necessary supplemental appropriations are adopted by the City Council as part of a quarterly budget review process and are included in the "Final Budget" columns on the schedule of revenues, expenditures and changes in fund balance – budget and actual.

PAGE INTENTIONALLY LEFT BLANK

Major Governmental Fund

CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Five-Year Capital Improvement Program Fund -- To account for various building, park and street construction projects. Financing is provided by general tax revenue, bond proceeds, excise tax and interest income.

Infrastructure Surtax Fund - To account for the bond proceeds and payment of designated infrastructure expenses as a result of the 1-cent sales surtax approved by Palm Beach County voters in November 2016.



CITY OF BOCA RATON, FLORIDA
FIVE YEAR CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 7,887,700	\$ 7,887,700	\$ 8,022,711	\$ 135,011
Intergovernmental	952,100	1,136,000	1,898,261	762,261
Donations in lieu of land	311,700	311,700	311,758	58
Investment earnings (loss)	150,000	150,000	676,390	526,390
Total revenues	<u>9,301,500</u>	<u>9,485,400</u>	<u>10,909,120</u>	<u>1,423,720</u>
EXPENDITURES				
General government	407,300	407,300	405,301	1,999
Public safety	200,000	788,100	788,065	35
Transportation	460,000	2,297,900	2,297,879	21
Parks & recreation		4,100	4,071	29
Capital outlay:				
Capital outlay	<u>33,883,800</u>	<u>35,288,200</u>	<u>2,917,816</u>	<u>32,370,384</u>
Total expenditures	<u>34,951,100</u>	<u>38,785,600</u>	<u>6,413,132</u>	<u>32,372,468</u>
Excess (deficiency) of revenues over expenditures	<u>(25,649,600)</u>	<u>(29,300,200)</u>	<u>4,495,988</u>	<u>33,796,188</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,000,000	25,000,000		(25,000,000)
Transfers out	<u>(3,256,900)</u>	<u>(3,256,900)</u>	<u>(3,256,900)</u>	
Total other financing uses	<u>21,743,100</u>	<u>21,743,100</u>	<u>(3,256,900)</u>	<u>(25,000,000)</u>
Net change in fund balance	<u>\$ (3,906,500)</u>	<u>\$ (7,557,100)</u>	1,239,088	<u>\$ 8,796,188</u>
Fund balance - beginning			<u>22,547,139</u>	
Fund balance - ending			<u>\$ 23,786,227</u>	

**CITY OF BOCA RATON, FLORIDA
INFRASTRUCTURE SURTAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 7,046,600	\$ 7,046,600	\$ 6,766,870	\$ (279,730)
Investment earnings (loss)	30,000	30,000	435,802	405,802
Total revenues	<u>7,076,600</u>	<u>7,076,600</u>	<u>7,202,672</u>	<u>126,072</u>
EXPENDITURES				
Transportation		3,721,100	3,721,037	63
Capital outlay	23,437,500	23,693,300	4,285,232	19,408,068
Bond issuance costs	200,000	200,000	64,201	135,799
Total expenditures	<u>23,637,500</u>	<u>27,614,400</u>	<u>8,070,470</u>	<u>19,543,930</u>
Excess (deficiency) of revenues over expenditures	<u>(16,560,900)</u>	<u>(20,537,800)</u>	<u>(867,798)</u>	<u>19,670,002</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,291,300)	(2,291,300)	(100,983)	2,190,317
Issuance of debt	36,660,000	36,660,000	20,000,000	(16,660,000)
Total other financing uses	<u>34,368,700</u>	<u>34,368,700</u>	<u>19,899,017</u>	<u>(14,469,683)</u>
Net change in fund balance	<u>\$ 17,807,800</u>	<u>\$ 13,830,900</u>	19,031,219	<u>\$ 5,200,319</u>
Fund balance - beginning			<u>8,718,331</u>	
Fund balance - ending			<u>\$ 27,749,550</u>	

Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

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

Community Development Block Grant Program Fund -- To account for revenue from a grant agreement between the City and the U.S. Department of Housing and Urban Development (HUD) and expenditures for qualified neighborhood revitalization. The program includes expenditures for housing rehabilitation, clearance of housing and relocation of families, the construction of new, low and moderate income housing units, and public improvements to the neighborhood.

Housing Assistance Trust Fund -- To account for funds received from the State Housing Initiatives Partnership for the purpose of providing affordable housing in the City.

Law Enforcement Trust Fund -- To account for funds received from State and Federal forfeitures.

Transportation Fund -- To account for local option gas tax restricted for roadway program expenditures.

Right of Way Beautification Fund -- To account for excise tax levied specifically for the comprehensive median beautification program established in 1984.

Land Proceeds Fund -- To account for the funds received from the sale of the City's Municipal Golf Course and related costs.

Mizner Park Lock Box Fund -- To account for the 1.5% increase in excise tax specifically for the repayment of the Mizner Park Tax Increment Revenue Bonds in the event that pledged revenues are insufficient to meet the debt service requirements.

Community Redevelopment Agency Operating Fund -- To account for the general operations of the Community Redevelopment Agency, which encourages development in the downtown area.

Economic Development Fund -- To support economic development activities benefitting the City, including a variety of incentive programs.

General Trust Fund -- To account for moneys received as donations, which have been restricted to expenditures for specified purposes.

Grant Funds -- To account for revenues and expenditures of specific state and federally funded grants.

PERMANENT FUND

Perpetual Care Fund -- To account for moneys received for the purpose of providing perpetual care for the City's cemetery and mausoleum.

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.

City Debt Service Fund -- To account for the payment of principal and interest, and fiscal charges on the City's general obligation bonds which are payable from ad valorem taxes; and the City's revenue bonds and notes payable which are payable from non ad valorem revenues.

Community Redevelopment Agency Debt Service Fund -- To account for the payment of principal and interest and fiscal charges of the Community Redevelopment Agency's tax increment revenue bonds (Mizner Park) which are payable from tax increment revenues and land lease revenues.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Right of Way Acquisition Fund -- To account for the cost of acquiring right of way property. Revenue is provided from land sales proceeds and interest income.

Park Land Dedication Fund -- To account for the cost of buying and constructing park developments. Financing is being provided by donations from developers as required by City ordinance.

Downtown Land Dedication Fund -- To account for the cost of buying and constructing park developments in the downtown area. Financing is being provided by donations from developers in the downtown as required by City ordinance.

Downtown Infrastructure Fund -- To account for the financing and implementation of the downtown infrastructure program.

Library Improvements Fund -- To account for the construction, renovation and furnishing of the City of Boca Raton's Libraries.

PAGE INTENTIONALLY LEFT BLANK

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2019**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 4,877,649		\$ 2,124,015	\$ 3,462,132	\$ 10,463,796
Investments	19,415,278			17,576,763	36,992,041
Receivables, net:					
Accounts receivable	982				982
Assessments				230,128	230,128
Interest	111,218			99,303	210,521
Due from other governmental units	435,629				435,629
Restricted:					
Cash and cash equivalents	112,924	\$ 679,608			792,532
Investments	573,297	3,450,270			4,023,567
Interest receivable on investments	3,200	20,727			23,927
Restricted accounts receivable		96,791			96,791
Total assets	<u>\$ 25,530,177</u>	<u>\$ 4,247,396</u>	<u>\$ 2,124,015</u>	<u>\$ 21,368,326</u>	<u>\$ 53,269,914</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 515,729		\$ 7,890	\$ 3,333	\$ 526,952
Performance bonds and escrow funds	1,873,084	\$ 4,000			1,877,084
Due to other funds	10,753				10,753
Total liabilities	<u>2,399,566</u>	<u>4,000</u>	<u>7,890</u>	<u>3,333</u>	<u>2,414,789</u>
FUND BALANCES					
Non-spendable:					
Perpetual care, cemetery and mausoleum		4,243,396			4,243,396
Restricted for:					
Debt service			2,116,125		2,116,125
Housing	807,147				807,147
Law enforcement	1,125,401				1,125,401
Transportation	10,674,294				10,674,294
Downtown	4,314,097			993,878	5,307,975
Economic development	6,175,801				6,175,801
Land dedication				17,939,687	17,939,687
Land proceeds	30,804				30,804
Committed to:					
Parking	3,067				3,067
Right of way acquisition				2,431,428	2,431,428
Total fund balances	<u>23,130,611</u>	<u>4,243,396</u>	<u>2,116,125</u>	<u>21,364,993</u>	<u>50,855,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,530,177</u>	<u>\$ 4,247,396</u>	<u>\$ 2,124,015</u>	<u>\$ 21,368,326</u>	<u>\$ 53,269,914</u>

**CITY OF BOCA RATON, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES					
Taxes	\$ 3,264,830		\$ 4,821,759		\$ 8,086,589
Intergovernmental	1,929,027				1,929,027
Charges for services	1,559,005	\$ 268,449			1,827,454
Fines and forfeitures	9,574				9,574
Special assessments				\$ 1,547,777	1,547,777
Donations in lieu of land				1,475,160	1,475,160
Investment earnings (loss)	1,109,764	116,935	12,899	554,526	1,794,124
Miscellaneous	170,358				170,358
Total revenues	<u>8,042,558</u>	<u>385,384</u>	<u>4,834,658</u>	<u>3,577,463</u>	<u>16,840,063</u>
EXPENDITURES					
Current:					
General government	1,368			4,590	5,958
Law enforcement	118,947				118,947
Physical environment				103,691	103,691
Transportation	1,786,454				1,786,454
Community development	3,872,937				3,872,937
Capital outlay	1,062,424			284,705	1,347,129
Debt service:					
Principal			8,894,599		8,894,599
Interest			5,634,349		5,634,349
Total expenditures	<u>6,842,130</u>	<u>385,384</u>	<u>14,528,948</u>	<u>392,986</u>	<u>21,764,064</u>
Excess (deficiency) of revenues over expenditures	<u>1,200,428</u>	<u>385,384</u>	<u>(9,694,290)</u>	<u>3,184,477</u>	<u>(4,924,001)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,550,000		5,331,445		6,881,445
Transfers out	(7,848,379)	(593,100)		(1,447,269)	(9,888,748)
Total other financing sources (uses)	<u>(6,298,379)</u>	<u>(593,100)</u>	<u>5,331,445</u>	<u>(1,447,269)</u>	<u>(3,007,303)</u>
Net change in fund balances	(5,097,951)	(207,716)	(4,362,845)	1,737,208	(7,931,304)
Fund balances - beginning	<u>28,228,562</u>	<u>4,451,112</u>	<u>6,478,970</u>	<u>19,627,785</u>	<u>58,786,429</u>
Fund balances - ending	<u>\$ 23,130,611</u>	<u>\$ 4,243,396</u>	<u>\$ 2,116,125</u>	<u>\$ 21,364,993</u>	<u>\$ 50,855,125</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2019**

	Community Development Block Grant Program	SHIP Housing Assistance Trust Fund	Law Enforcement Trust Fund	Transpor- tation Fund	Ocean Breeze GBRBPB
ASSETS					
Cash and cash equivalents	\$ 39,851	\$ 677,137	\$ 455,824	\$ 1,741,022	
Investments	7,656	130,091	666,473	8,838,785	
Receivables, net:					
Accounts receivable			982		
Interest		597	3,291	51,956	
Due from other governmental units				381,804	
Restricted:					
Cash and cash equivalents					
Investments					
Interest receivable on investments					
Total assets	<u>\$ 47,507</u>	<u>\$ 807,825</u>	<u>\$ 1,126,570</u>	<u>\$ 11,013,567</u>	<u>\$</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 47,507	\$ 678	\$ 1,169	\$ 339,273	
Performance bonds and escrow funds					
Due to other funds					
Total liabilities	<u>47,507</u>	<u>678</u>	<u>1,169</u>	<u>339,273</u>	<u>\$</u>
FUND BALANCES					
Restricted for:					
Housing		807,147			
Law enforcement			1,125,401		
Transportation				10,674,294	
Downtown					
Economic development					
Committed to:					
Land proceeds					
Parking					
Total fund balances	<u></u>	<u>807,147</u>	<u>1,125,401</u>	<u>10,674,294</u>	<u>\$</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 47,507</u>	<u>\$ 807,825</u>	<u>\$ 1,126,570</u>	<u>\$ 11,013,567</u>	<u>\$</u>

Mizner Park Lock Box Fund	Community Redevelopment Agency Operating Fund	Economic Development Fund	Land Proceeds Fund	General Trust Fund	Grant Funds	Total Nonmajor Special Revenue Funds
	\$ 746,955 3,791,487	\$ 1,015,463 5,155,379	\$ 201,397 825,407			\$ 4,877,649 19,415,278
	19,667	31,395	4,312		\$ 53,825	982 111,218 435,629
				\$ 112,924 573,297 3,200		112,924 573,297 3,200
<u>\$</u>	<u>\$ 4,558,109</u>	<u>\$ 6,202,237</u>	<u>\$ 1,031,116</u>	<u>\$ 689,421</u>	<u>\$ 53,825</u>	<u>\$ 25,530,177</u>
	\$ 56,282 184,663	\$ 26,436	\$ 312 1,000,000	\$ 1,000 688,421	\$ 43,072	\$ 515,729 1,873,084 10,753
	240,945	26,436	1,000,312	689,421	53,825	2,399,566
	4,314,097	6,175,801				807,147 1,125,401 10,674,294 4,314,097 6,175,801
	3,067		30,804			30,804 3,067
	4,317,164	6,175,801	30,804			23,130,611
<u>\$</u>	<u>\$ 4,558,109</u>	<u>\$ 6,202,237</u>	<u>\$ 1,031,116</u>	<u>\$ 689,421</u>	<u>\$ 53,825</u>	<u>\$ 25,530,177</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Community Development Block Grant Program	SHIP Housing Assistance Trust Fund	Law Enforcement Trust Fund	Transportation Fund	Ocean Breeze GBRBPD
REVENUES					
Taxes				\$ 2,264,830	
Intergovernmental	\$ 491,183	\$ 124,010			\$ 1,119,988
Charges for services					
Fines and forfeitures			\$ 9,574		
Investment earnings (loss)		7,636	23,888	279,730	493,812
Miscellaneous	75,000	61,255		32,825	
Total revenues	<u>566,183</u>	<u>192,901</u>	<u>33,462</u>	<u>2,577,385</u>	<u>1,613,800</u>
EXPENDITURES					
Current:					
General government					
Law enforcement			97,764		
Transportation				1,613,791	
Community development	398,753	271,286			
Capital outlay	167,430			657,149	
Total expenditures	<u>566,183</u>	<u>271,286</u>	<u>97,764</u>	<u>2,270,940</u>	
Excess (deficiency) of revenues over expenditures		<u>(78,385)</u>	<u>(64,302)</u>	<u>306,445</u>	<u>1,613,800</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out					(1,613,800)
Total other financing sources (uses)					<u>(1,613,800)</u>
Net change in fund balances		(78,385)	(64,302)	306,445	
Fund balances - beginning		885,532	1,189,703	10,367,849	
Fund balances - ending	<u>\$</u>	<u>\$ 807,147</u>	<u>\$ 1,125,401</u>	<u>\$ 10,674,294</u>	<u>\$</u>

**CITY OF BOCA RATON, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,192,500	\$ 1,192,500	\$ 491,183	\$ (701,317)
Miscellaneous	75,000	75,000	75,000	
Total revenues	<u>1,267,500</u>	<u>1,267,500</u>	<u>566,183</u>	<u>(701,317)</u>
EXPENDITURES				
Current:				
Community development	532,300	466,900	398,753	68,147
Capital outlay	735,200	800,600	167,430	633,170
Total expenditures	<u>1,267,500</u>	<u>1,267,500</u>	<u>566,183</u>	<u>701,317</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>		<u>\$</u>
Fund balance - beginning			_____	
Fund balance - ending			<u>\$</u>	

**CITY OF BOCA RATON, FLORIDA
HOUSING ASSISTANCE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive / (Negative)
REVENUES				
Intergovernmental	\$ 124,100	\$ 124,100	\$ 124,010	\$ (90)
Investment earnings (loss)	500	500	7,636	7,136
Miscellaneous	350,000	350,000	61,255	(288,745)
Total revenues	<u>474,600</u>	<u>474,600</u>	<u>192,901</u>	<u>(281,699)</u>
EXPENDITURES				
Current:				
Community development	1,339,000	1,339,000	271,286	1,067,714
Total expenditures	<u>1,339,000</u>	<u>1,339,000</u>	<u>271,286</u>	<u>1,067,714</u>
Net change in fund balance	<u>\$ (864,400)</u>	<u>\$ (864,400)</u>	(78,385)	<u>\$ 786,015</u>
Fund balance - beginning			<u>885,532</u>	
Fund balance - ending			<u>\$ 807,147</u>	

**CITY OF BOCA RATON, FLORIDA
LAW ENFORCEMENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 9,574	\$ (190,426)
Investment earnings (loss)	6,500	6,500	23,888	17,388
Total revenues	<u>206,500</u>	<u>206,500</u>	<u>33,462</u>	<u>(173,038)</u>
EXPENDITURES				
Current:				
Law enforcement	<u>273,000</u>	<u>277,400</u>	<u>97,764</u>	<u>179,636</u>
Total expenditures	<u>273,000</u>	<u>277,400</u>	<u>97,764</u>	<u>179,636</u>
Net change in fund balance	<u>\$ (66,500)</u>	<u>\$ (70,900)</u>	(64,302)	<u>\$ 6,598</u>
Fund balance - beginning			<u>1,189,703</u>	
Fund balance - ending			<u>\$ 1,125,401</u>	

**CITY OF BOCA RATON, FLORIDA
TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive / (Negative)
REVENUES				
Taxes	\$ 2,296,600	\$ 2,296,600	\$ 2,264,830	\$ (31,770)
Investment earnings (loss)	50,000	50,000	279,730	229,730
Miscellaneous			32,825	32,825
Total revenues	<u>2,346,600</u>	<u>2,346,600</u>	<u>2,577,385</u>	<u>230,785</u>
EXPENDITURES				
Current:				
Transportation	750,000	1,613,800	1,613,791	9
Capital outlay	<u>6,191,700</u>	<u>6,739,900</u>	<u>657,149</u>	<u>6,082,751</u>
Total expenditures	<u>6,941,700</u>	<u>8,353,700</u>	<u>2,270,940</u>	<u>6,082,760</u>
Net change in fund balance	<u>\$ (4,595,100)</u>	<u>\$ (6,007,100)</u>	306,445	<u>\$ 6,313,545</u>
Fund balance - beginning			<u>10,367,849</u>	
Fund balance - ending			<u>\$ 10,674,294</u>	

CITY OF BOCA RATON, FLORIDA
OCEAN BREEZE GBRBPD
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive / (Negative)
REVENUES				
Intergovernmental	\$ 1,120,000	\$ 1,120,000	\$ 1,119,988	\$ (12)
Investment earnings (loss)	493,800	493,800	493,812	12
Total revenues	<u>1,613,800</u>	<u>1,613,800</u>	<u>1,613,800</u>	
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,613,800)</u>	<u>(1,613,800)</u>	<u>(1,613,800)</u>	
Total other financing sources (uses)	<u>(1,613,800)</u>	<u>(1,613,800)</u>	<u>(1,613,800)</u>	
Net change in fund balance	<u>\$</u>	<u>\$</u>		<u>\$</u>
Fund balance - beginning			_____	
Fund balance - ending			<u>\$</u>	

CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Charges for services	\$ 1,700,000	\$ 1,700,000	\$ 1,559,005	\$ (140,995)
Investment earnings (loss)	10,000	10,000	111,331	101,331
Miscellaneous			1,278	1,278
Total revenues	<u>1,710,000</u>	<u>1,710,000</u>	<u>1,671,614</u>	<u>(38,386)</u>
EXPENDITURES				
Current:				
Community development	2,848,400	2,930,800	2,303,629	627,171
Capital outlay	1,984,500	2,066,600	237,845	1,828,755
Total expenditures	<u>4,832,900</u>	<u>4,997,400</u>	<u>2,541,474</u>	<u>2,455,926</u>
Excess (deficiency) of revenues over expenditures	<u>(3,122,900)</u>	<u>(3,287,400)</u>	<u>(869,860)</u>	<u>2,417,540</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,083,000	2,083,000	1,550,000	(533,000)
Total other financing sources (uses)	<u>2,083,000</u>	<u>2,083,000</u>	<u>1,550,000</u>	<u>(533,000)</u>
Net change in fund balance	<u>\$ (1,039,900)</u>	<u>\$ (1,204,400)</u>	680,140	<u>\$ 1,884,540</u>
Fund balance - beginning			<u>3,637,024</u>	
Fund balance - ending			<u>\$ 4,317,164</u>	

**CITY OF BOCA RATON, FLORIDA
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive / (Negative)
REVENUES				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Investment earnings (loss)	25,000	25,000	167,137	\$ 142,137
Total revenues	<u>1,025,000</u>	<u>1,025,000</u>	<u>1,167,137</u>	<u>142,137</u>
EXPENDITURES				
Current:				
Community development	<u>3,741,300</u>	<u>3,743,900</u>	<u>899,269</u>	<u>2,844,631</u>
Total expenditures	<u>3,741,300</u>	<u>3,743,900</u>	<u>899,269</u>	<u>2,844,631</u>
Excess (deficiency) of revenues over expenditures	<u>(2,716,300)</u>	<u>(2,718,900)</u>	<u>267,868</u>	<u>2,986,768</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>	
Total other financing sources (uses)	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>	
Net change in fund balance	<u>\$ (2,717,800)</u>	<u>\$ (2,720,400)</u>	266,368	<u>\$ 2,986,768</u>
Fund balance - beginning			<u>5,909,433</u>	
Fund balance - ending			<u>\$ 6,175,801</u>	

**CITY OF BOCA RATON, FLORIDA
LAND PROCEEDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Investment earnings (loss)			\$ 26,230	\$ 26,230
Total revenues			<u>26,230</u>	<u>26,230</u>
EXPENDITURES				
General government	\$ 100,000	\$ 122,200	1,368	120,832
Total expenditures	<u>100,000</u>	<u>122,200</u>	<u>1,368</u>	<u>120,832</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>	<u>(122,200)</u>	<u>24,862</u>	<u>147,062</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	<u>64,000,000</u>	<u>64,000,000</u>		<u>(64,000,000)</u>
Total other financing sources (uses)	<u>64,000,000</u>	<u>64,000,000</u>		<u>(64,000,000)</u>
Net change in fund balance	<u>\$ 63,900,000</u>	<u>\$ 63,877,800</u>	24,862	<u>\$ (63,852,938)</u>
Fund balance - beginning			<u>5,942</u>	
Fund balance - ending			<u>\$ 30,804</u>	

CITY OF BOCA RATON, FLORIDA
GRANT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Intergovernmental	\$ 425,800	\$ 441,500	\$ 193,846	\$ (247,654)
Total revenues	<u>425,800</u>	<u>441,500</u>	<u>193,846</u>	<u>(247,654)</u>
EXPENDITURES				
Current:				
Law enforcement	30,000	41,700	21,183	20,517
Transportation		172,700	172,663	37
Capital outlay	395,800	227,100		227,100
Total expenditures	<u>425,800</u>	<u>441,500</u>	<u>193,846</u>	<u>247,654</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>		<u>\$</u>
Fund balance - beginning			<u> </u>	
Fund balance - ending			<u>\$</u>	

**CITY OF BOCA RATON, FLORIDA
PERPETUAL CARE PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive / (Negative)
REVENUES				
Charges for services	\$ 160,000	\$ 160,000	\$ 268,449	\$ 108,449
Investment earnings (loss)	25,000	25,000	116,935	91,935
Total revenues	<u>185,000</u>	<u>185,000</u>	<u>385,384</u>	<u>200,384</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(593,100)	(593,100)	(593,100)	
Total other financing sources (uses)	<u>(593,100)</u>	<u>(593,100)</u>	<u>(593,100)</u>	
Net change in fund balance	<u>\$ (408,100)</u>	<u>\$ (408,100)</u>	(207,716)	<u>\$ 200,384</u>
Fund balance - beginning			<u>4,451,112</u>	
Fund balance - ending			<u>\$ 4,243,396</u>	

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2019**

	City Debt Service Fund	Community Redevelopment Agency Debt Service Fund	Total Non-major Debt Service Funds
ASSETS			
Cash and cash equivalents	\$ 2,124,015		\$ 2,124,015
Total assets	\$ 2,124,015	\$	\$ 2,124,015
LIABILITIES			
Total liabilities	7,890		7,890
FUND BALANCES			
Restricted for:			
Debt service	2,116,125		2,116,125
Total fund balances	2,116,125		2,116,125
Total liabilities, deferred inflows of resources and fund balances	\$ 2,124,015	\$	\$ 2,124,015

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	City Debt Service Fund	Community Redevelopment Agency Debt Service Fund	Total Non-major Debt Service Funds
REVENUES			
Taxes	\$ 4,821,759		\$ 4,821,759
Investment earnings (loss)		\$ 12,899	12,899
Total revenues	<u>4,821,759</u>	<u>12,899</u>	<u>4,834,658</u>
EXPENDITURES			
Debt service:			
Principal	6,445,000	2,449,599	8,894,599
Interest	1,463,948	4,170,401	5,634,349
Total expenditures	<u>7,908,948</u>	<u>6,620,000</u>	<u>14,528,948</u>
Excess (deficiency) of revenues over expenditures	<u>(3,087,189)</u>	<u>(6,607,101)</u>	<u>(9,694,290)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,141,052	2,190,393	5,331,445
Total other financing sources (uses)	<u>3,141,052</u>	<u>2,190,393</u>	<u>5,331,445</u>
Net change in fund balances	53,863	(4,416,708)	(4,362,845)
Fund balances - beginning	<u>2,062,262</u>	<u>4,416,708</u>	<u>6,478,970</u>
Fund balances - ending	<u>\$ 2,116,125</u>	<u>\$</u>	<u>\$ 2,116,125</u>

**CITY OF BOCA RATON, FLORIDA
CITY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 4,759,000	\$ 4,759,000	\$ 4,821,759	\$ 62,759
Total revenues	<u>4,759,000</u>	<u>4,759,000</u>	<u>4,821,759</u>	<u>62,759</u>
EXPENDITURES				
Debt service:				
Principal	8,275,000	8,275,000	6,445,000	1,830,000
Interest	<u>1,866,400</u>	<u>1,866,400</u>	<u>1,463,948</u>	<u>402,452</u>
Total expenditures	<u>10,141,400</u>	<u>10,141,400</u>	<u>7,908,948</u>	<u>2,232,452</u>
Excess (deficiency) of revenues over expenditures	<u>(5,382,400)</u>	<u>(5,382,400)</u>	<u>(3,087,189)</u>	<u>2,295,211</u>
OTHER FINANCING SOURCES				
Transfers in	<u>5,331,500</u>	<u>5,331,500</u>	<u>3,141,052</u>	<u>(2,190,448)</u>
Total other financing sources	<u>5,331,500</u>	<u>5,331,500</u>	<u>3,141,052</u>	<u>(2,190,448)</u>
Net change in fund balance	<u>\$ (50,900)</u>	<u>\$ (50,900)</u>	53,863	<u>\$ 104,763</u>
Fund balance - beginning			<u>2,062,262</u>	
Fund balance - ending			<u>\$ 2,116,125</u>	

**CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Investment earnings (loss)			\$ 12,899	\$ 12,899
Total revenues			12,899	12,899
EXPENDITURES				
Debt service:				
Principal	\$ 2,449,600	\$ 2,449,600	2,449,599	1
Interest	4,170,400	4,170,400	4,170,401	(1)
Total expenditures	6,620,000	6,620,000	6,620,000	
Excess (deficiency) of revenues over expenditures	(6,620,000)	(6,620,000)	(6,607,101)	12,899
OTHER FINANCING SOURCES				
Transfers in	2,705,000	2,705,000	2,190,393	(514,607)
Total other financing sources	2,705,000	2,705,000	2,190,393	(514,607)
Net change in fund balance	<u>\$ (3,915,000)</u>	<u>\$ (3,915,000)</u>	(4,416,708)	<u>\$ (501,708)</u>
Fund balance - beginning			4,416,708	
Fund balance - ending			<u>\$</u>	

**CITY OF BOCA RATON, FLORIDA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2019**

	Right of Way Acquisition Program Fund	Park Land Dedication Fund	Downtown Land Dedication Fund
ASSETS			
Cash and cash equivalents	\$ 398,214	\$ 1,763,211	\$ 1,176,105
Investments	2,021,681	8,951,662	5,970,853
Receivables, net:			
Assessments			
Interest	11,533	47,817	33,372
Total assets	<u>\$ 2,431,428</u>	<u>\$ 10,762,690</u>	<u>\$ 7,180,330</u>
LIABILITIES			
Accounts payable and accrued liabilities		\$ 3,333	
Total liabilities		<u>3,333</u>	
FUND BALANCES			
Restricted for:			
Downtown			
Land dedication		10,759,357	\$ 7,180,330
Committed to:			
Right of way acquisition	\$ 2,431,428		
Total fund balances	<u>2,431,428</u>	<u>10,759,357</u>	<u>7,180,330</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,431,428</u>	<u>\$ 10,762,690</u>	<u>\$ 7,180,330</u>

Downtown Infrastructure Fund	Total Non-Major Capital Projects Funds
\$ 124,602	\$ 3,462,132
632,567	17,576,763
230,128	230,128
6,581	99,303
<u>\$ 993,878</u>	<u>\$ 21,368,326</u>
	\$ 3,333
	<u>3,333</u>
\$ 993,878	993,878
	17,939,687
	<u>2,431,428</u>
<u>993,878</u>	<u>21,364,993</u>
<u>\$ 993,878</u>	<u>\$ 21,368,326</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	<u>Right of Way Acquisition Program Fund</u>	<u>Park Land Dedication Fund</u>	<u>Downtown Land Dedication Fund</u>
REVENUES			
Special assessments			
Donations in lieu of land		\$ 1,329,840	\$ 145,320
Investment earnings (loss)	\$ 64,361	269,487	186,230
Total revenues	<u>64,361</u>	<u>1,599,327</u>	<u>331,550</u>
EXPENDITURES			
General government			
Physical environment		103,691	
Capital outlay		284,705	
Total expenditures		<u>388,396</u>	
Excess (deficiency) of revenues over expenditures	<u>64,361</u>	<u>1,210,931</u>	<u>331,550</u>
OTHER FINANCING SOURCES (USES)			
Transfers out			
Total other financing sources (uses)			
Net change in fund balances	64,361	1,210,931	331,550
Fund balances - beginning	<u>2,367,067</u>	<u>9,548,426</u>	<u>6,848,780</u>
Fund balances - ending	<u>\$ 2,431,428</u>	<u>\$ 10,759,357</u>	<u>\$ 7,180,330</u>

Downtown Infrastructure Fund	Total Non-Major Capital Project Funds
\$ 1,547,777	\$ 1,547,777
34,448	1,475,160
<u>1,582,225</u>	<u>554,526</u>
	<u>3,577,463</u>
4,590	4,590
	103,691
	284,705
<u>4,590</u>	<u>392,986</u>
<u>1,577,635</u>	<u>3,184,477</u>
<u>(1,447,269)</u>	<u>(1,447,269)</u>
<u>(1,447,269)</u>	<u>(1,447,269)</u>
130,366	1,737,208
<u>863,512</u>	<u>19,627,785</u>
<u>\$ 993,878</u>	<u>\$ 21,364,993</u>

CITY OF BOCA RATON, FLORIDA
RIGHT OF WAY ACQUISITION PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Investment earnings (loss)	\$ 25,000	\$ 25,000	\$ 64,361	\$ 39,361
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>64,361</u>	<u>39,361</u>
EXPENDITURES				
Total expenditures				
Net change in fund balance	<u>\$ 25,000</u>	<u>\$ 25,000</u>	64,361	<u>\$ 39,361</u>
Fund balance - beginning			<u>2,367,067</u>	
Fund balance - ending			<u>\$ 2,431,428</u>	

**CITY OF BOCA RATON, FLORIDA
PARK LAND DEDICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Donations in lieu of land	\$ 500,000	\$ 500,000	\$ 1,329,840	\$ 829,840
Investment earnings (loss)	50,000	50,000	269,487	219,487
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>1,599,327</u>	<u>1,049,327</u>
EXPENDITURES				
Physical environment		103,700	103,691	9
Parks and recreation	50,000	50,000		50,000
Capital outlay	1,878,800	1,999,900	284,705	1,715,195
Total expenditures	<u>1,928,800</u>	<u>2,153,600</u>	<u>388,396</u>	<u>1,765,204</u>
Net change in fund balance	<u>\$ (1,378,800)</u>	<u>\$ (1,603,600)</u>	1,210,931	<u>\$ 2,814,531</u>
Fund balance - beginning			<u>9,548,426</u>	
Fund balance - ending			<u>\$ 10,759,357</u>	

**CITY OF BOCA RATON, FLORIDA
DOWNTOWN LAND DEDICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Donations in lieu of land			\$ 145,320	\$ 145,320
Investment earnings (loss)			186,230	186,230
Total revenues			331,550	331,550
EXPENDITURES				
Capital outlay	\$ 120,000	\$ 120,000		120,000
Total expenditures	120,000	120,000		120,000
Net change in fund balance	\$ (120,000)	\$ (120,000)	331,550	\$ 451,550
Fund balance - beginning			6,848,780	
Fund balance - ending			\$ 7,180,330	

**CITY OF BOCA RATON, FLORIDA
DOWNTOWN INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Special assessments	\$ 1,515,000	\$ 1,515,000	\$ 1,547,777	\$ 32,777
Investment earnings (loss)	5,000	5,000	34,448	29,448
Total revenues	<u>1,520,000</u>	<u>1,520,000</u>	<u>1,582,225</u>	<u>62,225</u>
EXPENDITURES				
General government	4,200	4,200	4,590	(390)
Total expenditures	<u>4,200</u>	<u>4,200</u>	<u>4,590</u>	<u>(390)</u>
Excess (deficiency) of revenues over expenditures	<u>1,515,800</u>	<u>1,515,800</u>	<u>1,577,635</u>	<u>61,835</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,447,300)	(1,447,300)	(1,447,269)	31
Total other financing sources (uses)	<u>(1,447,300)</u>	<u>(1,447,300)</u>	<u>(1,447,269)</u>	<u>31</u>
Net change in fund balance	<u>\$ 68,500</u>	<u>\$ 68,500</u>	130,366	<u>\$ 61,866</u>
Fund balance - beginning			<u>863,512</u>	
Fund balance - ending			<u>\$ 993,878</u>	

PAGE INTENTIONALLY LEFT BLANK

Non-Major Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing goods or services to the general public are financed or recovered primarily through user charges.

Cemetery Fund -- To account for the operation of the City's cemetery and mausoleum.

Golf Course Fund -- To account for the operation of the City's golf courses.

Stormwater Utility Fund -- To account for the provision of stormwater maintenance and capital improvements to the residents of the City.

Sanitation Fund -- To account for the provision of solid waste services and capital assets used to provide the services to the residents of the City.



**CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Cemetery Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non-Major Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 127,384	\$ 35,655	\$ 1,368,674	\$ 706,930	\$ 2,238,643
Investments	646,712	168,339	6,948,616	3,589,726	11,353,393
Interest receivable on investments	2,851	1,980	40,174	29,313	74,318
Accounts receivable	42,137	1,883	293,457	1,293,284	1,630,761
Due from other governmental units		113,824			113,824
Inventories	59,403				59,403
Other assets		1,775			1,775
Total current assets	<u>878,487</u>	<u>323,456</u>	<u>8,650,921</u>	<u>5,619,253</u>	<u>15,472,117</u>
Noncurrent assets:					
Capital assets:					
Land	118,000	468,735			586,735
Construction in progress			8,599		8,599
Buildings	1,488,761	770,900			2,259,661
Improvements other than buildings	588,373	3,660,473	17,361,373		21,610,219
Equipment	230,420	1,359,302	1,559,206	12,288,441	15,437,369
Less accumulated depreciation	<u>(1,733,453)</u>	<u>(3,417,013)</u>	<u>(7,936,419)</u>	<u>(4,150,553)</u>	<u>(17,237,438)</u>
Total capital assets (net of accumulated depreciation)	<u>692,101</u>	<u>2,842,397</u>	<u>10,992,759</u>	<u>8,137,888</u>	<u>22,665,145</u>
Total noncurrent assets	<u>692,101</u>	<u>2,842,397</u>	<u>10,992,759</u>	<u>8,137,888</u>	<u>22,665,145</u>
Total assets	<u>1,570,588</u>	<u>3,165,853</u>	<u>19,643,680</u>	<u>13,757,141</u>	<u>38,137,262</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows for pensions	34,173	296,740	94,411	349,742	775,066
Deferred outflows for OPEB	1,548	5,933	2,580	13,413	23,474
Total deferred outflows of resources	<u>35,721</u>	<u>302,673</u>	<u>96,991</u>	<u>363,155</u>	<u>798,540</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	22,190	114,952	190,209	284,854	612,205
Advances from other funds		320,000			320,000
Compensated absences	1,595	24,073	12,593	41,136	79,397
Retainage payable			9,646		9,646
Performance bonds and escrow funds		1,000			1,000
Unearned revenue		21,840			21,840
Customer deposits payable				2,533	2,533
Total current liabilities	<u>23,785</u>	<u>481,865</u>	<u>212,448</u>	<u>328,523</u>	<u>1,046,621</u>
Non-current liabilities:					
Compensated absences	14,356	216,653	113,336	370,226	714,571
Net pension liability	26,253	349,339	107,891	268,693	752,176
Net OPEB liability	21,768	83,442	36,279	188,651	330,140
Total noncurrent liabilities	<u>62,377</u>	<u>649,434</u>	<u>257,506</u>	<u>827,570</u>	<u>1,796,887</u>
Total liabilities	<u>86,162</u>	<u>1,131,299</u>	<u>469,954</u>	<u>1,156,093</u>	<u>2,843,508</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows for pensions	20,316	162,923	52,198	207,932	443,369
Deferred inflows for OPEB	358	1,375	597	3,107	5,437
Total deferred inflows of resources	<u>20,674</u>	<u>164,298</u>	<u>52,795</u>	<u>211,039</u>	<u>448,806</u>
NET POSITION					
Net investment in capital assets	692,101	2,842,398	10,992,759	8,137,888	22,665,146
Unrestricted	807,372	(669,469)	8,225,163	4,615,276	12,978,342
Total net position	<u>\$ 1,499,473</u>	<u>\$ 2,172,929</u>	<u>\$ 19,217,922</u>	<u>\$ 12,753,164</u>	<u>\$ 35,643,488</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Cemetery Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non-major Enterprise Funds
OPERATING REVENUES					
Charges for sales and services	\$ 378,352	\$ 2,477,367	\$ 2,652,775	\$ 8,037,996	\$ 13,546,490
Other		95,973		7,693	103,666
Total operating revenues	<u>378,352</u>	<u>2,573,340</u>	<u>2,652,775</u>	<u>8,045,689</u>	<u>13,650,156</u>
OPERATING EXPENSES					
Personnel services	306,603	1,804,618	908,000	3,049,106	6,068,327
Materials and supplies	29,454	308,236	1,067	26,498	365,255
Other services and charges	254,345	651,954	1,769,996	3,762,913	6,439,208
Depreciation/amortization of capital assets	62,275	78,193	716,830	990,472	1,847,770
Total operating expenses	<u>652,677</u>	<u>2,843,001</u>	<u>3,395,893</u>	<u>7,828,989</u>	<u>14,720,560</u>
Operating income (loss)	<u>(274,325)</u>	<u>(269,661)</u>	<u>(743,118)</u>	<u>216,700</u>	<u>(1,070,404)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings (loss)	15,471	10,115	226,093	174,218	425,897
Gain (loss) on disposal of capital assets			57,400	137,861	195,261
Total nonoperating revenues (expenses)	<u>15,471</u>	<u>10,115</u>	<u>283,493</u>	<u>312,079</u>	<u>621,158</u>
Income (loss) before transfers and contributions	(258,854)	(259,546)	(459,625)	528,779	(449,246)
Transfers in	593,100				593,100
Capital contributions		191,554			191,554
Change in net position	334,246	(67,992)	(459,625)	528,779	335,408
Net position, beginning	<u>1,165,227</u>	<u>2,240,921</u>	<u>19,677,547</u>	<u>12,224,385</u>	<u>35,308,080</u>
Net position, ending	<u>\$ 1,499,473</u>	<u>\$ 2,172,929</u>	<u>\$ 19,217,922</u>	<u>\$ 12,753,164</u>	<u>\$ 35,643,488</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Cemetery/ Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non- Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 339,140	\$ 2,578,778	\$ 2,587,592	\$ 8,044,701	\$ 13,550,211
Payments to suppliers	(279,228)	(963,782)	(1,666,649)	(3,743,271)	(6,652,930)
Payments to employees	(308,219)	(1,770,047)	(920,498)	(2,978,379)	(5,977,143)
Net cash provided by (used in) operating activities	<u>(248,307)</u>	<u>(155,051)</u>	<u>445</u>	<u>1,323,051</u>	<u>920,138</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	593,100				593,100
Net cash provided by (used in) noncapital financing activities	<u>593,100</u>				<u>593,100</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(26,144)		(339,751)	(4,220,833)	(4,586,728)
Capital Contributions		191,554			191,554
Proceeds from sale of capital assets			57,400	137,861	195,261
Net cash provided by (used in) capital and related financing activities	<u>(26,144)</u>	<u>191,554</u>	<u>(282,351)</u>	<u>(4,082,972)</u>	<u>(4,199,913)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	13,436	8,495	201,423	156,004	379,358
Sale of investments	208,351	73,481	3,958,084	3,252,509	7,492,425
Purchase of investments	(646,712)	(168,339)	(6,948,616)	(3,589,726)	(11,353,393)
Net cash provided by (used in) investing activities	<u>(424,925)</u>	<u>(86,363)</u>	<u>(2,789,109)</u>	<u>(181,213)</u>	<u>(3,481,610)</u>
Net increase (decrease) in cash and cash equivalents	<u>(106,276)</u>	<u>(49,860)</u>	<u>(3,071,015)</u>	<u>(2,941,134)</u>	<u>(6,168,285)</u>
Cash and cash equivalents					
Beginning of year	<u>233,660</u>	<u>85,515</u>	<u>4,439,689</u>	<u>3,648,064</u>	<u>8,406,928</u>
End of year	<u>\$ 127,384</u>	<u>\$ 35,655</u>	<u>\$ 1,368,674</u>	<u>\$ 706,930</u>	<u>\$ 2,238,643</u>

(Continued)

CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS (continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Cemetery/ Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non- Major Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (274,325)	\$ (269,661)	\$ (743,118)	\$ 216,700	\$ (1,070,404)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	62,275	78,193	716,830	990,472	1,847,770
Change in assets, liabilities, deferred outflows & deferred inflows					
(Increase) decrease in accounts receivable	(39,212)	(1,383)	(65,183)	(2,946)	(108,724)
(Increase) decrease in due from other governmental units		4,986			4,986
(Increase) decrease in inventories	743				743
(Increase) decrease in other assets		(1,775)			(1,775)
(Increase) decrease in deferred pension outflows	4,690	58,571	27,459	83,614	174,334
Increase (decrease) in accounts payable and accrued liabilities	4,773	14,618	87,221	99,903	206,515
Increase (decrease) in retainage payable			9,646		9,646
Increase (decrease) in customer deposits payable				1,958	1,958
Increase (decrease) in compensated absences	(7,659)	13,562	(764)	(27,577)	(22,438)
Increase (decrease) in total OPEB liability	2,347	8,995	(1,430)	20,335	30,247
Increase (decrease) in unearned revenue		1,835			1,835
Increase (decrease) in net pension liability	6,947	8,953	109	55,261	71,270
Increase (decrease) in deferred inflows for pensions	(8,789)	(71,578)	(30,040)	(113,837)	(224,244)
Increase (decrease) in deferred inflows for OPEB	(97)	(367)	(285)	(832)	(1,581)
Total adjustments	26,018	114,610	743,563	1,106,351	1,990,542
Net cash provided by (used in) operating activities	\$ (248,307)	\$ (155,051)	\$ 445	\$ 1,323,051	\$ 920,138
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Unrealized gain (loss) on investments	\$ 2,072	\$ 1,258	\$ 36,983	\$ 29,678	\$ 69,991

Internal Service Funds

Internal Service Funds -- are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis.

Fleet Management -- To account for the cost of operating a maintenance facility for automotive equipment used by other City departments, and administering the City fleet.

Information Technology -- To account for the cost of operating a computer facility used by other City departments.

Self-Insurance Programs -- To account for the cost of providing health and workers' compensation insurance coverage to all City employees, and the City's general liability self-insurance program.

Retirement Sustainability Fund -- provides a separate funding for certain receipts and expenditures for all of the City's defined benefit plans and accounts for reserves to reduce the financial burden, if any, of retiree defined benefit plan payments on future taxpayers.



**CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Fleet Management Fund	Information Technology Fund	Self- Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,429,573	\$ 1,775,015	\$ 4,913,633	\$ 6,045,584	\$ 17,163,805
Investments	22,488,765	9,010,125	24,921,014	30,692,596	87,112,500
Interest receivable on investments	124,775	58,922	163,859	160,549	508,105
Accounts receivable	7,812		263,100		270,912
Due from other governmental units		1,200			1,200
Inventories	664,336				664,336
Total current assets	<u>27,715,261</u>	<u>10,845,262</u>	<u>30,261,606</u>	<u>36,898,729</u>	<u>105,720,858</u>
Capital Assets:					
Construction in progress		950,476			950,476
Buildings	1,270,000				1,270,000
Equipment	30,046,474	4,128,322			34,174,796
	<u>31,316,474</u>	<u>5,078,798</u>			<u>36,395,272</u>
Less accumulated depreciation	(19,088,662)	(3,083,593)			(22,172,255)
Total capital assets (net of accumulated depreciation/amortization)	<u>12,227,812</u>	<u>1,995,205</u>			<u>14,223,017</u>
Total assets	<u>39,943,073</u>	<u>12,840,467</u>	<u>30,261,606</u>	<u>36,898,729</u>	<u>119,943,875</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows for pensions	188,582	972,964	62,439		1,223,985
Deferred outflows for OPEB	4,127	12,639	2,064		18,830
Total deferred outflows of resources	<u>192,709</u>	<u>985,603</u>	<u>64,503</u>		<u>1,242,815</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	104,957	627,380	1,259,386		1,991,723
Compensated absences	14,354	55,329	9,689		79,372
Estimated liability for self-insurance losses			3,051,000		3,051,000
Total current liabilities	<u>119,311</u>	<u>682,709</u>	<u>4,320,075</u>		<u>5,122,095</u>
Non-current liabilities:					
Compensated absences	129,190	497,963	87,196		714,349
Net pension liability	144,880	1,245,377	47,970		1,438,227
Net OPEB liability	58,046	177,767	29,024		264,837
Estimated liability for self-insurance losses			6,693,000		6,693,000
Total noncurrent liabilities	<u>332,116</u>	<u>1,921,107</u>	<u>6,857,190</u>		<u>9,110,413</u>
Total liabilities	<u>451,427</u>	<u>2,603,816</u>	<u>11,177,265</u>		<u>14,232,508</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows for pensions	112,118	523,084	37,122		672,324
Deferred inflows for OPEB	956	2,928	478		4,362
Total deferred inflows of resources	<u>113,074</u>	<u>526,012</u>	<u>37,600</u>		<u>676,686</u>
NET POSITION					
Net investment in capital assets	12,227,812	1,995,205			14,223,017
Unrestricted	27,343,469	8,701,037	19,111,244	36,898,729	92,054,479
Total net position	<u>\$ 39,571,281</u>	<u>\$ 10,696,242</u>	<u>\$ 19,111,244</u>	<u>\$ 36,898,729</u>	<u>\$ 106,277,496</u>

**CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Fleet Management Fund	Information Technology Fund	Self- Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
OPERATING REVENUES					
Fleet management	\$ 4,862,036				\$ 4,862,036
Management information processing		\$ 9,486,632			9,486,632
Insurance premiums			\$ 18,536,179		18,536,179
Insurance premium tax				\$ 3,483,705	3,483,705
Retirement sustainability				2,803,800	2,803,800
Total operating revenues	<u>4,862,036</u>	<u>9,486,632</u>	<u>18,536,179</u>	<u>6,287,505</u>	<u>39,172,352</u>
OPERATING EXPENSES					
Personnel services	1,116,840	5,345,206	787,930		7,249,976
Materials and supplies	57,246	71,511	7,387		136,144
Other services and charges	691,556	6,160,701	5,115,976		11,968,233
Insurance claims			15,032,352		15,032,352
Pension benefits				3,483,705	3,483,705
Depreciation/amortization of capital assets	3,297,197	380,407			3,677,604
Total operating expenses	<u>5,162,839</u>	<u>11,957,825</u>	<u>20,943,645</u>	<u>3,483,705</u>	<u>41,548,014</u>
Operating income (loss)	<u>(300,803)</u>	<u>(2,471,193)</u>	<u>(2,407,466)</u>	<u>2,803,800</u>	<u>(2,375,662)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings (loss)	698,530	269,127	867,320	935,925	2,770,902
Gain (loss) on disposal of capital assets	179,356	(9,594)			169,762
Total nonoperating revenues (expenses)	<u>877,886</u>	<u>259,533</u>	<u>867,320</u>	<u>935,925</u>	<u>2,940,664</u>
Income (loss) before transfers and contributions	577,083	(2,211,660)	(1,540,146)	3,739,725	565,002
Transfers in	<u>2,142,800</u>	<u>5,393,100</u>			<u>7,535,900</u>
Change in net position	2,719,883	3,181,440	(1,540,146)	3,739,725	8,100,902
Net position, beginning	<u>36,851,398</u>	<u>7,514,802</u>	<u>20,651,390</u>	<u>33,159,004</u>	<u>98,176,594</u>
Net position, ending	<u>\$ 39,571,281</u>	<u>\$ 10,696,242</u>	<u>\$ 19,111,244</u>	<u>\$ 36,898,729</u>	<u>\$ 106,277,496</u>

**CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	Fleet Management Fund	Information Technology Fund	Self-Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,854,224	\$ 9,487,832	\$ 18,545,405	\$ 6,287,505	\$ 39,174,966
Payments to suppliers	(941,374)	(6,149,476)	(5,028,887)	(3,483,705)	(15,603,442)
Payments to employees	(1,047,197)	(5,250,798)	(751,121)		(7,049,116)
Claims paid			(14,861,352)		(14,861,352)
Net cash provided by (used in) operating activities	<u>2,865,653</u>	<u>(1,912,442)</u>	<u>(2,095,955)</u>	<u>2,803,800</u>	<u>1,661,056</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	2,142,800	5,393,100			7,535,900
Net cash provided by (used in) noncapital financing activities	<u>2,142,800</u>	<u>5,393,100</u>			<u>7,535,900</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(3,471,683)	(1,312,180)			(4,783,863)
Proceeds from sale of capital assets	179,356	754			180,110
Net cash provided by (used in) capital and related financing activities	<u>(3,292,327)</u>	<u>(1,311,426)</u>			<u>(4,603,753)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	618,618	232,272	766,459	828,367	2,445,716
Sale of investments	11,588,351	3,950,363	14,686,519	15,605,187	45,830,420
Purchase of investments	(22,488,765)	(9,010,125)	(24,921,014)	(30,692,596)	(87,112,500)
Net cash provided by (used in) investing activities	<u>(10,281,796)</u>	<u>(4,827,490)</u>	<u>(9,468,036)</u>	<u>(14,259,042)</u>	<u>(38,836,364)</u>
Net increase (decrease) in cash and cash equivalents	(8,565,670)	(2,658,258)	(11,563,991)	(11,455,242)	(34,243,161)
Cash and cash equivalents					
Beginning of year	<u>12,995,243</u>	<u>4,433,273</u>	<u>16,477,624</u>	<u>17,500,826</u>	<u>51,406,966</u>
End of year	<u>\$ 4,429,573</u>	<u>\$ 1,775,015</u>	<u>\$ 4,913,633</u>	<u>\$ 6,045,584</u>	<u>\$ 17,163,805</u>

(Continued)

CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS (continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Fleet Management Fund	Information Technology Fund	Self-Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS)					
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (300,803)	\$ (2,471,193)	\$ (2,407,466)	\$ 2,803,800	\$ (2,375,662)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,297,197	380,407			3,677,604
Change in assets, liabilities, deferred outflows & deferred inflows					
(Increase) decrease in accounts receivable	(7,812)		9,226		1,414
(Increase) decrease in due from other governmental units		1,200			1,200
(Increase) decrease in inventories	(18,564)				(18,564)
(Increase) decrease in deferred pension outflows	4,857	49,300	12,952		67,109
Increase (decrease) in accounts payable and accrued liabilities	(162,813)	92,701	95,124		25,012
Increase (decrease) in compensated absences	20,640	46,472	27,901		95,013
Increase (decrease) in total OPEB liability	12,730	22,399	3,130		38,259
Increase (decrease) in estimated liability for self-insurance losses			171,000		171,000
Increase (decrease) in net pension liability	50,498	87,791	10,968		149,257
Increase (decrease) in deferred inflows for pensions	(30,172)	(120,811)	(18,662)		(169,645)
Increase (decrease) in deferred inflows for OPEB	(105)	(708)	(128)		(941)
Total adjustments	<u>3,166,456</u>	<u>558,751</u>	<u>311,511</u>		<u>4,036,718</u>
Net cash provided by (used in) operating activities	<u>\$ 2,865,653</u>	<u>\$ (1,912,442)</u>	<u>\$ (2,095,955)</u>	<u>\$ 2,803,800</u>	<u>\$ 1,661,056</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Unrealized gain (loss) on investments	\$ 19,262	\$ 40,380	\$ 98,078	\$ 144,703	\$ 302,423

Pension Trust Funds

Pension Trust Funds account for financial operations and condition of the City's three pension plans.

General Employees' Pension Plan, Police and Firefighters' Retirement System and Executive Employees' Retirement Plan -- To account for the accumulation of resources to be used for the retirement benefit payments to the City's employees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.



**CITY OF BOCA RATON, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2019**

	Police and Firefighters' Retirement System	General Employees' Pension Plan	Executive Employees' Retirement Plan	Total Pension Trust Funds
ASSETS				
Cash and cash equivalents	\$ 4,643,009	\$ 33,215,624	\$ 241,151	\$ 38,099,784
Investments:				
Common and preferred stock	127,566,965	92,291,382		219,858,347
U.S. government securities	21,532,168	10,703,660		32,235,828
Corporate bonds and debentures Foreign	41,928,144	29,502,779		71,430,923
Government Agency Infrastructure	299,856			299,856
Commingled funds		3,387,728		3,387,728
Real estate	100,527,934	36,848,017		137,375,951
Private equity	24,785,118	18,083,914		42,869,032
Multi asset class	35,242,657			35,242,657
Florida Municipal Pension Trust Fund	44,506,767			44,506,767
			<u>47,989,137</u>	<u>47,989,137</u>
Total investments	<u>396,389,609</u>	<u>190,817,480</u>	<u>47,989,137</u>	<u>635,196,226</u>
Receivables:				
Interest and dividends	320,637	278,243		598,880
Unsettled trades receivable	3,218,102	187,456		3,405,558
Accounts receivable	450,099	189		450,288
Total receivables	<u>3,988,838</u>	<u>465,888</u>		<u>4,454,726</u>
Other assets Prepaid expenses	32,349	18,198		50,547
Total assets	<u>405,053,805</u>	<u>224,517,190</u>	<u>48,230,288</u>	<u>677,801,283</u>
LIABILITIES				
Accounts payable	314,752	161,031		475,783
Unsettled trades payable	3,947,043	196,222		4,143,265
Total liabilities	<u>4,261,795</u>	<u>357,253</u>		<u>4,619,048</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 400,792,010</u>	<u>\$ 224,159,937</u>	<u>\$ 48,230,288</u>	<u>\$ 673,182,235</u>

CITY OF BOCA RATON, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Police and Firefighters' Retirement System	General Employees' Pension Plan	Executive Employees' Retirement Plan	Total Pension Trust Funds
ADDITIONS				
Contributions:				
City	\$ 13,316,657	\$ 2,240,997	\$ 1,954,554	\$ 17,512,208
State	3,483,705			3,483,705
Employee	4,615,962	2,468,106	634,450	7,718,518
Transfer from other pension trust funds			454,958	454,958
Total contributions	<u>21,416,324</u>	<u>4,709,103</u>	<u>3,043,962</u>	<u>29,169,389</u>
Investment income:				
Interest	1,503,208	1,762,960	2,597,496	5,863,664
Dividends	4,695,669	2,734,131		7,429,800
Net appreciation (depreciation) in fair value of investments	10,536,914	3,787,327		14,324,241
Other investment income	36,173	3,022		39,195
Investment income	104,568			104,568
Investment expense	<u>(3,476,227)</u>	<u>(712,675)</u>	<u>(46,798)</u>	<u>(4,235,700)</u>
Total investment income	<u>13,400,305</u>	<u>7,574,765</u>	<u>2,550,698</u>	<u>23,525,768</u>
Total additions	<u>34,816,629</u>	<u>12,283,868</u>	<u>5,594,660</u>	<u>52,695,157</u>
DEDUCTIONS				
Benefits paid:				
Retirement	18,609,099	11,343,250	2,039,299	31,991,648
Disability	900,878	60,706		961,584
Death	952,042	769,265		1,721,307
Deferred retirement option plan	5,504,596	2,934,861		8,439,457
Termination refunds	134,098	281,539	120,432	536,069
Administrative expenses	216,090	114,677	75,266	406,033
Transfer to other pension trust funds	<u>(11,307)</u>	<u>466,265</u>		<u>454,958</u>
Total deductions	<u>26,305,496</u>	<u>15,970,563</u>	<u>2,234,997</u>	<u>44,511,056</u>
Net increase/(decrease) in net position	8,511,133	(3,686,695)	3,359,663	8,184,101
NET POSITION RESTRICTED FOR PENSION				
Beginning of year	392,280,877	227,846,632	44,870,625	664,998,134
End of year	<u>\$ 400,792,010</u>	<u>\$ 224,159,937</u>	<u>\$ 48,230,288</u>	<u>\$ 673,182,235</u>



STATISTICAL SECTION

This part of the City of Boca Raton comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial position.

Contents	Page
-----------------	-------------

Financial Trends	169
-------------------------	------------

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity	177
-------------------------	------------

This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

Debt Capacity	181
----------------------	------------

The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

Demographic and Economic Information	189
---	------------

This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating Information	192
------------------------------	------------

This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

PAGE INTENTIONALLY LEFT BLANK

FINANCIAL TREND INFORMATION

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

**CITY OF BOCA RATON, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

*(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$361,158	\$369,052	\$370,985	\$368,548
Restricted	46,129	43,754	45,031	45,621
Unrestricted	85,292	85,239	87,241	94,762
Total governmental activities net position	<u>\$492,579</u>	<u>\$498,045</u>	<u>\$503,257</u>	<u>\$508,931</u>
Business-type activities				
Net investment in capital assets	\$208,818	\$210,890	\$207,936	\$214,698
Restricted	53,378	48,500	51,835	60,744
Unrestricted	45,058	53,501	65,329	61,970
Total business-type activities net position	<u>\$307,254</u>	<u>\$312,891</u>	<u>\$325,100</u>	<u>\$337,412</u>
Primary government				
Net investment in capital assets	\$569,976	\$579,942	\$578,921	\$583,246
Restricted	99,507	92,254	96,866	106,365
Unrestricted (1)	130,350	138,740	152,570	156,732
Total primary government net position	<u>\$799,833</u>	<u>\$810,936</u>	<u>\$828,357</u>	<u>\$846,343</u>

(1) Fiscal year 2011 unrestricted balances have been restated due to the implementation of GASB Statement No. 63 and 65.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$365,123	\$343,424	\$346,406	\$383,364	\$356,695	\$339,885
54,793	64,313	68,787	77,176	84,149	109,664
99,030	40,029	64,216	25,208	44,238	49,682
<u>\$518,946</u>	<u>\$447,766</u>	<u>\$479,409</u>	<u>\$485,748</u>	<u>\$485,082</u>	<u>\$499,231</u>

\$224,767	\$221,972	\$228,380	\$229,424	\$227,958	\$239,613
66,786	68,015	79,734	75,550	61,802	59,222
53,581	72,957	72,893	90,195	111,578	120,150
<u>\$345,134</u>	<u>\$362,944</u>	<u>\$381,007</u>	<u>\$395,169</u>	<u>\$401,338</u>	<u>\$418,985</u>

\$589,890	\$565,396	\$574,786	\$612,788	\$584,653	\$579,498
121,579	132,328	148,521	152,726	145,951	168,886
152,611	112,986	137,109	115,403	155,816	169,832
<u>\$864,080</u>	<u>\$810,710</u>	<u>\$860,416</u>	<u>\$880,917</u>	<u>\$886,420</u>	<u>\$918,216</u>

**CITY OF BOCA RATON, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	(1)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 23,023	\$ 17,696	\$ 18,808	\$ 18,891	\$ 19,017	\$ 20,655	\$ 34,158	\$ 28,232	\$ 32,066	\$ 39,341
Law enforcement	37,585	39,979	40,865	42,044	43,913	40,575	34,328	72,198	49,796	49,727
Fire rescue	37,856	39,140	42,227	43,626	44,831	42,631	37,701	35,501	53,134	49,475
Physical environment	7,851	4,237	4,105	4,255	4,055	4,217	4,449	5,034	5,507	5,223
Transportation	22,196	18,536	17,925	20,185	19,166	17,744	13,672	20,177	25,420	31,725
Community development	4,168	6,040	3,106	2,889	2,804	3,257	5,345	5,702	6,384	13,517
Parks and recreation	34,928	28,979	39,039	37,542	37,507	37,107	38,605	42,614	44,873	46,219
Interest and fiscal charges	4,834	4,793	2,971	3,807	4,114	2,165	2,393	1,968	1,293	1,719
Total governmental activities expenses	172,441	159,400	169,046	173,239	175,407	168,351	170,651	211,426	218,473	236,946
Business-type activities:										
Water and sewer	42,970	44,132	43,662	45,617	45,393	48,616	48,415	49,730	52,174	53,646
Cemetery	635	659	589	569	623	610	664	720	671	653
Golf course	3,075	3,073	2,690	2,776	2,787	2,726	2,831	3,091	2,777	2,843
Stormwater utility	1,646	2,023	2,545	2,169	2,428	2,252	2,260	2,596	2,804	3,396
Sanitation	5,851	6,511	6,593	6,727	6,758	6,183	6,816	7,102	7,381	7,829
Total business-type activities expenses	54,177	56,398	56,079	57,858	57,989	60,387	60,986	63,238	65,807	68,367
Total primary government expenses	\$ 226,618	\$ 215,798	\$ 225,125	\$ 231,097	\$ 233,396	\$ 228,738	\$ 231,637	\$ 274,664	\$ 284,280	\$ 305,313
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 16,455	\$ 17,565	\$ 21,615	\$ 25,301	\$ 25,881	\$ 32,294	\$ 27,994	\$ 26,992	\$ 26,057	\$ 31,309
Law enforcement	2,669	2,647	3,251	3,286	3,187	2,484	2,055	2,010	1,812	1,902
Fire rescue	7,251	8,876	11,738	12,968	12,517	10,605	10,554	12,162	14,043	15,038
Physical environment	198	214	214	245	143	137	1,942	3,369	270	207
Transportation							49	26	178	67
Community development	1,585	1,695	1,898	2,020	2,324	1,959	2,174	2,051	2,306	1,942
Parks and recreation	20,027	19,631	20,662	19,313	19,125	19,213	21,141	21,210	22,862	23,896
Operating grants and contributions	13,916	5,317	5,238	4,482	6,262	4,494	5,979	7,679	6,781	13,680
Capital grants and contributions	3,326	2,720	3,503	2,971	1,159	5,295	5,060	4,747	1,036	1,910
Total governmental activities program revenues	65,427	58,665	68,119	70,586	70,598	76,481	76,948	80,246	75,345	89,951
Business-type activities:										
Charges for services:										
Water and sewer	47,278	48,288	\$ 49,239	\$ 48,452	\$ 51,071	\$ 54,934	\$ 54,142	\$ 57,400	\$ 56,704	\$ 60,504
Cemetery	188	179	144	210	244	236	241	449	375	378
Golf course	2,120	2,272	2,444	2,485	2,440	2,490	2,482	2,518	2,432	2,534
Stormwater utility	2,155	2,175	2,239	2,236	2,292	2,353	2,379	2,474	2,534	2,653
Sanitation	3,932	6,423	7,179	7,376	7,487	7,502	7,629	7,835	7,715	8,038
Capital grants and contribution	5,401	1,260	9,272	9,025	867	11,473	11,902	6,295	1,017	5,834
Total business-type activities program revenues	61,074	60,597	70,517	69,784	64,401	78,988	78,775	76,971	70,777	79,941
Total primary government program revenues	\$ 126,501	\$ 119,262	\$ 138,636	\$ 140,370	\$ 134,999	\$ 155,469	\$ 155,723	\$ 157,217	\$ 146,122	\$ 169,892

(1) Fiscal year 2011 expenses have been restated due to the implementation of GASB Statement No. 63 and 65.

CITY OF BOCA RATON, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	(1)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expenses) Revenue										
Governmental activities	\$ (107,014)	\$ (100,927)	\$ (100,927)	\$ (102,653)	\$ (104,809)	\$ (91,870)	\$ (93,703)	\$ (131,180)	\$ (143,129)	\$ (146,996)
Business-type activities	6,897	4,199	10,936	11,926	6,412	18,601	17,789	13,733	4,971	11,574
Total primary government net expense	\$ (100,117)	\$ (96,728)	\$ (89,991)	\$ (90,727)	\$ (98,397)	\$ (73,269)	\$ (75,914)	\$ (117,447)	\$ (138,158)	\$ (135,422)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax	\$ 57,635	\$ 54,246	\$ 55,914	\$ 59,568	\$ 61,938	\$ 65,238	\$ 69,785	\$ 74,866	\$ 79,753	\$ 84,781
Utility tax	20,639	20,171	20,714	20,502	21,390	21,361	20,652	21,645	21,894	22,174
Franchise tax	12,406	12,482	12,137	11,977	12,867	12,893	12,536	12,826	13,215	13,350
Sales tax	5,262	5,430	5,533	5,854	6,287	6,687	6,898	6,916	7,177	7,464
Infrastructure tax								4,312	6,471	6,767
Gas tax	1,959	1,908	1,966	1,958	1,999	2,120	2,154	2,312	2,244	2,265
Incremental property tax	6,659	8,948	6,484	6,575	6,730	7,183	8,449	9,720	12,489	13,366
State shared revenues unrestricted	2,067	2,185	2,242	2,280	2,418	2,549	2,781	2,849	2,924	3,108
Investment earnings unrestricted	2,686	1,378	1,396	(186)	1,344	1,279	1,083	1,030	2,279	7,886
Gain (loss) on disposal of capital assets		131	120	156	112	49	253	315	392	288
Miscellaneous	12	42	43	88	137	188	237	322	362	288
Transfers	(2,784)	(720)	(410)	(445)	(397)	(338)	518	408	(144)	(593)
Total governmental activities	106,541	106,201	106,139	108,327	114,825	119,209	125,346	137,521	149,056	161,144
Business-type activities										
Investment earnings	1,702	624	765	(288)	901	847	675	614	1,154	4,702
Gain (loss) on disposal of capital assets	(348)	94	98	229	11	50	67	186	116	195
Miscellaneous						19	51	36	208	583
Transfers	2,784	720	410	445	397	338	(518)	(408)	144	593
Total business-type activities	4,138	1,438	1,273	386	1,309	1,254	275	428	1,622	6,073
Total primary government	\$ 110,679	\$ 107,639	\$ 107,412	\$ 108,713	\$ 116,134	\$ 120,463	\$ 125,621	\$ 137,949	\$ 150,678	\$ 167,217
Changes in net position										
Governmental activities	\$ (473)	\$ 5,274	\$ 5,212	\$ 5,674	\$ 10,016	\$ 27,339	\$ 31,643	\$ 6,339	\$ 5,927	\$ 14,148
Business-type activities	11,035	5,637	12,209	12,312	7,721	19,855	18,064	14,162	6,593	17,647
Total primary government	\$ 10,562	\$ 10,911	\$ 17,421	\$ 17,986	\$ 17,737	\$ 47,194	\$ 49,707	\$ 20,501	\$ 12,520	\$ 31,795

(1) Fiscal year 2011 expenses have been restated due to the implementation of GASB Statement No. 63 and 65.

CITY OF BOCA RATON, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS

(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund:				
Non-spendable:				
Inventories, Advance	\$ 19	\$ 13	\$ 25	\$ 23
Restricted for:				
Army Corp of Engineers	170	170	170	170
Building permits				
Committed to:				
Right of way beautification				
Hurricane/ disaster emergency	10,600	10,600	10,600	10,600
Mizner Park debt service	1,633	1,633	1,633	1,633
Retirement system reserve	8,500	10,500	12,000	12,000
Assigned to:				
Subsequent year's budget	1,286	1,316	1,758	12,920
Unassigned	24,717	22,340	25,653	21,300
Total general fund	<u>\$ 46,925</u>	<u>\$ 46,572</u>	<u>\$ 51,839</u>	<u>\$ 58,646</u>
All Other Governmental Funds:				
Non-spendable:				
Perpetual care, cemetery	\$ 2,123	\$ 1,950	\$ 1,777	\$ 1,630
Perpetual care, masoleum	3,614	3,487	3,253	2,994
Restricted for:				
Debt service	10,229	10,532	10,995	6,191
Housing	326	158	175	202
Law enforcement	1,331	1,292	1,140	1,084
Transportation	7,152	7,486	7,971	13,363
Right of way beautification	2,456	1,293	318	271
Economic development				
Infrastructure				
Downtown	8,354	3,644	2,386	2,181
Land dedication	1,148	1,646	3,453	5,243
Land Proceeds				
Library	10,633	10,437	8,103	550
Committed to:				
Parking	3	3	3	826
Right of way acquisition	2,265	2,284	2,301	2,297
Assigned to:				
Special revenue funds				
Capital projects	25,223	24,603	24,248	23,021
Environmentally sensitive lands	1,056	1,067	1,034	1,032
Total all other governmental funds	<u>\$ 75,913</u>	<u>\$ 69,882</u>	<u>\$ 67,157</u>	<u>\$ 60,885</u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 25	\$ 22	\$ 345	\$ 339	\$ 347	\$ 337
170	170	170	170	170	170
					6,514
			35	223	225
10,600	10,600	10,600	13,424	12,936	18,590
1,633	1,633	1,633	1,633		
3,762	2,536	14,825	14,703	1,233	7,425
29,138	44,075	38,822	30,242	33,323	30,383
<u>\$ 45,328</u>	<u>\$ 59,036</u>	<u>\$ 66,395</u>	<u>\$ 60,546</u>	<u>\$ 48,232</u>	<u>\$ 63,644</u>
\$ 1,505	\$ 1,385	\$ 1,446	\$ 1,610	\$ 1,678	\$ 1,646
2,776	2,611	2,695	2,822	2,773	2,597
11,489	11,830	11,948	12,073	12,712	2,116
150	532	814	1,204	886	807
766	1,211	1,159	1,293	1,190	1,125
8,947	9,981	10,682	11,882	10,368	10,674
1,814	2,117	1,231			
6,487	4,788	5,920	6,128	5,909	6,176
			4,315	8,718	27,750
2,941	6,850	4,636	5,574	8,562	11,002
5,538	9,763	14,317	15,910	16,397	17,940
				6	31
547	372				
3	3	3	3	3	3
2,315	2,331	2,341	2,350	2,367	2,431
26,031	29,571	25,544	21,268	22,547	23,786
<u>\$ 71,309</u>	<u>\$ 83,345</u>	<u>\$ 82,736</u>	<u>\$ 86,432</u>	<u>\$ 94,116</u>	<u>\$ 108,084</u>

CITY OF BOCA RATON, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues:				
Taxes	\$ 102,372,638	\$ 100,712,574	\$ 99,484,015	\$ 103,840,677
Licenses and permits	9,014,360	8,697,459	11,199,032	12,661,480
Intergovernmental	38,094,892	29,622,567	30,209,165	27,232,751
Charges of services	18,155,376	21,624,838	25,385,962	28,501,248
Fines and forfeitures	1,257,433	1,360,028	2,642,876	2,973,556
Special assessments	1,170,054	1,199,953	1,172,570	1,493,004
Donations in lieu of land	1,906,044	686,867	2,182,150	2,442,421
Investment earnings	2,238,874	1,078,045	1,125,971	(101,337)
Miscellaneous	120,427	89,006	108,915	205,082
Total revenues	<u>174,330,098</u>	<u>165,071,337</u>	<u>173,510,656</u>	<u>179,248,882</u>
Expenditures:				
Current:				
General government	20,337,965	19,647,100	20,073,899	20,917,289
Law enforcement	36,031,487	36,508,850	37,824,269	39,515,182
Fire rescue	33,982,309	34,849,430	37,539,229	39,809,307
Physical environment	7,828,961	4,203,550	4,185,053	4,281,679
Transportation	6,324,672	7,554,534	7,098,294	6,725,749
Community development	5,262,747	5,907,758	2,983,234	3,025,793
Parks and recreation	34,951,245	35,635,867	36,019,775	34,993,019
Capital outlay	22,157,964	8,835,059	8,903,781	13,287,857
Debt service:				
Principal	10,790,000	11,075,000	11,150,000	11,015,000
Interest	3,370,058	3,405,937	2,731,354	2,460,400
Bond issuance costs	331,167		313,238	
Bond repayment				
Total expenditures	<u>181,368,575</u>	<u>167,623,085</u>	<u>168,822,126</u>	<u>176,031,275</u>
Excess (deficiency) of revenues				
Over expenditures	<u>(7,038,477)</u>	<u>(2,551,748)</u>	<u>4,688,530</u>	<u>3,217,607</u>
Other financing sources (uses):				
Transfers in	14,550,700	9,738,400	9,568,100	10,457,500
Transfers out	(19,919,800)	(13,571,100)	(12,052,300)	(13,140,800)
Refunding and new bonds issued	12,930,000		15,585,000	
Discount on bonds issued	(21,074)			
Payment to refunded bond escrow agent			(17,259,729)	
Proceeds from sale of land				
Premium on bonds issued	572,248		2,013,311	
Total other financing sources (uses)	<u>8,112,074</u>	<u>(3,832,700)</u>	<u>(2,145,618)</u>	<u>(2,683,300)</u>
Net change in fund balances	<u>\$ 1,073,597</u>	<u>\$ (6,384,448)</u>	<u>\$ 2,542,912</u>	<u>\$ 534,307</u>
Debt service as a percentage of				
Noncapital expenditures	8.55%	9.53%	8.57%	8.10%

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 104,972,742	\$ 108,754,619	\$ 114,075,840	\$ 125,189,629	\$ 136,042,459	\$ 142,744,416
13,716,396	18,199,802	15,527,771	13,752,420	13,031,240	16,632,462
29,205,706	28,204,044	33,169,318	38,983,346	34,985,353	44,054,242
28,566,477	30,545,193	29,598,932	31,536,517	33,605,151	35,741,289
2,332,373	2,203,618	1,602,642	1,667,585	1,430,218	1,615,709
1,483,647	1,505,634	1,511,197	1,512,790	1,519,976	1,547,777
724,303	4,642,068	4,927,834	2,218,238	840,499	1,786,918
999,229	872,975	768,096	700,702	1,433,234	5,122,263
223,098	220,838	332,882	484,425	723,413	554,589
<u>182,223,971</u>	<u>195,148,791</u>	<u>201,514,512</u>	<u>216,045,652</u>	<u>223,611,543</u>	<u>249,799,665</u>
18,176,334	19,701,982	21,996,764	26,458,740	29,102,759	29,450,258
40,453,294	39,650,656	41,031,455	44,500,795	47,594,807	50,202,799
41,333,442	40,739,785	44,686,248	44,292,717	48,332,421	50,792,426
4,038,442	4,220,664	4,956,152	4,652,372	5,269,402	5,206,147
6,354,401	7,536,209	11,830,942	18,003,649	15,487,320	14,612,619
3,153,304	3,942,306	7,353,945	6,255,361	7,309,798	13,872,937
34,587,799	35,757,011	38,642,169	40,307,017	60,654,784	42,649,422
5,460,607	928,156	6,022,772	9,961,955	4,811,148	10,909,768
11,600,000	7,722,363	7,680,486	7,665,707	8,087,014	8,894,599
1,834,035	5,081,592	5,107,954	5,111,168	5,274,703	5,634,349
45,146				44,050	64,201
12,507,993					
<u>179,544,797</u>	<u>165,280,724</u>	<u>189,308,887</u>	<u>207,209,481</u>	<u>231,968,206</u>	<u>232,289,525</u>
<u>2,679,174</u>	<u>29,868,067</u>	<u>12,205,625</u>	<u>8,836,171</u>	<u>(8,356,663)</u>	<u>17,510,140</u>
17,292,828	9,617,600	9,924,796	16,157,948	11,441,485	13,135,524
(35,425,628)	(13,741,700)	(15,381,200)	(27,146,976)	(22,153,685)	(21,264,524)
12,560,000				19,100,000	20,000,000
<u>(5,572,800)</u>	<u>(4,124,100)</u>	<u>(5,456,404)</u>	<u>(10,989,028)</u>	<u>8,387,800</u>	<u>11,871,000</u>
<u>\$ (2,893,626)</u>	<u>\$ 25,743,967</u>	<u>\$ 6,749,221</u>	<u>\$ (2,152,857)</u>	<u>\$ 31,137</u>	<u>\$ 29,381,140</u>
7.55%	7.78%	6.95%	6.52%	5.86%	6.50%

REVENUE CAPACITY INFORMATION

This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

CITY OF BOCA RATON, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

(Unaudited)

<u>Fiscal Year</u> ⁽²⁾	<u>Real Property</u> ⁽¹⁾	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Taxable Assessed Value as a % of Actual Taxable Value</u>
2010	\$ 18,401,045,182	\$ 1,076,333,765	\$ 19,477,378,947	\$ 2,868,254,851	\$ 16,609,124,096	3.41	\$ 20,702,285,682	80.23%
2011	18,387,146,075	946,365,118	19,333,511,193	2,912,409,267	16,421,101,926	3.51	20,550,742,753	79.91%
2012	18,551,617,089	908,950,096	19,460,567,185	2,833,483,666	16,627,083,519	3.72	20,738,752,412	80.17%
2013	19,490,849,519	931,461,073	20,422,310,592	3,150,099,060	17,272,211,532	3.72	21,630,010,810	79.85%
2014	21,228,631,119	942,986,167	22,171,617,286	3,948,840,288	18,222,776,998	3.71	23,460,717,251	77.32%
2015	23,483,977,167	960,239,397	24,444,216,564	4,889,767,942	19,554,448,622	3.68	25,841,728,608	75.77%
2016	25,535,736,108	1,038,415,774	26,574,151,882	5,567,612,961	21,006,538,921	3.68	28,046,758,787	74.90%
2017	27,103,496,479	900,034,862	28,003,531,341	5,496,652,239	22,506,879,102	3.68	29,587,726,191	76.07%
2018	28,436,576,386	912,320,426	29,348,896,812	5,463,573,971	23,885,322,841	3.68	31,015,888,721	77.01%
2019	29,698,116,755	1,120,267,563	30,818,384,318	5,621,330,641	25,197,053,677	3.68	32,545,643,512	77.42%

Notes: (1) Except for the Save Our Homes cap noted below, Florida State Law requires all property to be assessed at current fair market value.
The Save Our Homes cap, provides that property qualifying for, and receiving, homestead exemption is assessed at the lower of the annual percentage change in the Consumer Price Index or 3% of the previous year's assessment.

(2) As of December 31st of each year listed.

Source: Palm Beach County Property Appraiser

CITY OF BOCA RATON, FLORIDA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (1)
(Unaudited)

Tax Year	Boca Raton			Palm Beach County			Schools			Other	Total
	Operating Millage	Debt Service	Total City Millage	Operating Millage	Debt Service	Total County Tax	Operating Millage	Debt Service	Total Schools		
2010	3.020	0.386	3.406	4.750	0.246	4.996	8.154	0.000	8.154	3.544	20.100
2011	3.150	0.360	3.510	4.782	0.211	4.993	8.18	0.000	8.180	2.343	19.026
2012	3.410	0.313	3.723	4.782	0.209	4.991	7.778	0.000	7.778	3.314	19.806
2013	3.422	0.301	3.723	4.782	0.204	4.986	7.586	0.000	7.586	3.196	19.491
2014	3.422	0.291	3.713	4.782	0.191	4.973	7.594	0.000	7.594	2.270	18.550
2015	3.422	0.258	3.680	4.782	0.146	4.928	7.512	0.000	7.512	3.065	19.185
2016	3.439	0.240	3.679	4.782	0.133	4.914	7.070	0.000	7.070	2.860	18.523
2017	3.454	0.225	3.679	4.782	0.121	4.902	6.769	0.000	6.769	2.697	18.047
2018	3.469	0.210	3.679	4.782	0.117	4.898	6.572	0.000	6.572	2.607	17.755
2019	3.479	0.199	3.679	4.782	0.077	4.858	7.164	0.000	7.164	2.602	18.303

Source: Palm Beach County Tax Collector
(1) Millage rates are per \$1,000 of assessed valuation.

**CITY OF BOCA RATON, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
FOR THE CURRENT CALENDAR YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Town Center at Boca Raton	\$ 580,000,511	1	2.30%	\$ 354,250,976	1	1.97%
Boca Owner LLC	376,122,752	2	1.49%			
Florida Power & Light Co	148,866,902	3	0.59%			
Boca T Rex Borrower LLC	136,522,492	4	0.54%			
Via Mizner Owner I LLC	126,092,179	5	0.50%			
Palmetto Promenade Owner LLC	125,022,856	6	0.50%			
Boca Center at Military LLC	123,518,248	7	0.49%			
Office Depot Inc	122,835,024	8	0.49%			
Atlis Boca Raton LLC	121,898,993	9	0.48%			
Avalon 850 Boca LLC	113,318,436	10	0.45%			
Panthers BRHC Ltd. Partnership				221,731,106	2	1.23%
Boca Raton CRA Lessor				151,712,775	3	0.84%
TIITF Lessor				141,256,349	4	0.79%
Batmasian James H & Marta				137,959,280	5	0.77%
BRE Boca Corporate Center LLC				125,116,006	6	0.70%
Boca 54 North LLC				102,151,568	7	0.57%
WRC Properties Inc.				65,523,397	8	0.36%
One Boca Place Inc.				59,584,229	9	0.33%
Peninsula Realty				58,500,000	10	0.33%
Total	\$ 1,974,198,393		7.84%	\$ 1,417,785,686		7.89%

Source: City of Boca Raton , FL
Palm Beach County Tax Collector System

**CITY OF BOCA RATON, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**
(Unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in subsequent Years	Total Collections To Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 59,403,108	\$ 56,434,548	96.8%	\$ 604,908	\$ 57,039,456	96.0%
2011	56,200,768	53,689,454	95.5%	309,455	53,998,909	96.1%
2012	57,438,380	55,175,170	96.1%	287,060	55,462,231	96.6%
2013	61,894,344	59,327,683	95.9%	115,539	59,443,223	96.0%
2014	64,295,809	61,803,940	96.1%	126,239	61,930,179	96.3%
2015	67,653,899	65,089,535	96.2%	160,057	65,249,592	96.4%
2016	71,957,439	69,322,388	96.3%	75,701	69,398,089	96.4%
2017	77,249,421	74,490,355	96.4%	62,577	74,552,932	96.5%
2018	82,659,659	79,727,836	96.5%	10,680	79,738,515	96.5%
2019	87,708,652	84,586,487	96.4%	-	84,586,487	96.4%

(1) Includes discount taken for early payment of property taxes and current year refunds

Source: Palm Beach County Tax Collector System
<https://www.pbcgov.org/papa/tax-roll.htm>

DEBT CAPACITY INFORMATION

The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

CITY OF BOCA RATON, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities						
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Tax Increment Bonds ²	Loans Payable	Capital Leases
2010	\$ 49,195,000	\$ 14,240,000		\$ 48,091,241	\$ 2,435,000	\$ 45,675
2011	44,960,000	13,545,000		43,741,269	1,865,000	
2012	39,905,000	12,830,000		39,212,947	1,275,000	
2013	36,490,000	11,925,000		34,489,628	655,000	
2014	33,105,000	10,995,000		29,554,660		
2015	29,345,000	10,020,000		24,197,700		
2016	25,495,000	9,005,000		18,607,867		
2017	21,550,000	7,955,000		12,735,754		
2018	17,495,000	6,860,000	\$ 18,705,000	6,566,021		
2019	13,325,000	5,705,000	37,585,000			

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See Demographic and Economic Statistics table for personal income and population data. These ratios are calculated using personal income and population for the prior year.

² Includes accreted interest on Capital Appreciation Bond.

Business-Type Activities

	Water & Sewer Revenue Bonds	Total Primary Government	Percentage of Personal Income¹	Per Capita¹
\$	50,045,000	\$ 164,051,916	0.0348%	\$ 1,946
	46,900,000	151,011,269	0.0473%	1,789
	43,640,000	136,862,947	0.0525%	1,602
	40,260,000	123,819,628	0.0566%	1,439
	36,780,000	110,434,660	0.0640%	1,275
	34,345,000	97,907,700	0.0722%	1,116
	26,625,000	79,732,867	0.0887%	903
	26,625,000	68,865,754	0.1069%	750
	22,440,000	72,066,021	0.0771%	771
	18,065,000	74,680,000	0.0793%	790

CITY OF BOCA RATON, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

(dollars in thousands, except per capita)

(Unaudited)

Fiscal Year	General Obligation Bonds	Assessed Value of Taxable Property	Percentage of Estimated Actual Taxable Value of Property	Population	Per Capita
2010	\$ 49,195	\$ 17,992,026	0.27%	84,313	0.58
2011	44,960	16,609,124	0.27%	84,392	0.53
2012	39,905	16,421,102	0.24%	85,413	0.47
2013	36,490	16,627,084	0.22%	86,041	0.42
2014	33,105	17,272,212	0.12%	86,647	0.24
2015	29,345	18,222,777	0.16%	87,766	0.33
2016	25,495	19,581,516	0.13%	88,275	0.29
2017	21,550	21,006,539	0.10%	91,797	0.23
2018	17,495	22,506,879	0.08%	93,417	0.19
2019	13,325	23,888,627	0.06%	94,488	0.14

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements
The current ordinances of the City of Boca Raton do not specify a legal debt margin.

CITY OF BOCA RATON, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2019
(Amounts Expressed in Thousands)
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
OVERLAPPING:			
Palm Beach County	\$ 61,115,000 ¹	0.01% ²	\$ 7,330
Palm Beach School District	<u>22,374</u>	0.01% ²	<u>3</u>
SUBTOTAL	<u>\$ 61,137,374</u>		<u>7,333</u>
DIRECT DEBT:			
General obligation bonds	\$ 13,325 ³	100.00%	13,325
Special assessment bonds	5,705 ³	100.00%	5,705
Revenue bonds	<u>37,585 ³</u>	100.00%	<u>37,585</u>
SUBTOTAL	<u>\$ 56,615</u>		<u>56,615</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 63,948</u></u>

¹ Source: Palm Beach County

² Determined by dividing:
taxable assessed valuation of the City of Boca Raton
by the total taxable valuation of Palm Beach County.

³ Source: City of Boca Raton, Financial Services Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Boca Raton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF BOCA RATON, FLORIDA
PLEDGED-REVENUE COVERAGE FOR WATER AND SEWER REVENUE BONDS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Utility Service Charges</u>	<u>Less: Operating Expenses (1)</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage by Net Revenue Available for Debt Service (2)</u>
				<u>Principal</u>	<u>Interest</u>	
2010	\$ 48,766,835	\$ 30,780,072	\$ 17,986,763	\$ 2,655,000	\$ 1,942,669	3.91
2011	48,819,198	31,623,922	17,195,276	3,145,000	1,883,550	3.42
2012	49,926,107	31,677,197	18,248,910	3,260,000	1,766,594	3.63
2013	48,193,038	33,403,929	14,789,109	3,380,000	1,660,169	2.93
2014	51,875,748	33,367,732	18,508,016	3,480,000	1,558,838	3.67
2015	54,982,804	33,327,479	21,655,325	3,585,000	1,439,988	4.31
2016	54,800,138	34,830,929	19,969,209	7,720,000	982,282	2.29
2017	57,990,998	35,898,856	22,092,142	-	909,106	24.30
2018	57,957,825	37,929,374	20,028,451	4,185,000	724,074	4.08
2019	63,981,813	38,158,738	25,823,075	4,375,000	555,471	5.24

- (1) Total expense exclusive of depreciation, amortization and debt service on revenue bonds.
(2) 1.10 net revenues test required by the rate covenants applies to the 2008 and 2009 bonds.

Note: This table excludes system development charges (capital contributions).

CITY OF BOCA RATON, FLORIDA
PLEDGED-REVENUE COVERAGE FOR SPECIAL ASSESSMENT BONDS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Special</u>		<u>Debt Service</u>		<u>Coverage by Net Collections Available for Debt Service (3)</u>
	<u>Assessments Levied (1)</u>	<u>Assessment Collections (2)</u>	<u>Principal</u>	<u>Interest</u>	
2010	\$ 1,170,054	\$ 1,097,657	\$ 670,000	\$ 400,453	1.03
2011	1,199,953	1,141,985	695,000	524,292	0.94
2012	1,172,570	1,242,188	715,000	493,294	1.03
2013	1,493,004	1,506,672	905,000	471,844	1.09
2014	1,483,647	1,518,586	930,000	446,294	1.10
2015	1,505,634	1,543,753	975,000	419,994	1.11
2016	1,511,197	1,518,448	1,015,000	391,569	1.08
2017	1,512,790	1,487,248	1,050,000	353,519	1.06
2018	1,519,976	1,483,885	1,095,000	313,269	1.05
2019	1,547,777	1,504,292	1,155,000	271,269	1.05

- (1) Includes amounts from adopted assessment rolls and penalties assessed for late payment
- (2) Collections reported are inclusive of payments on current and prior year assessments and penalties where cash was received in the listed fiscal year
- (3) Available funds to be used for debt service coverage are the Special Assessment Collections for that fiscal year

CITY OF BOCA RATON, FLORIDA
PLEGDED-REVENUE COVERAGE FOR TAX INCREMENT REVENUE REFUNDING BONDS
LAST TEN FISCAL YEARS

(Unaudited)

<u>Fiscal Year</u>	<u>Lease Revenue</u>	<u>Tax Increment Revenue</u>	<u>Collections</u>	<u>Debt Service</u>		<u>Coverage by Net Revenue Available for Debt Service</u>
				<u>Principal (1)</u>	<u>Interest</u>	
2010	\$ 1,188,119	\$ 6,658,892	\$ 7,847,011	\$ 5,340,000	\$ 1,193,760	1.20
2011	1,236,280	8,948,102	10,184,382	5,575,000	956,997	1.56
2012	1,300,374	6,484,150	7,784,524	5,815,000	704,206	1.19
2013	1,240,859	6,574,894	7,815,753	6,075,000	433,644	1.20
2014	1,489,383	6,729,850	8,219,233	6,355,000	146,959	1.26
2015	1,561,772	7,183,269	8,745,041	2,987,363	3,667,637	1.31
2016	1,767,671	8,448,676	10,216,347	2,815,486	3,804,514	1.54
2017	1,653,839	9,719,650	11,373,489	2,670,707	3,949,293	1.72
2018	1,908,824	12,489,146	14,397,970	2,542,014	4,077,986	2.17
2019	1,806,562	13,366,285	15,172,847	2,449,599	4,170,401	2.29

(1) In October, 1998, the Boca Raton Community Redevelopment Agency Tax Increment Revenue Refunding Bonds, Series 1998 (Mizner Park Project) was used to refinance the CRA's Tax Increment Revenue Bond, Series 1992.

**CITY OF BOCA RATON, FLORIDA
 PLEDGED-REVENUE COVERAGE FOR ALL NON AD VALOREM REVENUE BONDS AND LOANS PAYABLE
 BY MAXIMUM ANNUAL DEBT SERVICE
 LAST TEN FISCAL YEARS**

(Unaudited)

<u>Fiscal Year</u>	<u>Net Revenue Available</u> ⁽¹⁾	<u>Revenue Bonds</u> <u>2018</u>	<u>Special Assessment Revenue Bonds</u>		<u>Tax Increment Revenue Refunding Bonds</u>	<u>(Loans Payable) First Florida Governmental Financing Commission</u>		<u>Total</u>	<u>Coverage by Net Revenue Available for Maximum Debt Service</u>
			<u>2009</u>	<u>2010</u>	<u>1998</u>	<u>2001B</u>	<u>2003</u>		
2010	\$ 44,760,458		\$ 1,070,453		\$ 6,535,510	\$ 688,093	\$ 432,730	\$ 8,726,786	5.13
2011	37,777,361		1,083,169	\$ 136,123	6,533,747	692,279		8,445,318	4.47
2012	37,041,078		1,082,319	125,975	6,519,903	689,978		8,418,174	4.40
2013	40,481,387		1,090,869	285,975	6,508,644	690,409		8,575,896	4.72
2014	44,679,602		1,093,519	282,775	6,501,959	691,025		8,569,278	5.21
2015	50,402,830		1,110,419	284,575	6,655,000			8,049,994	6.26
2016	50,512,120		1,121,119	285,450	6,620,000			8,026,569	6.29
2017	52,672,177		1,117,319	286,200	6,620,000			8,023,518	6.56
2018	53,508,013	\$ 574,285	1,122,319	285,950	6,620,000			8,602,554	6.22
2019	58,432,393	1,613,812	1,140,719	285,550	6,620,000			9,660,081	6.05

(1) Net revenue available after deducting operating expenses, restricted, and committed amounts.

DEMOGRAPHIC AND ECONOMIC INFORMATION

This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

CITY OF BOCA RATON, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Population⁴	Personal Income (amounts expressed in thousands)³	Per Capita Personal Income⁵	Median Age³	Education Level in Years of Schooling	School Enrollment²	Unemployment Rate¹
2010	84,313	\$ 4,809,129	\$ 57,039	45	13	12,529	9.1%
2011	84,392	6,026,770	71,414	45	13	13,188	9.7%
2012	85,413	6,133,166	71,806	45	13	12,998	9.0%
2013	86,041	6,028,635	70,067	45	13	13,235	7.6%
2014	86,647	6,125,856	70,699	45	13	13,243	6.3%
2015	87,766	6,204,968	70,699	45	13	13,737	5.2%
2016	88,275	6,495,892	73,587	45	13	13,861	4.8%
2017	91,797	4,756,186	51,812	46	13	13,535	4.3%
2018	93,417	5,190,155	55,559	47	13	13,450	3.3%
2019	94,488	5,593,028	59,193	47	13	13,448	2.2%

Source¹: Bureau of Labor Statistics for Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area

Source²: 2018 School Enrollment Information - www.Palmbeachschools.org

Source³: U.S. Census Bureau - Median Age (ACS 5-Year Estimate)

Source⁴: Bureau of Economic and Business Research (BEBR)

Source⁵: U.S. Census Bureau - Per capita income in past 12 months (ACS 5-Year Estimate)
Years 2014-2018 reflect median household income

**CITY OF BOCA RATON, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

(Unaudited)

Employer	2018⁽¹⁾			2010⁽²⁾		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Florida Atlantic University	3,021	1	2.92%	2,776	1	2.80%
Boca Raton Regional Hospital	2,713	2	2.63%	2,100	4	2.12%
Office Depot (Hdqtrs)	2,100	3	2.03%	2,100	3	2.12%
Boca Raton Resort and Club	1,578	4	1.53%	2,200	2	2.22%
City of Boca Raton	1,572	5	1.52%	1,257	5	1.27%
Lynn University	900	6	0.87%	700	7	0.71%
National Council of Comp Ins (NCCI)	828	7	0.80%	872	6	0.88%
ADT Security Services (Hdqtrs)	454	8	0.44%			
International Bus. Machines (IBM)	413	9	0.40%	600	9	0.60%
Johnson Controls / Tyco (Hdqtrs)	174	10	0.17%			
Prime Management Group Inc				640	8	0.64%
Applied Card Systems				550	10	0.55%
TOTAL	13,753		13.31%	13,795		13.90%
TOTAL CITY WORKFORCE⁽³⁾	103,336			99,256		

⁽¹⁾Source of 2018 data: Department of Economic Opportunity (DEO) June 2019.

⁽²⁾Source of 2010 data: 2010 City of Boca Raton CAFR

⁽³⁾Source of Workforce: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics Data (2002-2017)

**CITY OF BOCA RATON, FLORIDA FULL-
FULL-TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**
(Unaudited)

Function/Program	Fiscal Years									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	155	155	159	160	171	184	202	217	239	249
Public safety										
Police										
Officers	199	198	198	198	198	198	203	211	216	208
Civilians	97	97	97	97	97	97	99	105	106	115
Fire										
Firefighters and officers	207	205	205	205	205	205	209	226	232	226
Civilians	10	10	11	11	11	11	11	12	14	21
Highways and streets										
Engineering	9	9	9	9	8	8	8	12	13	16
Maintenance	16	17	16	16	16	16	16	19	19	20
Sanitation	53	52	49	46	46	46	46	50	52	52
Culture and recreation	273	273	281	296	299	314	355	377	384	392
Water/sewer	167	165	166	164	164	167	168	174	174	174
Stormwater	11	11	11	11	11	11	11	11	11	10
Information technology	22	24	25	27	30	35	38	42	47	48
Motor pool	12	12	12	12	13	13	14	14	14	16
Golf course	24	24	23	23	23	23	23	23	23	23
Cemetery	5	5	5	5	5	5	5	6	6	6
Total	1,260	1,257	1,267	1,280	1,297	1,333	1,408	1,499	1,550	1,576

Source: City of Boca Raton Approved Budget Book 2019-2020

PAGE INTENTIONALLY LEFT BLANK

OPERATING INFORMATION

This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

CITY OF BOCA RATON, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Fiscal Years			
	2010	2011	2012	2013
Governmental activities:				
General government				
Bond ratings - G.O. bonds				
Moody's	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA
Building permits issued	6,957	6,738	7,542	8,150
Law enforcement				
Physical arrests	3,324	2,948	2,939	2,992
Parking violations	2,574	1,624	958	639
Traffic violations	27,354	26,393	25,985	31,481
Fire rescue				
Number of calls answered	15,550	15,762	16,192	15,737
Inspections	7,090	7,202	5,855	7,131
Transportation				
Streets resurfacing (miles)	10	0	18	20
Potholes repaired (tons)	10	14	11	10
Physical environment				
Refuse collection(tons/daily)	143	123	112	132
Recyclables collected (tons/daily)	34	19	25	18
Parks & recreation				
Athletic field permits issued	8,269	8,381	8,698	9,185
Community center admissions	431,894	456,238	456,802	450,381
Tennis participation	193,444	191,877	188,231	189,477
Camp programs	2,238	3,667	3,093	3,097
Aquatics participation programs	54,791	62,374	57,749	59,024
Business-type activities:				
Water				
New connections (excl Iris)	62	86	147	80
Water mains breaks	20	33	130	85
Average daily consumption (thousands of gallons)	34,427	34,700	31,630	30,490
Active accounts	36,081	36,200	36,375	34,522
Sewer				
Average daily sewage treatment (thousands of gallons)	13,130	12,520	13,656	12,345
Active accounts	32,887	32,973	33,141	33,018
Golf courses				
Annual golf permits	97	80	72	64
Golf participation	96,878	105,055	107,037	108,453

Source: Various City Departments

2014	2015	2016	2017	2018	2019
Aaa AAA AAA	Aaa AAA AAA	Aaa AAA AAA	Aaa AAA AAA	Aaa AAA AAA	Aaa AAA AAA
7,578	8,065	8,211	9,460	10,165	9,827
3,057	3,745	2,844	3,026	2,200	1,760
677	373	264	212	155	162
41,097	37,127	37,795	29,823	22,298	21,870
16,310	17,275	18,372	18,386	17,602	18,235
4,451	5,294	5,542	4,479	9,176	7,756
9	7	2	1	15	11
5	4	3	14	12	1
136	139	140	131	106	108
17	16	16	16	16	16
9,395	9,150	9,479	9,161	8,813	8,884
453,848	458,030	430,438	471,451	490,547	459,568
196,156	203,465	193,023	185,961	180,768	182,270
3,271	2,899	3,388	3,357	3,611	4,182
56,830	58,125	55,629	46,679	52,065	60,217
77	30	77	123	89	29
58	33	34	35	27	29
32,481	34,530	33,505	34,484	35,873	35,306
36,800	36,488	36,561	36,676	36,802	36,857
14,180	13,269	13,635	13,440	13,140	12,260
33,262	33,492	33,571	33,690	33,773	33,787
55	50	41	40	34	34
106,122	106,162	98,744	98,223	94,557	99,624

CITY OF BOCA RATON, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Fiscal Years			
	2010	2011	2012	2013
Governmental activities				
Law enforcement				
Police stations/substations	2	2	2	2
Patrol units	230	230	230	230
Fire rescue				
Fire stations	8	8	8	8
Fire rescue units	33	33	33	33
Physical environment				
Sanitation-collection trucks	35	35	35	35
Transportation				
Street (miles)	219	219	218	220
Street lights	384	857	857	863
Traffic signals	136	136	136	136
Lane miles	486	486	485	487
Parks and recreation				
Park acreage	551	551	636	636
Parks	31	31	32	32
Swimming pools	2	2	2	2
Tennis centers	3	3	3	3
Community centers	3	3	3	3
Public libraries	2	2	2	2
Public beaches (miles)	2	2	2	2
Business-type activities				
Water				
Water mains & service lines(miles)	560	546	560	560
Fire hydrants	5,448	5,421	5,503	5,567
Maximum daily capacity (thousands of gallons)	70	70	70	70
Sewer				
Sanitary sewers & service laterals (mile:	385	512	513	516
Maximum daily treatment capacity (thousands of gallons)	18	18	18	18
Waste water pumping stations	238	236	238	240
Cemetery	1	1	1	1
Golf courses	3	3	3	3
Storm water utilities				
Storm sewer(miles)	99	99	100	100

Sources: Various City departments

Note: No capital asset indicators are available for the general government function.

2014	2015	2016	2017	2018	2019
2	2	2	3	3	3
293	229	278	282	284	284
8	8	8	8	8	8
33	33	34	35	35	35
35	40	41	45	51	53
220	220	220	220	220	220
863	863	863	1,082	1,082	1,082
136	136	137	138	138	138
487	487	487	487	487	487
636	636	658	658	660	660
32	32	32	42	43	43
2	2	2	2	2	2
3	3	3	3	3	3
3	3	3	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2
705	706	706	706	708	675
5,567	5,512	5,498	5,513	5,646	5,651
70	70	70	70	70	70
604	591	591	591	591	607
18	18	18	18	18	18
239	240	241	241	241	242
1	1	1	1	1	1
3	3	3	3	3	3
100	100	100	100	100	100

CITY OF BOCA RATON, FLORIDA
COMPLIANCE REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

CITY OF BOCA RATON, FLORIDA

TABLE OF CONTENTS

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* 197-198

Management Letter in Accordance with the Rules of the Auditor General of the State of Florida 199-200

Independent Accountants’ Report on Compliance Pursuant to Section 218.415 Florida Statutes 201

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

To the Honorable Mayor, City Council and City Manager
City of Boca Raton, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boca Raton, Florida (the City) as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 29, 2020.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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.

Marcum LLP

West Palm Beach, FL
April 29, 2020

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

To the Honorable Mayor, City Council, and City Manager
City of Boca Raton, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Boca Raton, Florida (the City), as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated April 29, 2020.

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; 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*; 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, which are dated April 29, 2020, 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. The City has made these disclosures in the notes to 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 of 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. This assessment was performed as of the fiscal year end.

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

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

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

Marcum LLP

West Palm Beach, FL
April 29, 2020

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

To the Honorable Mayor, City Council and City Manager
City of Boca Raton, Florida

We have examined the City of Boca Raton, Florida (the City)'s compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2019. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

Our examination does not provide a legal determination on the City's compliance with the 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, 2019.

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

Marcum LLP

West Palm Beach, FL
April 29, 2020