



**brightline**  
BOCA RATON

CITY OF  
BOCA RATON, FLORIDA

**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**

For the Fiscal Year Ended September 30, 2022





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Boca Raton  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

## CITY OF BOCA RATON, FLORIDA

FOR THE FISCAL YEAR ENDED

September 30, 2022



Prepared by the Financial Services Department

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James Olson, Accounting Intern  
Stephanie Biagini, Office Supervisor II

## ABOUT THE COVER:



*Figure 1 Brightline Station Boca Raton, photo courtesy of the City of Boca Raton*

We would say “chugga, chugga, woo-woo,” but the latest Brightline Station is in a quiet zone. The City of Boca Raton is pleased to be one of the newly added stops of the high-speed rail service where travelers of business or leisure can take advantage of many amenities.

The construction of the station and the adjoining parking garage broke ground in January of 2022 and welcomed aboard its first patrons on December 21, 2022. The approximately \$56.2 million project was funded through a partnership with Brightline, Federal Railroad Administration via federal grant awarded to Brightline, and the city. Included in the plans, was a \$3.9 million beautification project of upgrades and improvements made to the surrounding area. A site filled with beautiful plants, showcasing the vibrant downtown area and Mizner Park. It’s picture perfect!

Speaking of pictures, when you decide to stop by, be sure to look north of the station for the latest installment of our Art in Public Places initiative. A wall mural painted by Ben Heller, a city resident. Furthermore, feel free to take pictures of yourselves visiting the station, admiring the mural, or riding the train and sharing the experience with us on social media. Good. Better. Boca.

Stay in the know with the following link <https://www.myboca.us/1774/Brightline> or follow us on social media <https://www.myboca.us/937/Social-Media>.

**CITY OF BOCA RATON, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the fiscal year ended September 30, 2022

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# CITY OF Boca Raton

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March 29, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Boca Raton, Florida (the City), for the fiscal year ended September 30, 2022.

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 ACFR'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.

We believe the 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, 2022. 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 99,542.



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 four-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 when applicable. 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 subject to an audit in accordance with the Uniform Guidance for the fiscal year ended September 30, 2022.

### **Budgetary Controls**

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. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. 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 as needed 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, Boca Raton is home to the largest single

office complex in the state of Florida and more than half of the corporate headquarters in Palm Beach County 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. Brightline cut a ribbon on its new 38,000 square foot Boca Raton station and parking garage. This station will allow travelers and regional workforce to easily access our city, and will continue to make Boca Raton a premier city to live, work and visit.

Through its Economic Development Incentive Policy, the City has committed \$5.8 million in long-term economic development incentives and has leveraged over \$20 million in State and County incentives. This has resulted in a total of 13,360 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.

The City continues to support and fund a strong Economic Development Incentive Program for fiscal year 2023-24. 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 several different methods including providing the local match for state economic development programs, making grants and/or loans, and subsidizing rents and leases. It can also 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 Boca Raton Innovation Campus (BRiC) which has 1.7 million square feet of corporate space. The campus was originally built in 1969 for IBM and is home to the invention of the first personal computer; 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; the Florida Atlantic University (FAU) Tech Runway, which provides incubation and acceleration to start-up companies in its 28,000 square feet of collaborative space; and the Lynn University Social Impact Lab, which is an experiential learning space that provides cultural and career prep programs, social impact training, and networking opportunities with industry professionals.





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 College of Business has once again been ranked among the 2023 top 50 programs for entrepreneurship studies in both undergraduate and graduate programs by The Princeton Review. The University's Adams Center for Entrepreneurship 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 include over 14,000 square feet of state-of-the-art fitness spaces, multi-faceted health services and individual and group counseling support.

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.

On December 20, 2022, the City of Boca Raton hosted the RoofClaim.com Boca Raton Bowl at Florida Atlantic University stadium. In its ninth year, this ESPN college bowl game hosted the University of Toledo and Liberty University. By all measures, the event was a success for Boca Raton and Palm Beach County. They sold 20,622 tickets, there were 7,726 attendees at the Bowl Game and 1.47 million household viewers of the live broadcast, with a combined 2.468 million household views for all re-airs of the Bowl game on ESPN.

The PGA TOUR Champions TimberTech Championship was played in Boca Raton at the Royal Palm Yacht & Country Club on October 31 – November 6, 2022. Since 2007 the City of Boca Raton has sponsored the PGA golf event with much success. The city was showcased in 7 commercial spots that aired internationally on the Golf Channel.

Boca Raton is also a world class tourism and a luxury travel destination. Just some of the



exceptional qualities are arts & culture, beautiful beaches, and luxury accommodations. Let's not forget, Boca Raton remains a regional shopping and dining destination. Town Center has continued to expand its array of shopping and dining options 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. The Boca Raton, formerly the Boca Raton Resort & Club, has undergone a \$200 million renovation and restoration project. The project

includes a 3-story Mizner Center, expanded pool deck and lazy river, expanded dining areas and extensive exterior restorations.



Boca Raton continues to face competition for new and existing national and regional corporate headquarters. The city will continue 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 Office has created and published multiple marketing pieces highlighting the Economic Development program and the benefits of Boca Raton. The marketing materials are available on the City's website at [myboca.us](http://myboca.us) or by contacting the Office of Economic Development at [EconomicDevelopment@myboca.us](mailto:EconomicDevelopment@myboca.us).

## 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 \$27.070 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 \$24.0 million for infrastructure projects through September 30, 2022. The first major project was completed in February 2020.



Construction has been completed at the Wildflower and Silver Palm Park sites to integrate them into one waterfront park to facilitate better utilization. Development of this park helps create a waterfront recreational facility and to create a pedestrian linkage between Silver Palm Park and the Wildflower Property. New amenities include walkways, terraced steps/seating, an event lawn, interactive art/play/water features, and an event pavilion with a plaza.



Additionally, the restoration of Lake Wyman Park and Rutherford Park has commenced. Having been overgrown with predominately non-native and evasive vegetation, these two City parks were underutilized. The restoration of these parks will increase recreational and educational opportunities; enhance waterfront access, rehabilitate both the boardwalk and the canoe/kayak access, and increase overall park function and interconnectivity.

Additional projects that the City has earmarked for the use of these funds include street pavement projects, recreation park construction, and other relevant projects. Revenue and expenditures that are part of the Infrastructure Surtax initiative are reported in a separate special revenue fund in the City's financial statements. Expenditures are reviewed annually by a Citizens Oversight Committee and the Citizens Oversight Committee provides a report to the City Council annually.

In the past year, the Boca Raton Community Redevelopment (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 2022-2023 fiscal year included numerous activities and achievements in furthering the goals of the CRA. The CRA's metered parking program continues to effectively manage the availability of parking with the Downtown, and is also being expanded. The third phase of the Wayfinding Signage Program, Gateway Entrance Signs has been completed. With the addition of the Brightline Train Station, a fourth phase was added to include Wayfinding Signage directing patrons to the station and riders to Downtown Boca. Signs already installed in Phase Two, are also being updated to include the station.

The CRA, also partnered with the Discover the Palm Beaches on a promotional display in Mizner Park that brought awareness to Downtown Boca and the Palm Beaches Restaurant Month. To continue promotions of all Downtown Boca has to offer, the Downtown Boca Sizzling Summer program was created, as a comprehensive guide to events in the Downtown.

### **For the Future**

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

Boca Raton continues to maintain its strong financial position through prudent long-term financial planning and fiscal actions to reduce or contain fixed costs.

For the 2022 fiscal year, the City approved a slight increase in the operating tax rate of \$3.5789 per \$1,000. The City's 2022 debt service tax rate decreased slightly to \$0.0996 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 Florida Legislature is again considering various proposals relating to local government 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.

## **LONG RANGE FINANCIAL PLANNING**

The City Council has adopted financial policies for operating, capital and debt management. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. A long-range financial plan is presented to the City Council annually in the spring. However, this presentation was canceled last year due to Covid 19. 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.

The Innovative Sustainable Infrastructure Program (iSIP) is an initiative by the Utility Services Department. This long-term initiative uses technology and data to evaluate, prioritize and improve critical underground areas throughout the City. By using a mapping inventory system, areas will be identified and prioritized based on the age, location, and deterioration of water and sewer pipes and neighborhood roads as part of a critical infrastructure assessment.

The Utility Services Department will coordinate with other City departments on the timing and installation of underground work in conjunction with road resurfacing projects which will help save money and minimize disruption to residents. The installation of new, larger pipes to provide better water service while continuing to deliver clean, fresh City tap water to customers.

Neighborhoods will also benefit from improved roads, sidewalks, and stormwater systems. The program will maintain the stability of Boca Raton's infrastructure by defending against potential failures through proactive, collaborative planning and prudent long-term financial planning.

## **OTHER INFORMATION**

### **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 annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the 42nd 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 annual comprehensive 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 annual comprehensive 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, 2022. It was the 41st consecutive year the City received the award for the document, which serves as the City's primary fiscal policy document.

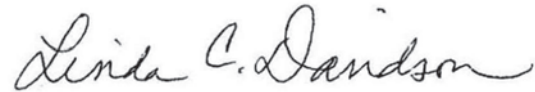
## **ACKNOWLEDGEMENTS**

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 Carlisha Jenkins, Cormac Conahan, Judy Fleurimond, Racquel Lopez, Michelle Bonowitz, Emily Martin, Shanique Dimonnay, Luciana Teixeira, Noah Georgievski, James Olson, and Jean-Michel Neault for their dedication in the creation and compilation of this document. Our appreciation is also extended to Stephanie Biagini, Shannon Estremera, Ivelsa Guzman, Stephen Timberlake, Jerry Nickell, Ralph Ryan, George Brown, Andrew Lukasik, Chrissy Gibson, Sharon McGuire, Jessica Del Vecchio, Leslie Harmon and Zachary Bihl 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 and sustainability.



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". The signature is written in black ink and is positioned centrally below the "Respectfully yours," text.

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

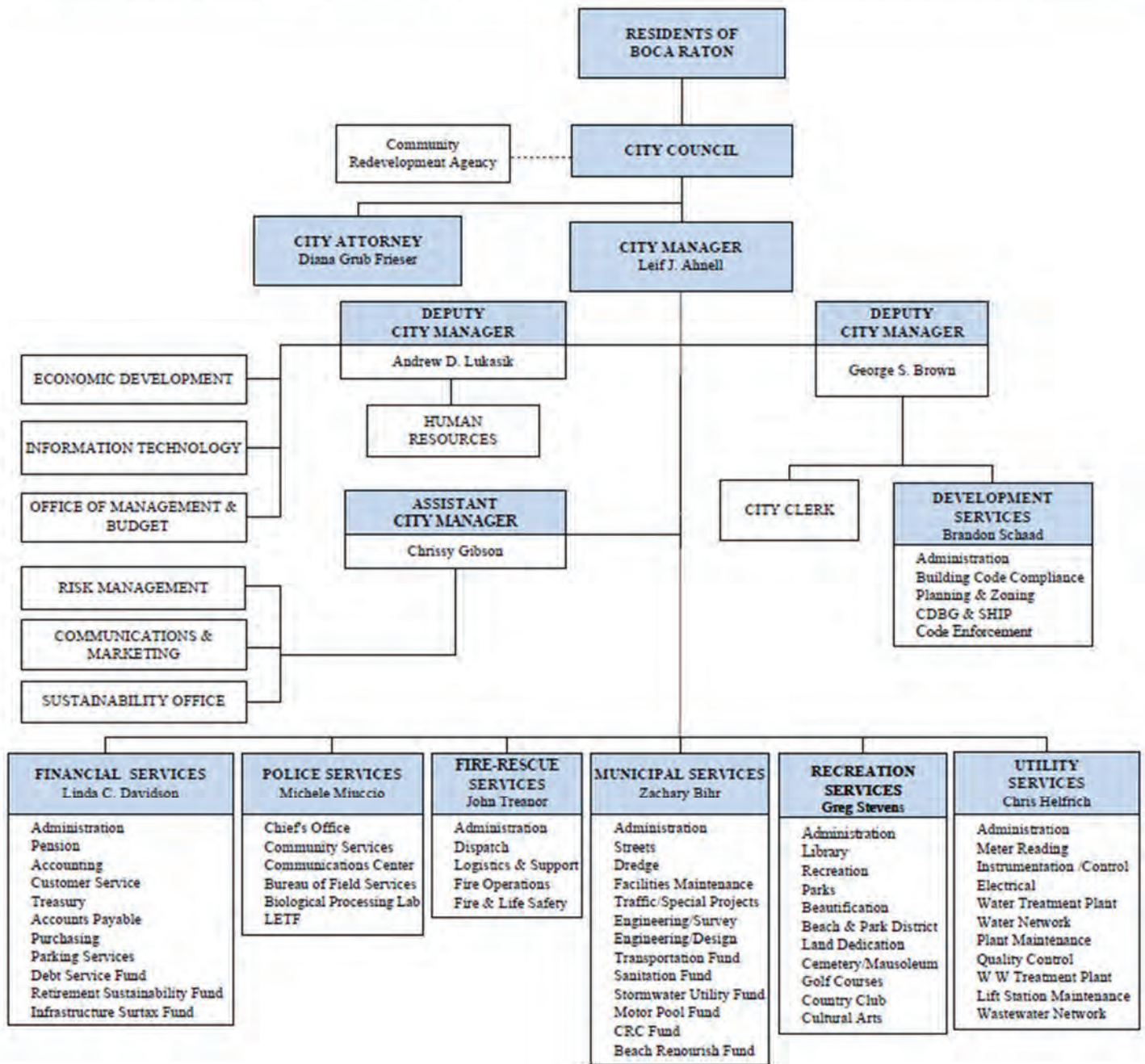
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**LIST OF PRINCIPAL OFFICIALS**  
**September 30, 2022**

Mayor	Scott Singer
Deputy Mayor	Andrea Levine O'Rourke
Council Member	Yvette Drucker
Council Member	Monica Mayotte
Council Member	Andy Thomson
City Manager	Leif J. Ahnell
Deputy City Manager	George S. Brown
Deputy City Manager	Andrew Lukasik
Assistant City Manager	Christina Gibson
City Attorney	Diana Grub Frieser
City Clerk	Mary Siddons
Development Services Director	Brandon Schaad
Financial Services Director	Linda C. Davidson
Fire/Rescue Services Chief	John Treanor
Recreation Services Director	Michael Kalvort
Police Services Chief	Michele Miuccio
Utility Services Director	Chris Helfrich
Municipal Services Director	Zachary Bihl
Office of Management and Budget Director	Sharon McGuire
Information Technology Director	Sandra Stevens
Human Resources Director	Danielle Olson



# CITY OF BOCA RATON ORGANIZATIONAL STRUCTURE







## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boca Raton, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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



### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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, the budgetary comparison schedules and related notes on pages 1-15 and 116-136 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 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2023 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  
March 29, 2023

## **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, 2022. 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 \$1,039.977 million (net position). Of this amount, \$253.363 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 \$101.261 million which includes a prior period adjustment that reduced the beginning net position by \$13.883 million and affected governmental activities. The prior period adjustment of \$13.883 million is due to the implementation of GASB Statement No. 87, *Leases* which is further explained in Note 7. The net increase, before prior period adjustment, which was attributable to an increase in net position in the governmental activities of \$121.553 million and a decrease in net position for the business-type activities of \$20.292 million, due to the closure of the golf course.
- The City's business-type activities reported total net position of \$435.065 million, which is a decrease of \$20.292 million, or 4.46%, in comparison to the prior year. Approximately 29.10% of the total or \$126.604 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 \$79.947 million, or 35.89% of the general fund expenditures and other financing sources (uses). Of this balance, \$18.823 thousand was non-spendable for inventories. \$170 thousand was restricted for the Army Corp of Engineers for an overflow site in the event of emergency dredging of the Intracoastal Waterway, \$19.652 million was committed for hurricane/disaster emergency and Right of Way Beautification, \$9.657 million was assigned for the subsequent years' budget and \$50.449 million was unassigned.
- As a result of unprecedented decisions made by the United States Federal Reserve regarding target rates, and in response to severe inflationary pressures, short and long-term interest rates increased by more than 400 basis points in 2022. The end result of this volatility was an unrecognized loss on long-term securities held by the City, which could not be entirely offset by short-term earnings. The City's blended average portfolio total return decreased from 0.21% in 2021 to a negative 3.04% in 2022.

## 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 (closed in fiscal year 2022), 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-five 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, The Community Redevelopment Agency Operating Fund, The Land Proceeds Fund, the Five Year Capital Improvement Fund, the Infrastructure Surtax 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 25-28.

## **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 32-115.

## **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 116-136.

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 139-172 of this report.

## Government-Wide Financial Analysis

The following schedule is a summary of the fiscal 2022 Statement of Net Position found on pages 16-18 with comparative information for fiscal 2021.

<b>CITY OF BOCA RATON, FLORIDA</b>						
<b>Net Position (in thousands)</b>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>Activities</b>	<b>2022</b>	<b>2021</b>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 493,997	\$ 358,910	\$ 238,193	\$ 236,627	\$ 732,190	\$ 595,537
Capital assets	411,550	378,859	263,854	284,561	675,404	663,420
<b>Total assets</b>	<u>905,547</u>	<u>737,769</u>	<u>502,047</u>	<u>521,188</u>	<u>1,407,594</u>	<u>1,258,957</u>
<b>Deferred outflows</b>	<u>67,610</u>	<u>74,264</u>	<u>3,145</u>	<u>4,524</u>	<u>70,755</u>	<u>78,788</u>
Current liabilities	32,319	30,857	13,801	11,730	46,120	42,587
Bonds and loans payable	32,650	40,478	43,280	46,005	75,930	86,483
Other non-current liabilities	157,730	235,397	4,918	10,649	162,648	246,046
<b>Total liabilities</b>	<u>222,699</u>	<u>306,732</u>	<u>61,999</u>	<u>68,384</u>	<u>284,698</u>	<u>375,116</u>
<b>Deferred inflows</b>	<u>145,546</u>	<u>8,059</u>	<u>8,128</u>	<u>1,971</u>	<u>153,674</u>	<u>10,030</u>
Net investment in capital assets	373,750	352,192	226,710	256,087	600,460	608,279
Restricted net position	104,403	89,740	81,751	74,943	186,154	164,683
Unrestricted net position	126,759	55,310	126,604	124,327	253,363	179,637
<b>Total net position</b>	<u>\$ 604,912</u>	<u>\$ 497,242</u>	<u>\$ 435,065</u>	<u>\$ 455,357</u>	<u>\$ 1,039,977</u>	<u>\$ 952,599</u>

The overall position of the City increased during the 2022 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 \$101.261 million, before prior period adjustment (as further discussed in Note 7 on page 71), is attributable to an increase in net position in the governmental activities of \$121.553 million and a decrease in net position for the business-type activities of \$20.292 million.

Deferred outflows decreased by \$8.033 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 (57.74%) 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 2022 balance of \$600.460 million, net investment in capital assets decreased by 1.26%, or \$7.819 million, from the 2021 balance of \$608.279 million. New acquisitions in 2022 were due primarily to the completion of construction projects related to capital assets.

17.90% of the City's net position represents resources that are subject to external restrictions on how they may be used. The \$186.154 million ending balance in restricted net position reflects a net increase of \$21.472 million more than the 2021 balance of \$164.683 million.

The remaining 24.36% 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 \$253.363 million or \$73.726 million increase from the 2021 balance of \$179.637 million. This increase in unrestricted net position was the result of operations primarily in the governmental activities.

The following schedule is a summary of the fiscal year ended September 30, 2022 Statement of Activities found on page 18 with comparative information for the fiscal year ended September 30, 2021:

<b>CITY OF BOCA RATON, FLORIDA</b>						
<b>Changes in Net Position (in thousands)</b>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Revenues:						
Program revenues:						
Charges for services	\$ 95,107	\$ 82,551	\$ 75,076	\$ 75,204	\$ 170,183	\$ 157,755
Operating grants & contributions	30,494	16,844	410	84	30,904	16,928
Capital grants & contributions	68,560	3,762	5,098	26,326	73,658	30,088
General revenues:						
Property taxes	96,069	92,750			96,069	92,750
Other taxes	76,007	68,007			76,007	68,007
Other	4,469	4,068	386	20	4,855	4,088
Investment earnings (loss)	(12,379)	1,068	(6,660)	384	(19,039)	1,452
Total revenues	<u>358,327</u>	<u>269,050</u>	<u>74,310</u>	<u>102,018</u>	<u>432,637</u>	<u>371,068</u>
Expenses:						
General government	23,411	35,481			23,411	35,481
Law enforcement	50,922	63,402			50,922	63,402
Fire rescue	63,052	65,143			63,052	65,143
Physical environment	4,684	4,448			4,684	4,448
Transportation	37,356	26,269			37,356	26,269
Community development	29,828	19,447			29,828	19,447
Parks and recreation	46,717	46,749			46,717	46,749
Interest and fiscal charges	1,055	1,318			1,055	1,318
Water and sewer			61,848	59,759	61,848	59,759
Cemetery			682	902	682	902
Golf course			-	3,254	-	3,254
Stormwater utility			3,544	2,852	3,544	2,852
Sanitation			8,277	7,979	8,277	7,979
Total expenses	<u>257,025</u>	<u>262,257</u>	<u>74,351</u>	<u>74,746</u>	<u>331,376</u>	<u>337,003</u>
Increase (decrease) in net position before transfers	101,302	6,793	(41)	27,272	101,261	34,065
Transfers	20,251	96	(20,251)	(96)	-	-
Increase (decrease) in net position	<u>121,553</u>	<u>6,889</u>	<u>(20,292)</u>	<u>27,176</u>	<u>101,261</u>	<u>34,065</u>
Net position beginning of year, as previously stated	497,242	490,353	455,357	428,181	952,599	918,534
Prior period adjustment	(13,883)				(13,883)	
Net position beginning of year, as restated	<u>483,359</u>	<u>490,353</u>	<u>455,357</u>	<u>428,181</u>	<u>938,716</u>	<u>918,534</u>
Net position end of year	<u>\$ 604,912</u>	<u>\$ 497,242</u>	<u>\$ 435,065</u>	<u>\$ 455,357</u>	<u>\$ 1,039,977</u>	<u>\$ 952,599</u>

Changes in net position:

Governmental activities increased the City's net position by \$121.553 million, an increase of \$114.664 million compared to fiscal year 2021. This increase in change in net position is a result of the following:

- Property tax revenue increased by approximately \$3.319 million due to an increase in new construction and property tax values.
- Operating grants and contributions received by the City increased by approximately \$13.650 million and capital grants and contributions increased by \$64.798 million relating to sale of the City's Western golf course.
- Charges for services increased by \$12.556 million due to an increase in building permit revenues.
- Other taxes increased by \$8.000 million. This increase was primarily related to economic activity.
- Expenses during 2022 decreased by approximately \$5.232 million from 2021 primarily as a result of general government.

The following is a table of the fiscal years 2022 and 2021 revenues by source for governmental activities.

**Governmental Activities  
Revenues by Source  
FY 2022 and 2021  
(in millions of dollars)**

Revenues by Source	2022 Revenues	% of Revenues	2021 Revenues	% of Revenues
Property taxes	\$ 96.069	27	\$ 92.750	34
Other taxes	76.007	21	68.007	25
Charges for services	95.107	27	82.551	31
Operating grants & Contributions	30.494	8	16.844	6
Capital grants & Contributions	68.560	19	3.762	1
Other	4.469	1	4.068	3
Investment earnings (loss)	(12.379)	(3)	1.068	-
<b>Total Revenues</b>	<b>\$ 358.327</b>	<b>100</b>	<b>\$ 269.050</b>	<b>100</b>

The following is a table of the fiscal years 2022 and 2021 expenses by source for governmental activities.

**Governmental Activities  
Expenses by Source  
FY 2022 and 2021  
(in millions of dollars)**

Expenses by Source	2022 Expenses	% of Expenses	2021 Expenses	% of Expenses
General Government	\$ 23.411	9	\$ 35.481	14
Law Enforcement	50.922	19	63.402	24
Fire Rescue	63.052	25	65.143	25
Physical Environment	4.684	2	4.448	2
Transportation	37.356	15	26.269	10
Community Development	29.828	12	19.447	7
Parks & Recreation	46.717	18	46.749	17
Interest & Fiscal Charges	1.055	-	1.318	1
<b>Total Expenses</b>	<b>\$ 257.025</b>	<b>100</b>	<b>\$ 262.257</b>	<b>100</b>



## Business-Type Activities

Net position for business-type activities at September 30, 2022 was \$435.065 million, a 4.46%, or \$20.292 million, decrease from the 2021 balance of \$455.357 million.

The change in net position for the Water and Sewer Fund is a negative \$2.053 million in 2022; a 137.17%, or \$7.576 million, decrease from the \$5.523 million reported in 2021.

The following tables show the revenues, expenses and net position for the business-type activities by source for the fiscal year ended September 30, 2022.

### Business-Type Activities Revenues by Source FY 2022 and 2021 (in millions of dollars)

Fund	2022 Actual Revenues	2022 % of Revenues	2021 Actual Revenues	2021 % of Revenues
Water and sewer	\$ 59.874	81	\$ 65.356	64
Cemetery	0.432	1	0.370	-
Golf course	0.201	-	22.297	22
Stormwater	2.841	4	3.039	3
Sanitation	10.962	14	10.956	11
Total Revenues	<u>\$ 74.310</u>	<u>100</u>	<u>\$ 102.018</u>	<u>100</u>

### Business-Type Activities Expenses by Source FY 2022 and 2021 (in millions of dollars)

Fund	2022 Actual Expenses	2022 % of Expenses	2021 Actual Expenses	2021 % of Expenses
Water and sewer	\$ 61.848	67	\$ 59.759	80
Cemetery	0.682	1	0.902	1
Golf course	-	20	3.254	4
Stormwater	3.544	4	2.852	4
Sanitation	8.277	8	7.979	11
Total Expenses	<u>\$ 74.351</u>	<u>100</u>	<u>\$ 74.746</u>	<u>100</u>

### Business-Type Activities Net Position by Source FY 2022 and FY 2021 (in millions of dollars)

Fund	2022	2021
Water and sewer	\$ 394.432	\$ 396.486
Cemetery	1.209	0.623
Golf course	-	20.789
Stormwater	19.030	19.735
Sanitation	20.394	17.724
Total net position	<u>\$ 435.065</u>	<u>\$ 455.357</u>

## 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 FY 2022 and 2021 (in thousands)

	General Fund	Community Redevelopment Agency Mizner Park Operating Fund	Land Proceeds Fund	Five Year Capital Improvement Fund	Infrastructure Surtax Fund	Beach and Park Operations Fund
<b>Fiscal Year 2022</b>						
Revenues	\$ 205,584	\$ 19,487	\$ -	\$ 9,005	\$ 8,870	\$ 20,020
Expenditures	(195,163)	(21,296)	(1)	(9,047)	(13,433)	(19,853)
Other financing sources (uses)	(27,576)	-	57,830	8,470	(3,199)	(167)
Increase (decrease) in fund balance	<u>\$ (17,155)</u>	<u>\$ (1,809)</u>	<u>\$ 57,829</u>	<u>\$ 8,428</u>	<u>\$ (7,762)</u>	<u>\$ -</u>
<b>Fiscal Year 2021</b>						
Revenues	\$ 203,193	\$ 17,733	\$ 2	\$ 10,105	\$ 7,687	\$ 17,119
Expenditures	(178,291)	(17,822)	(11)	(7,052)	(6,181)	(16,931)
Other financing sources (uses)	(202)	-	-	(2,729)	(3,203)	(188)
Increase (decrease) in fund balance	<u>\$ 24,700</u>	<u>\$ (89)</u>	<u>\$ (9)</u>	<u>\$ 324</u>	<u>\$ (1,697)</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 \$79.947 million, of which \$50.449 million or 63.10% 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 sources (uses). Unassigned fund balance represents 22.65% of total general fund expenditures and other financing uses, while total fund balance represents 35.89% of that same amount.

The fund balance of the City's General Fund decreased by \$17.155 million in 2022, which is a \$41.855 million decrease in net position from the 2021 net position increase of \$24.700 million. This decrease was primarily due to the transfer of the \$20.966 fund balance, restricted for building permits in fiscal year 2021, to establish the Building Permits Fund.

The fund balance of the City's Community Redevelopment Agency (CRA) Mizner Park Operating Fund decreased by \$1.809 million in 2022, a \$1.720 million decrease from the 2021 change in net position. Revenues increased by \$1.754 million while expenditures increased by \$3.474 million.

The fund balance of the City's Land Proceeds fund increased by \$57.829 million in 2022, which is a \$57.838 million increase in net position from the 2021 net position decrease of \$9 thousand. This increase was primarily due to the proceeds from the sale of the Western Golf Course in fiscal year 2022.

The fund balance of the City's Five Year Capital Improvement Fund increased by \$8.428 million, an \$8.104 million increase from the 2021 change in net position primarily due to transfers in to fund capital projects.

The fund balance for the Infrastructure Surtax Fund decreased by \$7.762 million, a \$6.065 million decrease from the 2021 change in net position.

The Beach and Park Operations Fund increased contributions from an independent special district by \$1.317 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 increased by \$31.301 million, a \$31.361 million increase from the 2021 change in net position.

The following table compares revenues by source for the governmental funds for fiscal years 2022 and 2021.

**Governmental Funds  
Revenues by Source  
FY 2022 and 2021  
(in millions of dollars)**

Revenues by Source	2022 Revenues	2021 Revenues
Taxes	\$ 162.316	\$ 152.361
Permits & Licenses	29.177	26.143
Intergovernmental	64.099	46.746
Charges for services	42.049	36.324
Fines & forfeitures	1.695	1.326
Special assessments	1.558	1.530
Donations in lieu of land	2.796	3.762
Investment earnings (loss)	(8.750)	0.850
Miscellaneous	0.814	0.750
Total Revenues	<u>\$ 295.754</u>	<u>\$ 269.792</u>

The following table compares governmental expenditures by program for fiscal years 2022 and 2021.

**Governmental Funds  
Expenditures by Source  
FY 2022 and 2021  
(in millions of dollars)**

Expenditures by Program	2022 Expenditures	2021 Expenditures
General government	\$ 26.931	\$ 30.363
Law enforcement	57.538	53.661
Fire rescue	59.302	56.064
Physical environment	9.359	7.385
Transportation	11.045	12.149
Community development	29.093	19.648
Parks and recreation	53.327	42.980
Capital outlay	30.010	12.385
Debt service	8.986	8.838
Total expenditures	<u>\$ 285.591</u>	<u>\$ 243.473</u>

## 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 \$2.040 million as compared with income of \$1.589 million in the previous year. The current year change in net position was a \$20.292 million decrease as compared with \$27.176 million in the previous year. The primary reason for the \$0.451 million increase in operating income and the \$47.468 million decrease in the change in net position was due to the closure of the Western golf course as a result of the sale of the land.

The current year operating income for the internal service funds was \$2.239 million as compared with a loss of \$3.178 million in the previous year. The current year change in net position was \$3.864 million as compared with \$0.705 million in the previous year. The primary reason for the \$5.417 million increase in operating income was due to operating revenues exceeding operating costs for retirement sustainability and self-insurance funds. The primary reason for the \$3.159 million increase in the change in net position was due to an increase in transfers.

Fund Name	PROPRIETARY FUNDS			
	Operating Income (Loss) in thousands		Change in Net Position in thousands	
	2022	2021	2022	2021
Water and sewer	\$ (328)	\$ (785)	\$ (2,053)	\$ 5,523
Cemetery / mausoleum	(226)	(532)	585	(531)
Golf course	-	(333)	(20,789)	19,043
Stormwater utility	(408)	169	(705)	186
Sanitation	3,002	3,069	2,670	2,957
Total business-type activities	<u>\$ 2,040</u>	<u>\$ 1,589</u>	<u>\$ (20,292)</u>	<u>\$ 27,176</u>
Fleet management	560	599	2,140	1,253
Information technology	(2,640)	(1,791)	(228)	1,291
Insurance programs	1,450	(1,986)	440	(1,922)
Retirement sustainability	2,869	-	1,512	83
Total internal service funds	<u>\$ 2,239</u>	<u>\$ (3,178)</u>	<u>\$ 3,864</u>	<u>\$ 705</u>

The following table summarizes the operations of the Proprietary Funds for fiscal years 2022 and 2021.

### Proprietary Funds

FY 2022 and 2021

(in millions of dollars)

Fund Name	Operating Revenues		Operating Expenses		Non Operating Revenues (Expenses)	
	2022	2021	2022	2021	2022	2021
Water and Sewer	\$ 60.599	\$ 58.019	\$ 60.927	\$ 58.804	\$ (1.725)	\$ 6.381
Cemetery/ Mausoleum	0.455	0.370	0.682	0.902	0.812	0.001
Golf course	-	2.921	-	3.254	(20.789)	19.376
Stormwater utility	3.137	3.021	3.544	2.852	(0.297)	0.016
Sanitation	11.279	10.944	8.277	7.874	(0.333)	(0.113)
Total business-type activities	<u>\$ 75.470</u>	<u>\$ 75.274</u>	<u>\$ 73.430</u>	<u>\$ 73.686</u>	<u>\$ (22.332)</u>	<u>\$ 25.662</u>
Fleet management	\$ 6.182	\$ 6.176	\$ 5.623	\$ 5.577	\$ 1.580	\$ 0.654
Information technology	11.446	11.162	14.085	12.953	2.411	3.082
Insurance programs	26.264	23.504	24.814	25.490	(1.010)	0.064
Retirement sustainability	7.100	3.712	4.231	3.712	(1.356)	0.083
Total internal service funds	<u>\$ 50.992</u>	<u>\$ 44.554</u>	<u>\$ 48.753</u>	<u>\$ 47.732</u>	<u>\$ 1.625</u>	<u>\$ 3.883</u>

### General Fund Budgetary Highlights

The difference between the original and final amended budget for 2022 was an increase of \$26.459 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 \$24.534 million between the final adopted budget and actual results of operations. Actual revenues were greater than final budgeted revenues by \$9.819 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 \$14.715 million. This positive variance is due primarily to actual operating costs being less than anticipated; general government of \$1.772 million, public safety of \$3.812 million, physical environment of \$5.796 million, transportation of \$1.482 million, and parks and recreation of \$1.853 million.

The original budget estimated that unassigned fund balance would decrease by \$15.229 million. The final budget anticipated that \$41.688 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 \$24.534 million.

The following table depicts the fiscal year 2022 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	\$ 191.300	\$ 196.620	\$ 206.439	\$ 9.819
Expenditures	206.529	238.308	223.593	14.715
Fund Balance	<u>\$ (15.229)</u>	<u>\$ (41.688)</u>	<u>\$ (17.154)</u>	<u>\$ 24.534</u>



## Capital Assets and Debt Administration

### Capital Assets

As of year-end, the City had \$675.404 million invested in a variety of capital assets, as reflected in the following schedule. In 2022, there was a net increase (additions less retirements and depreciation) of \$11.985 million.

CITY OF BOCA RATON, FLORIDA Capital Assets Net of Depreciation and Amortization (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 143,080	\$ 138,136	\$ 364	\$ 5,309	\$ 143,444	\$ 143,445
Buildings	56,180	44,660	35,362	42,731	91,542	87,391
Improvements other than buildings	-	-	163,584	166,506	163,584	166,506
Equipment	21,043	21,120	31,889	34,850	52,932	55,970
Infrastructure	156,345	150,069	-	-	156,345	150,069
Construction in Progress	34,753	24,873	32,644	35,165	67,397	60,038
Leased assets	\$ 149	-	11	-	160	-
Total	\$ 411,550	\$ 378,858	\$ 263,854	\$ 284,561	\$ 675,404	\$ 663,419

Major capital asset events during the fiscal year included:

- Capital projects under construction increased by \$7.359 million.

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

### Debt Administration

As of year-end, the City had \$75.705 million in debt (bonds, notes, etc.) outstanding compared to the \$86.040 million last year, a 12.01% decrease. Approximately 6.00% of the outstanding debt for fiscal year 2022 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	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 4,545	\$ 6,850			\$ 4,545	\$ 6,850
Revenue Bonds	25,960	29,945	\$ 43,280	\$ 46,005	69,240	75,950
Special Assessment Debt with Government Commitments	1,920	3,240			1,920	3,240
Totals	\$ 32,425	\$ 40,035	\$ 43,280	\$ 46,005	\$ 75,705	\$ 86,040

The debt position of the City is summarized below and is more fully explained in Note 8 Long-Term Debt on pages 75-79.

During fiscal year 2022, the City had the following debt activity:

- All decreases in the Governmental Activities for the general obligation bonds and special assessment, were due to principal payments on the debt.

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 held their annual Goal Setting Session in May 2022. The City Council chose to reinforce the established goals and priorities from 2021 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 2022-23 Approved Budget. The City expenditures have been strategically linked to the goals, objectives, core businesses, and existing obligations of the City.

- For FY 2022-23 property values increased 14.47% in the City. The net increase is composed of a 12.31% increase from reassessments of existing properties and an increase of 2.16% from new construction (net of CRA Downtown values). This is the tenth consecutive increase in property values after four prior years of decline. The City slightly increased the operating property tax rate in 2022 but the debt service rate declined slightly which resulted in a very small change to the total millage rate. The operating millage rate for 2022 is 3.6556 and the debt service millage is 0.0228 for a total millage rate of 3.6784 mills per \$1,000 dollars of taxable value.
- Current projections indicate that General Fund revenues will grow at an estimated rate of 6.00% annually for the next several years while at the same time operating costs are projected to increase at 6.50% annually.
- The Florida Legislature is again considering various proposals relating to the local government home rule, sovereign immunity 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](http://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

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**CITY OF BOCA RATON, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

	<b>Primary Government</b>		<b>Total Primary Government</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>Assets</b>			
Cash and cash equivalents	\$ 55,154,975	\$ 21,553,182	\$ 76,708,157
Investments	320,973,240	107,433,876	428,407,116
Receivables, net	7,087,620	13,824,692	20,912,312
Due from other governmental units	17,185,107	3,163	17,188,270
Advance to other governmental units	300,000		300,000
Inventories	1,072,773	59,991	1,132,764
Other assets	13,001		13,001
Restricted:			
Cash and cash equivalents	661,402	19,143,401	19,804,803
Investments	3,854,878	71,671,558	75,526,436
Interest receivable on investments	782,630	688,893	1,471,523
Accounts receivable	92,308		92,308
Assessment receivable		346,754	346,754
Interest receivable on assessments		53,839	53,839
Notes receivable	14,040,000		14,040,000
Lease receivable	60,588,225		60,588,225
Lease interest receivable	1,433,253		1,433,253
Net pension assets	10,756,938	3,414,044	14,170,982
Capital assets:			
Non-depreciable	177,833,358	33,007,519	210,840,877
Depreciable (net)	233,567,822	230,834,944	464,402,766
Lease assets (net)	149,251	11,306	160,557
Total assets	<u>905,546,781</u>	<u>502,047,162</u>	<u>1,407,593,943</u>
<b>Deferred outflows of resources</b>			
Deferred amount on refunding	40,572	363,545	404,117
Deferred outflows for pensions	66,401,587	2,565,196	68,966,783
Deferred outflows for OPEB	1,167,467	216,949	1,384,416
Total deferred outflows of resources	<u>67,609,626</u>	<u>3,145,690</u>	<u>70,755,316</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, 2022**

	<b>Primary Government</b>		<b>Total Primary Government</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 23,207,944	\$ 7,152,174	\$ 30,360,118
Retainage payable	788,955	782,788	1,571,743
Performance bonds and escrow funds	7,049,682	212,000	7,261,682
Unearned revenue	1,032,620	756,803	1,789,423
Current liabilities payable from restricted assets:			
Customer deposits payable		4,436,812	4,436,812
Current accrued interest payable	239,653	460,382	700,035
<b>Non-current liabilities</b>			
Due within one year:			
Compensated absences	2,284,861	229,412	2,514,273
Bonds and loans	5,030,000	2,965,000	7,995,000
Estimated liability for self-insured losses	3,252,000		3,252,000
Due in more than one year:			
Compensated absences	20,563,756	2,064,710	22,628,466
Bonds and loans	27,620,068	40,315,000	67,935,068
Net pension liability	118,264,000	1,704,892	119,968,892
Total OPEB liability	4,884,854	907,743	5,792,597
Lease liability	148,247	11,319	159,566
Estimated liability for self-insured losses	8,332,000		8,332,000
Total liabilities	<u>222,698,640</u>	<u>61,999,035</u>	<u>284,697,675</u>
<b>Deferred inflows of resources:</b>			
Deferred inflows for pensions	82,831,709	7,897,351	90,729,060
Deferred inflows for OPEB	1,242,987	230,983	1,473,970
Deferred inflows for leases	61,471,062		61,471,062
Total deferred inflows of resources	<u>145,545,758</u>	<u>8,128,334</u>	<u>153,674,092</u>
<b>Net Position</b>			
Net investment in capital assets	373,750,269	226,710,297	600,460,566
Restricted - nonexpendable, perpetual care	3,758,699		3,758,699
Restricted for:			
Net pension asset	10,756,938	3,414,044	14,170,982
Building permits	32,309,556		32,309,556
Community development	10,660,750		10,660,750
Debt service	2,312,981	13,781,076	16,094,057
Law enforcement	1,226,924		1,226,924
Transportation	9,874,738		9,874,738
Economic development	5,833,700		5,833,700
Infrastructure	9,838,260		9,838,260
Renewal and replacement		23,216,101	23,216,101
Operations and maintenance reserves		4,049,976	4,049,976
Capital projects and Utilities expansion	17,830,219	37,290,156	55,120,375
Unrestricted	<u>126,758,975</u>	<u>126,603,833</u>	<u>253,362,808</u>
Total net position	<u>\$ 604,912,009</u>	<u>\$ 435,065,483</u>	<u>\$ 1,039,977,492</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, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 23,411,108	\$ 21,903,904	\$ 12,841,444	\$ 66,291,680	\$ 77,625,920		\$ 77,625,920
Law enforcement	50,922,253	3,609,778	148,931		(47,163,544)		(47,163,544)
Fire rescue	63,052,489	15,582,832	399,604		(47,070,053)		(47,070,053)
Physical environment	4,683,551	182,181	21,351		(4,480,019)		(4,480,019)
Transportation	37,356,140	57,258			(37,298,882)		(37,298,882)
Community development	29,827,736	25,623,790	16,376,569	1,190,210	13,362,833		13,362,833
Parks and recreation	46,717,176	28,147,591	706,372	1,078,202	(16,785,011)		(16,785,011)
Interest and fiscal charges	1,054,678				(1,054,678)		(1,054,678)
Total Governmental Activities	257,025,131	95,107,334	30,494,271	68,560,092	(62,863,434)		(62,863,434)
Business-type Activities:							
Water and sewer	61,848,073	60,205,007	409,652	5,097,679		\$ 3,864,265	3,864,265
Cemetery	681,969	454,921	561			(226,487)	(226,487)
Stormwater utility	3,544,359	3,136,550				(407,809)	(407,809)
Sanitation	8,276,700	11,279,130				3,002,430	3,002,430
Total Business-Type Activities	74,351,101	75,075,608	410,213	5,097,679		6,232,399	6,232,399
<b>Total Primary Government</b>	<b>\$ 331,376,232</b>	<b>\$ 170,182,942</b>	<b>\$ 30,904,484</b>	<b>\$ 73,657,771</b>	<b>(62,863,434)</b>	<b>6,232,399</b>	<b>(56,631,035)</b>
General revenues:							
Property tax					96,068,578		96,068,578
Utility tax					23,265,966		23,265,966
Franchise tax					15,208,774		15,208,774
Sales tax					9,756,862		9,756,862
Infrastructure surtax					9,174,880		9,174,880
Gas tax					2,209,278		2,209,278
Incremental property tax					16,390,645		16,390,645
State shared revenues, unrestricted					4,208,115		4,208,115
Investment earnings (loss)					(12,378,610)	(6,659,897)	(19,038,507)
Gain on disposal of capital asset					204,456	386,364	590,820
Miscellaneous					56,974		56,974
Transfers					20,250,542	(20,250,542)	
Total general revenues and transfers					184,416,460	(26,524,075)	157,892,385
Change in net position					121,553,026	(20,291,676)	101,261,350
Net position, beginning as originally stated					497,241,543	455,357,159	952,598,702
Prior period adjustment					(13,882,560)		(13,882,560)
Net position, beginning as restated					483,358,983	455,357,159	938,716,142
Net position, ending					<u>\$ 604,912,009</u>	<u>\$ 435,065,483</u>	<u>\$ 1,039,977,492</u>

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**CITY OF BOCA RATON, FLORIDA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2022**

	<b>General</b>	<b>Community Redevelopment Agency Operating Fund</b>	<b>Land Proceeds Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,127,886	\$ 1,700,410	\$ 8,212,519
Investments	68,924,791	9,909,906	49,624,330
Receivables, net:			
Accounts receivable	5,611,130		
Assessments			
Lease receivable	1,122,512	59,465,713	
Interest	394,485	40,995	32,722
Due from other funds	3,764,998		
Due from other governmental units	9,825,956		
Advance to other governmental units	300,000		
Inventories	18,823		
Restricted:			
Restricted cash and cash equivalents			
Investments			
Interest receivable on investments			
Restricted accounts receivable			
Other assets	1,276	11,725	
Total assets	98,091,857	71,128,749	57,869,571
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total deferred outflows of resources			
Total assets and deferred outflows of resources	\$ 98,091,857	\$ 71,128,749	\$ 57,869,571
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 10,327,986	\$ 1,091,538	
Performance bonds and escrow funds	5,615,139	243,092	
Due to other funds			
Unearned revenue	522,081		
Unavailable revenue	569,645		
Total liabilities	17,034,851	1,334,630	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows for leases	1,109,912	60,361,150	
Total deferred inflows of resources	1,109,912	60,361,150	
<b>FUND BALANCES</b>			
Non-spendable:			
Non-spendable inventories	18,823		
Perpetual care, cemetery and mausoleum			
Restricted for:			
Army Corp of Engineers	170,000		
Building permits			
Debt service			
Housing			
Infrastructure			
Law enforcement			
Transportation			
Downtown		9,429,902	
Economic development			
Land dedication			
Land proceeds			\$ 57,869,571
Committed to:			
Hurricane/disaster emergency	19,625,000		
Parking		3,067	
Right of way beautification	27,301		
Right of way acquisition			
Assigned to:			
Capital projects			
Subsequent year's budget	9,657,200		
Unassigned	50,448,770		
Total fund balances	79,947,094	9,432,969	57,869,571
Total liabilities, deferred inflows of resources and fund balances	\$ 98,091,857	\$ 71,128,749	\$ 57,869,571

<u>Five Year Capital Improvement Fund</u>	<u>Infrastructure Surtax Fund</u>	<u>Beach and Park Operations Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,986,362	\$ 1,333,218	\$ 201	\$ 14,424,249	\$ 38,784,845
29,062,241	7,770,462		60,302,270	225,594,000
90,518				5,701,648
			82,327	82,327
99,665	15,946		180,345	60,588,225
				764,158
201,500	1,560,867	5,098,759	405,361	3,764,998
				17,092,443
				300,000
				18,823
			661,402	661,402
			3,854,878	3,854,878
			18,472	18,472
			92,308	92,308
				13,001
<u>34,440,286</u>	<u>10,680,493</u>	<u>5,098,960</u>	<u>80,021,612</u>	<u>357,331,528</u>
<u>\$ 34,440,286</u>	<u>\$ 10,680,493</u>	<u>\$ 5,098,960</u>	<u>\$ 80,021,612</u>	<u>\$ 357,331,528</u>
\$ 776,786	\$ 842,233	\$ 1,310,588	\$ 1,221,453	\$ 15,570,584
280,893		23,374	887,184	7,049,682
		3,764,998		3,764,998
				522,081
			1,173	570,818
<u>1,057,679</u>	<u>842,233</u>	<u>5,098,960</u>	<u>2,109,810</u>	<u>27,478,163</u>
				61,471,062
				61,471,062
				18,823
			3,739,876	3,739,876
				170,000
			32,309,556	32,309,556
			2,312,981	2,312,981
			1,154,670	1,154,670
	9,838,260			9,838,260
			1,226,924	1,226,924
			9,874,738	9,874,738
			1,227,781	10,657,683
			5,833,700	5,833,700
			17,830,219	17,830,219
				57,869,571
				19,625,000
				3,067
				27,301
			2,401,357	2,401,357
33,382,607				33,382,607
				9,657,200
<u>33,382,607</u>	<u>9,838,260</u>	<u></u>	<u>77,911,802</u>	<u>268,382,303</u>
<u>\$ 34,440,286</u>	<u>\$ 10,680,493</u>	<u>\$ 5,098,960</u>	<u>\$ 80,021,612</u>	<u>\$ 357,331,528</u>

**CITY OF BOCA RATON, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

Ending fund balance - governmental funds		\$ 268,382,303
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	\$ 786,913,347	
Less accumulated depreciation/amortization	(397,162,420)	
Net capital assets		389,750,927
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		
Note Receivable	14,040,000	
Net Pension Asset	9,348,074	
Accrued interest on lease receivables	1,433,253	
Accrued interest on note receivables	92,664	
Communication Service Tax revenues	60,279	
		24,974,270
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	(239,653)	
Bonds and loans payable	(32,650,068)	
Deferred amount on refunding	40,572	
Compensated absences	(21,871,045)	
Supplemental SERP pension accrual	(4,474,018)	
Lease liability	(136,587)	
Net pension liability	(117,027,739)	
Total OPEB liability	(4,623,482)	
Total long-term liabilities		(180,982,020)
Deferred outflows/inflows of resources related to pensions:		
Deferred outflows - pensions	65,063,651	
Deferred outflows - OPEB	1,105,000	
Deferred inflows - pensions	(79,244,174)	
Deferred inflows - OPEB	(1,176,479)	
		(14,252,002)
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 and liabilities of the internal service funds are included in governmental activities in the same statement of net position.		
Assets and deferred outflows	138,715,736	
Liabilities and deferred outflows	(21,677,205)	
Net position		117,038,531
Net position of governmental activities		\$ 604,912,009

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

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**CITY OF BOCA RATON, FLORIDA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>General</u>	<u>Community Redevelopment Agency Operating Fund</u>	<u>Land Proceeds Fund</u>
<b>REVENUES</b>			
Taxes	\$ 121,781,146	\$ 16,390,645	
Licenses and permits	7,175,231		
Intergovernmental	45,220,141		
Charges for services	33,899,462	3,458,902	
Fines and forfeitures	1,618,853		
Special assessments			
Donations in lieu of land	405,945		
Investment earnings (loss)	(4,996,670)	(375,647)	
Miscellaneous	479,817	12,974	
Total revenues	<u>205,583,925</u>	<u>19,486,874</u>	
<b>EXPENDITURES</b>			
Current:			
General government	26,257,083	3,400	\$ 785
Law enforcement	56,866,141		
Fire rescue	57,894,386		
Physical environment	6,221,628		
Transportation	7,190,054		
Community development	115	19,610,584	
Parks and recreation	34,851,112		
Capital outlay	5,736,014	1,682,166	
Debt service:			
Principal	145,725		
Interest	327		
Total expenditures	<u>195,162,585</u>	<u>21,296,150</u>	<u>785</u>
Excess (deficiency) of revenues over expenditures	<u>10,421,340</u>	<u>(1,809,276)</u>	<u>(785)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	341,000		
Transfers out	(28,430,563)		(7,919,400)
Proceeds from the sale of capital assets	231,737		65,749,351
Lease (right-of-use asset) acquired	282,311		
Total other financing sources (uses)	<u>(27,575,515)</u>		<u>57,829,951</u>
Net change in fund balances	(17,154,175)	(1,809,276)	57,829,166
Fund balances - beginning	<u>97,101,269</u>	<u>11,242,245</u>	<u>40,405</u>
Fund balances - ending	<u>\$ 79,947,094</u>	<u>\$ 9,432,969</u>	<u>\$ 57,869,571</u>

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

<u>Five Year Capital Improvement Fund</u>	<u>Infrastructure Surtax Fund</u>	<u>Beach and Park Operations Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,160,710	\$ 9,174,880		\$ 5,808,832	\$ 162,316,213
536,599		\$ 15,777,482	22,002,110	29,177,341
		4,215,564	2,564,711	64,098,933
			474,569	42,048,497
			76,424	1,695,277
			1,558,455	1,558,455
419,226		23,326	1,947,490	2,795,987
(1,112,019)	(304,981)		(1,961,060)	(8,750,377)
		3,932	317,397	814,120
<u>9,004,516</u>	<u>8,869,899</u>	<u>20,020,304</u>	<u>32,788,928</u>	<u>295,754,446</u>
498,980			170,460	26,930,708
638,900			32,857	57,537,898
			1,407,163	59,301,549
	3,111,013		26,464	9,359,105
2,053,164			1,801,842	11,045,060
			9,482,203	29,092,902
771,403		17,695,293	9,441	53,327,249
5,084,958	10,321,591	2,158,019	5,026,829	30,009,577
			7,610,000	7,755,725
			1,230,195	1,230,545
<u>9,047,405</u>	<u>13,432,604</u>	<u>19,853,335</u>	<u>26,797,454</u>	<u>285,590,318</u>
(42,889)	(4,562,705)	166,969	5,991,474	10,164,128
12,000,000			29,369,424	41,710,424
(3,529,500)	(3,198,948)	(194,400)	(4,059,913)	(47,332,724)
				65,981,088
				309,742
<u>8,470,500</u>	<u>(3,198,948)</u>	<u>(166,969)</u>	<u>25,309,511</u>	<u>60,668,530</u>
8,427,611	(7,761,653)		31,300,985	70,832,658
24,954,996	17,599,913		46,610,817	197,549,645
<u>\$ 33,382,607</u>	<u>\$ 9,838,260</u>	<u>\$</u>	<u>\$ 77,911,802</u>	<u>\$ 268,382,303</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, 2022**

Net change in fund balances –total governmental funds		\$ 70,832,658
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>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.</p>		
Expenditures for capital assets	\$ 27,984,969	
Transfer of capital assets from Golf course to governmental activities	21,805,081	
Less current year depreciation/amortization	<u>(16,937,665)</u>	
		32,852,385
<p>The net effect of the various miscellaneous transactions involving capital assets (i.e. sales, trade ins and donations) is to decrease net position.</p>		
		(188,411)
<p>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.</p>		
Operating lease revenues	1,433,253	
Communications Service Tax revenues	1,908	
Compensated absences	88,218	
OPEB liability	116,182	
SERP accrual adjustment	(28,624)	
Net effect of accrued interest on long term debt (difference between amount that would have been accrued in prior year and current year accrual)	<u>66,180</u>	
		1,677,117
<p>Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension asset on the statement of net position.</p>		
		85,156,479
<p>Notes Receivable, principal payments</p>		
		(1,215,000)
<p>Accrued Interest on Notes Receivable</p>		
		(8,019)
<p>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.</p>		
<p>Debt retired:</p>		
Principal payments on bonds and loans	7,755,725	
Lease (Right-to-use assets) acquired	(282,311)	
<p>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.</p>		
Amortization of deferred amount on refunding	(104,141)	
Amortization of bond discount	(4,380)	
Amortization of bond premium	<u>217,858</u>	
		7,582,751
<p>Deferred outflows of resources reported on the statement of net position:</p>		
Change in deferred outflows - pensions	(7,050,783)	
Change in deferred inflows - pensions	(71,654,582)	
Change in deferred outflows - OPEB	665,377	
Change in deferred inflows - OPEB	<u>(960,767)</u>	
		(79,000,755)
<p>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:</p>		
Net operating income of the internal service funds	2,238,839	
<p>Impact of external transactions on the net position of governmental activities:</p>		
Investment income	(3,620,214)	
Gain on disposal of capital assets	161,130	
Lease interest expense	<u>(34)</u>	
<p>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.</p>		
	<u>5,084,100</u>	
		<u>3,863,821</u>
Change in net position of governmental activities before prior period adjustment		<u>\$ 121,553,026</u>

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

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**CITY OF BOCA RATON, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

	<b>Business - Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 18,479,053	\$ 3,074,129	\$ 21,553,182	\$ 16,370,130
Investments	89,516,811	17,917,065	107,433,876	95,379,240
Interest receivable on investments	516,440	67,998	584,438	408,723
Interest receivable on assessments	32,674		32,674	
Accounts receivable	10,905,186	2,687,650	13,592,836	894,922
Assessments receivable	199,182		199,182	
Due from other governmental units	3,163		3,163	
Inventories		59,991	59,991	1,053,950
Total unrestricted current assets	119,652,509	23,806,833	143,459,342	114,106,965
Restricted assets:				
Cash and cash equivalents	19,143,401		19,143,401	
Investments	71,671,558		71,671,558	
Interest receivable on investments	104,455		104,455	
Interest receivable on assessments	53,839		53,839	
Assessments receivable	346,754		346,754	
Total restricted current assets	91,320,007		91,320,007	
Total current assets	210,972,516	23,806,833	234,779,349	114,106,965
Noncurrent assets:				
Capital assets:				
Net pension asset	2,674,680	739,364	3,414,044	1,408,864
Land	245,873	118,000	363,873	
Construction in progress	32,195,164	448,482	32,643,646	7,421,724
Buildings	105,420,468	1,488,761	106,909,229	1,270,000
Improvements other than buildings	340,327,592	18,398,948	358,726,540	
Equipment	62,811,908	14,587,162	77,399,070	43,614,017
Less accumulated depreciation	(295,927,823)	(16,272,072)	(312,199,895)	(30,517,884)
Leased equipment	17,817	3,844	21,661	18,202
Less accumulated amortization lease equipment	(8,158)	(2,197)	(10,355)	(6,555)
Total capital assets (net of accumulated depreciation/amortization)	247,757,521	19,510,292	267,267,813	23,208,368
Total noncurrent assets	247,757,521	19,510,292	267,267,813	23,208,368
Total assets	458,730,037	43,317,125	502,047,162	137,315,333
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	363,545		363,545	
Deferred outflows for pensions	2,203,291	361,905	2,565,196	1,337,936
Deferred outflows for OPEB	151,949	65,000	216,949	62,467
Total deferred outflows of resources	2,718,785	426,905	3,145,690	1,400,403

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, 2022**

	<b>Business - Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 6,486,205	\$ 665,969	\$ 7,152,174	\$ 3,952,297
Compensated absences	168,748	60,664	229,412	97,757
Retainage payable	175,262		175,262	
Performance bonds and escrow funds	212,000		212,000	
Estimated liability for self-insurance losses				3,252,000
Unearned revenue	756,803		756,803	
Total unrestricted current liabilities	<u>7,799,018</u>	<u>726,633</u>	<u>8,525,651</u>	<u>7,302,054</u>
Current liabilities payable from restricted assets:				
Customer deposits payable	4,427,211	9,601	4,436,812	
Restricted retainage payable	604,467	3,059	607,526	
Lease liability	9,670	1,649	11,319	11,660
Revenue bonds payable, current portion	2,965,000		2,965,000	
Accrued interest payable	460,382		460,382	
Total current liabilities payable from restricted assets	<u>8,466,730</u>	<u>14,309</u>	<u>8,481,039</u>	<u>11,660</u>
Total current liabilities	<u>16,265,748</u>	<u>740,942</u>	<u>17,006,690</u>	<u>7,313,714</u>
Non-current liabilities:				
Compensated absences	1,518,735	545,975	2,064,710	879,815
Net pension liability	1,704,892		1,704,892	1,236,261
Total OPEB liability	635,774	271,969	907,743	261,372
Revenue bonds payable	40,315,000		40,315,000	
Estimated liability for self-insurance				8,332,000
Total noncurrent liabilities	<u>44,174,401</u>	<u>817,944</u>	<u>44,992,345</u>	<u>10,709,448</u>
Total liabilities	<u>60,440,149</u>	<u>1,558,886</u>	<u>61,999,035</u>	<u>18,023,162</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows for pensions	6,414,781	1,482,570	7,897,351	3,587,535
Deferred inflows for OPEB	161,778	69,205	230,983	66,508
Total deferred inflows of resources	<u>6,576,559</u>	<u>1,551,775</u>	<u>8,128,334</u>	<u>3,654,043</u>
<b>NET POSITION</b>				
Net investment in capital assets	208,071,132	18,639,165	226,710,297	21,570,261
Restricted for:				
Net pension assets	2,674,680	739,364	3,414,044	1,408,864
Debt service	13,781,076		13,781,076	
Renewal and replacement	23,216,101		23,216,101	
Operations and maintenance reserves	4,049,976		4,049,976	
Capital projects and Utilities expansion	37,290,156		37,290,156	
Unrestricted	105,348,993	21,254,840	126,603,833	94,059,406
Total net position	<u>\$ 394,432,114</u>	<u>\$ 40,633,369</u>	<u>\$ 435,065,483</u>	<u>\$ 117,038,531</u>

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, 2022**

	<b>Business - Type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>				
Charges for sales and services		\$ 14,871,623	\$ 14,871,623	
Fleet management				\$ 5,911,135
Management information processing				11,433,000
Insurance premiums				24,759,859
Insurance premium tax				4,214,956
Retirement sustainability				2,884,700
Water sales	\$ 35,557,431		35,557,431	
Sewer service charges	22,726,296		22,726,296	
Other	2,315,702	(461)	2,315,241	1,788,527
Total operating revenues	60,599,429	14,871,162	75,470,591	50,992,177
<b>OPERATING EXPENSES</b>				
Personnel services	14,773,716	5,108,928	19,882,644	7,962,044
Materials and supplies	5,638,512	220,013	5,858,525	119,574
General and administration	11,679,020	1,461,228	13,140,248	317,089
Other services and charges	12,647,663	24,385,326	37,032,989	13,641,571
Insurance claims				18,519,253
Pension benefits				4,231,150
Depreciation/amortization of capital assets	16,188,368	2,116,269	18,304,637	3,962,657
Total operating expenses	60,927,279	33,291,764	94,219,043	48,753,338
Operating income (loss)	(327,850)	(18,420,602)	(18,748,452)	2,238,839
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings (loss)	(5,984,448)	(675,449)	(6,659,897)	(3,620,214)
Interest expense	(920,762)		(920,762)	
Lease interest expense	(32)	(6)	(38)	(34)
Gain (loss) on disposal of capital assets	146,513	239,851	386,364	161,130
Total nonoperating revenues (expenses)	(6,758,729)	(435,604)	(7,194,333)	(3,459,118)
Income (loss) before transfers and contributions	(7,086,579)	(18,856,206)	(25,942,785)	(1,220,279)
Transfers in		634,300	634,300	5,084,100
Transfers out	(79,300)	(16,800)	(96,100)	
Capital contributions	5,112,909		5,112,909	
Change in net position	(2,052,970)	(18,238,706)	(20,291,676)	3,863,821
Net position, beginning	396,485,084	58,872,075	455,357,159	113,174,710
Net position, ending	\$ 394,432,114	\$ 40,633,369	\$ 435,065,483	\$ 117,038,531

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, 2022**

	Enterprise Funds			Governmental Activities
	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 60,122,199	\$ 14,424,261	\$ 74,546,460	\$ 50,777,275
Payments to suppliers	(28,356,447)	(5,422,027)	(33,778,474)	(16,762,520)
Payments to employees	(15,769,802)	(5,266,486)	(21,036,288)	(8,067,335)
Claims paid				(18,064,253)
<b>Net cash provided by (used in) operating activities</b>	<u>15,995,950</u>	<u>3,735,748</u>	<u>19,731,698</u>	<u>7,883,167</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in		834,900	834,900	5,084,100
Transfers out	(79,300)	300,700	221,400	
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(79,300)</u>	<u>1,135,600</u>	<u>1,056,300</u>	<u>5,084,100</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Payment of bond principal	(2,579,582)		(2,579,582)	
Acquisition of capital assets	(12,905,859)	(1,456,464)	(14,362,323)	(3,990,325)
Interest paid	(950,519)	(6)	(950,525)	(34)
Proceeds from sale of capital assets	146,513	39,251	185,764	161,130
Advances from other funds		(320,000)	(320,000)	
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(16,289,447)</u>	<u>(1,737,219)</u>	<u>(18,026,666)</u>	<u>(3,829,229)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	1,180,574	110,566	1,291,139	674,290
Sale of investments	89,554,445	8,863,831	98,418,276	51,138,836
Purchase of investments	(167,111,671)	(18,575,476)	(185,687,147)	(98,884,082)
<b>Net cash provided (used in) investing activities</b>	<u>(76,376,652)</u>	<u>(9,601,079)</u>	<u>(85,977,731)</u>	<u>(47,070,957)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(76,749,449)	(6,466,950)	(83,216,399)	(37,932,919)
<b>Cash and cash equivalents</b>				
<b>Beginning of year</b>	<u>114,371,903</u>	<u>9,541,079</u>	<u>123,912,982</u>	<u>54,303,049</u>
<b>End of year</b>	<u>37,622,454</u>	<u>3,074,129</u>	<u>40,696,583</u>	<u>16,370,130</u>
Cash and cash equivalents, unrestricted	18,479,053	3,074,129	21,553,182	16,370,130
Cash and cash equivalents, restricted	19,143,401		19,143,401	
<b>End of Year</b>	<u>\$ 37,622,454</u>	<u>\$ 3,074,129</u>	<u>\$ 40,696,583</u>	<u>\$ 16,370,130</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, 2022**

	Enterprise Funds			Governmental Activities
	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (327,850)	\$ 2,368,140	\$ 2,040,290	\$ 2,238,839
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	16,188,368	2,116,270	18,304,638	3,962,657
Change in assets, liabilities, deferred outflows & deferred inflows:				
(Increase) decrease in accounts receivable	(1,562,612)	(450,332)	(2,012,944)	(214,902)
(Increase) decrease in assessments receivable	198,132		198,132	
(Increase) decrease in due from other governmental units				
(Increase) decrease in inventories		(943)	(943)	(187,496)
(Increase) decrease in net pension asset	(2,674,680)	(739,364)	(3,414,044)	(1,408,864)
(Increase) decrease in deferred pension outflows	913,291	190,697	1,103,988	274,455
Increase (decrease) in accounts payable and accrued liabilities	1,859,946	(139,057)	1,720,889	1,723,223
Increase (decrease) in retainage payable	(261,148)	(459)	(261,607)	
Increase (decrease) in lease liability	9,670	1,649	11,319	11,660
Increase (decrease) in performance bonds and escrow funds				
Increase (decrease) in customer deposits payable	130,447	3,431	133,878	
Increase (decrease) in compensated absences	56,193	96,380	152,573	45,282
Increase (decrease) in total OPEB liability	(26,600)	(4,020)	(30,620)	(10,936)
Increase (decrease) in estimated liability for self-insurance losses				455,000
Increase (decrease) in unearned revenue	756,803		756,803	
Increase (decrease) in net pension liability	(4,404,561)	(855,173)	(5,259,734)	(1,943,160)
Increase (decrease) in deferred inflows for pensions	5,008,920	1,091,885	6,100,805	2,883,295
Increase (decrease) in deferred inflows for OPEB	131,631	56,644	188,275	54,114
Total adjustments	16,323,800	1,367,608	17,691,408	5,644,328
<b>Net cash provided by operating activities</b>	<b>\$ 15,995,950</b>	<b>\$ 3,735,748</b>	<b>\$ 19,731,698</b>	<b>\$ 7,883,167</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Unrealized gain (loss) on investments	\$ (5,923,302)	\$ (658,411)	\$ (6,581,713)	\$ (3,504,842)
Noncash portion of capital contributions	5,112,909		5,112,909	

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, 2022**

**ASSETS**

Cash and cash equivalents	\$ 14,065,827
Investments:	
Common and preferred stock	190,264,095
U.S. government securities	44,564,068
Corporate bonds and debentures	64,712,114
Corporate convertible equity	15,504,579
Infrastructure	10,171,678
Commingled funds	50,496,342
Real estate	108,160,320
Private equity	125,641,204
Multi asset class	39,888,590
Florida Municipal Pension Trust Fund	54,236,679
Total Investments	703,639,669
Receivables:	
Interest and dividends	507,303
Unsettled trades receivable	132,760
Total receivables	640,063
Other assets	1,197,822
Prepaid expenses	35,563
Total assets	719,578,944

**LIABILITIES**

Accounts payable and accrued liabilities	527,497
Unsettled trades payable	860,418
Total liabilities	1,387,915

**NET POSITION RESTRICTED FOR PENSIONS** **\$ 718,191,029**

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, 2022**

**ADDITIONS**

Contributions:		
City	\$	22,481,656
State		4,214,956
Employee		7,429,724
Transfer from other pension trust funds		143,810
Total contributions		<u>34,270,146</u>
Investment income:		
Interest revenue		(51,952,151)
Dividends		11,029,650
Net appreciation (depreciation) in fair value of investments		(65,411,551)
Other investment income		27,087
Investment expense		<u>(5,138,179)</u>
Total investment income		<u>(111,445,144)</u>
Total additions		<u>(77,174,998)</u>

**DEDUCTIONS**

Benefits paid:		
Retirement		38,217,690
Disability		1,052,329
Death		2,228,237
Deferred retirement option plan		6,349,100
Termination refunds		579,264
Administrative expenses		575,678
Transfer to other pension trust funds		<u>143,810</u>
Total deductions		<u>49,146,108</u>
Net increase/(decrease) in net position		(126,321,106)

**NET POSITION RESTRICTED FOR PENSIONS**

Beginning of year		<u>844,512,135</u>
End of year	\$	<u><u>718,191,029</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, 2022**

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**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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**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 Operating Fund (major special revenue fund) and the Community Redevelopment Agency Mizner Park Revenue Fund (nonmajor special revenue 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 resolution declaring the City Council Members to constitute the Board of Commissioners

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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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 reconciliation is provided which briefly explains the adjustments necessary to reconcile

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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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.

**D. 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



**CITY OF BOCA RATON, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

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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 Operating Fund** is used to account for tax increment revenues assessed on downtown properties and land lease revenues that are used to fund the downtown plan for the CRA operations and capital improvements that encourage development in the downtown.

The **Land Proceeds Fund** is used to account for the funds received from the sale of the City's Municipal Golf Course and related costs.

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.

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 2022. However, it will continue to be presented as a major fund for the purpose of consistency and to highlight the operations of the Fund.

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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**E. 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, 2022, 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 30<sup>th</sup> of each year.

**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 30<sup>th</sup> of

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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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.

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

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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**6. Deferred Outflows of Resources**

Deferred Outflows of Resources represent a consumption of net assets that applies 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. Unearned Revenue**

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

**8. 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.

**9. 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. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

**10. 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

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

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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.

**11. Deferred Inflows of Resources**

Deferred Inflows of Resources represents the acquisition of net assets 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.

**12. 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, 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.

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**13. 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 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. 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



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commitments. Any action to establish, modify or rescind fund balance classifications would be taken through the adoption of an ordinance approved by City Council.

**F. Other Policies**

**1. Property Taxes**

**Calendar of Property Tax Events**

- January 1, 2021 – Property taxes are based on assessed property value at this date as determined by the Palm Beach County Property Appraiser.
- June 24, 2021 –Property assessment roll and certificates of value by the Palm Beach County Property Appraiser are provided to the City.
- July 27, 2021 – 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 27, 2021 – Property tax millage rate ordinance approved by the City Council.
- October 1, 2021 – Beginning of fiscal year for which taxes are levied.
- April 1, 2022 – Unpaid property taxes become delinquent and become a lien.
- April 2, 2022 – The Palm Beach County Property Appraiser notifies the City of the taxable value on the final property tax assessment roll.
- June 1, 2022 – 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 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 date of collection to date of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by State statutes.

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**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, 2022, was 3.6784. Current tax collections for the City were approximately 96.5% 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.

**H. Governmental Accounting Standards Board (GASB) Pronouncements**

Effective October 1, 2021, the City implemented the following GASB Pronouncements:

- *GASB Statement No. 87, Leases*, establishes a uniform approach for lease accounting based on the principle that leases are financings of the right to use an underlying asset. In accordance with the statement, parties to a lease agreement, the lessee and lessor, are required to recognize a lease liability and an intangible right-to-use lease asset (a capital asset hereinafter referred to as the lease asset), and a lease receivable and deferred inflow of resources, respectively. The new leases standard also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregated amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of lease arrangements on a government's resources
- *GASB Statement No. 92, Omnibus 2020*, addresses practice issues that were identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including Leases, Intra-Entity Transfers of Assets, Assets Accumulated for Defined Benefit Postemployment Benefits, Fiduciary Activities, Asset Retirement Obligations, Reinsurance Recoveries, Nonrecurring Fair Value Measurements, and Derivative Instruments. The adoption of Statement No. 92 had no impact on the City's current accounting practices nor its financial reporting.
- *GASB Statement No. 93, Replacement of Interbank Offered Rates*, address those and other accounting and financial reporting implications that result from the replacement

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- of an Interbank Offered Rate (IBOR). The primary objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. This Statement did not have a material effect on the City's financial statements.
- *GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, The main objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. This Statement did not have a material effect on City's financial statements, upon implementation in fiscal year 2022.
  - *GASB Statement No. 100, Accounting Changes and Error Corrections*, establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (also referred to simply as “error correction”). The City implemented this statement as a result of change in accounting principle for FY 2022 reporting purposes. The required changes are reflected in the City's financials statements and notes to those statements.

The City is in the process of reviewing possible impacts of GASB pronouncements which will become effective in future years, and notes the following statements are applicable to the City.

- *GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement will become effective for the City in fiscal year 2023.
- *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. This statement will become effective for the City in fiscal year 2023.
- *GASB Statement No. 99, Omnibus 2022*. This statement will become effective for the City in fiscal year 2023.
- *GASB Statement No. 101, Compensated Absences*. This statement will become effective for the City by fiscal year 2025.

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**3. Deposits and Investments**

**General Authorization:**

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

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:

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*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 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, 2022, 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

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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 offers two pools: The Cash Pool and the Enhanced Cash Pool. The City participates in both pools. The Cash Pool operates like a money market mutual fund with each share valued at \$1.00. The Enhanced Cash Pool is designed to complement the FLCLASS daily liquidity fund for Florida government entities and does not seek to maintain a stable Net Asset Value (NAV). The Enhanced Cash Pool instead establishes a \$10.00 transactional share price and publishes a fair value NAV.

*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 Fair Value, as approximated by 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 Fair Value, as approximated by Net Asset Value (NAV).

*FMIvT*

The City additionally participates in three 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



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serves as the administrator, investment manager and secretary-treasurer of the Trust.

**a. City of Boca Raton**

At September 30, 2022, the City of Boca Raton held the following cash, cash equivalent, and investment positions:

Portfolio/Investments	Value	Average Maturity	Credit Rating	Rating Agency	Percent Distribution
Cash Deposits	\$ 38,446,762				6.40%
Florida PRIME	36,567,899	21 days	AAAm	S&P	6.09%
FLCLASS Cash Pool	5,549,794	26 days	AAAm	S&P	0.92%
FL PALM Cash Pool	15,948,505	28 days	AAAm	S&P	2.66%
Total Cash & Cash Equivalents	<u>96,512,960</u>				
FMIvT 0-2 Year High Quality Bond Fund	36,837,919	0.70 years	AAAf/S1	Fitch, S&P	6.14%
FMIvT 1-3 Year High Quality Bond Fund	35,714,914	1.50 years	AAAf/S2	Fitch, S&P	5.95%
FMIvT Intermediate High Quality Bond Fund	33,367,863	4.70 years	AAAf/S3	Fitch, S&P	5.56%
FLCLASS Enhanced Cash Pool	30,153,438	104 days	AAAf/S1	Fitch	5.02%
FL-FIT Cash Pool	2,473,497	12 days	AAAf/S1	Fitch	0.41%
FL PALM Term Portfolio	31,000,000	0.79 years	AAAf	S&P	5.16%
U.S. Government Agencies:					
Federal National Mortgage Association	18,913,447	2.10 years	AA+	S&P	3.15%
Federal Home Loan Bank	114,637,097	3.05 years	AA+	S&P	19.09%
Federal Home Loan Mortgage Corporation	4,859,380	0.74 years	AA+	S&P	0.81%
Federal Farm Credit Bank	27,444,816	1.49 years	AA+	S&P	4.57%
Federal Agricultural Mortgage Corporation	95,414,775	3.14 years	Not Rated		15.89%
Corporate Obligations:					
Bonds	41,893,985	2.96 years	A	S&P	6.98%
Bonds	14,331,764	3.98 years	A+	S&P	2.39%
Bonds	8,041,701	2.07 years	AA-	S&P	1.34%
Bonds	5,641,034	1.49 years	AA+	S&P	0.94%
Municipal Obligations:					
Bonds	250,000	1 day	AAA	S&P	0.04%
International Investments:					
Foreign Bond	2,957,922	0.50 years	AA-	S&P	0.49%
Total Investments	<u>503,933,552</u>				
<b>Total Cash and Investments</b>	<b><u>\$ 600,446,512</u></b>				<b><u>100.00%</u></b>

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.



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**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.

At September 30, 2022, the investments by fair value level are:

Investment Type	As of 9/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FMIvT 0-2 Year High Quality Government Fund	\$ 36,837,919	\$ -	\$ 36,837,919	\$ -
FMIvT 1-3 Year High Quality Bond Fund	35,714,914	-	35,714,914	-
FMIvT Intermediate High Quality Bond Fund	33,367,863	-	33,367,863	-
U.S. Government Agencies:				
Federal National Mortgage Association	18,913,447	-	18,913,447	-
Federal Home Loan Bank	114,637,097	-	114,637,097	-
Federal Home Loan Mortgage Corp.	4,859,380	-	4,859,380	-
Federal Farm Credit Bank	27,444,816	-	27,444,816	-
Federal Agricultural Mortgage Corp.	95,414,775	-	95,414,775	-
Corporate Bonds	69,908,484	-	69,908,484	-
Municipal Bonds	250,000	-	250,000	-
International Investments:				
Foreign Bond	2,957,922	-	2,957,922	-
<b>Total Investments at Fair Value</b>	<b><u>440,306,617</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 440,306,617</u></b>	<b><u>\$ -</u></b>

Investment at the net asset value (NAV)	As of 9/30/2022	Redemption Frequency	Days Notice Before Redemption	Penalty for Early Redemption
FLCLASS Enhanced Cash Pool	\$ 30,153,438	Daily	1 day	No
FL-FIT Cash Pool	2,473,497	Daily	Same Day	No
FL PALM Term Portfolio	31,000,000	Fixed Term	Same Day	Yes
Total Investments measured at NAV	63,626,935			
<b>Total Investments</b>	<b><u>\$ 503,933,552</u></b>			

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**FMIvT 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).

**FMIvT 1-3 Year High Quality Bond 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).

**FMIvT Intermediate High Quality Bond Fund**

This fund invests mainly in US government and agency securities, asset-backed securities, and corporate bonds. 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, 2022.

**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.

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**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, 2022 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 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, 2022.

**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. Governmental Accounting Standards Board (GASB) Statement No. 40 requires disclosures when the percent is 5% or more of total investments position in any one issuer. As of September 30, 2022, the City had more than 5% invested with Florida PRIME, FLCLASS, FL PALM, FMIvT, Federal

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Home Loan Bank and the Federal Agricultural Mortgage Association. The percentage concentrations of investments from each issuer are shown above.

**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, 2022, the City's investment portfolio was held with a third-party custodian.

**b. Executive Employees' Retirement Plan**

At September 30, 2022, 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	\$ 427,701				0.78%
FMIvT Core Plus Fixed Income Fund	5,078,945	8.92 years	Not rated		9.29%
FMIvT Broad Market High Quality Bond Fund	5,399,720	6.70 years	AAf/S4	Fitch	9.88%
FMIvT Large Cap Diversified Value Portfolio	14,648,746		Not rated		26.80%
FMIvT Diversified Small Cap Equity Portfolio	8,072,849		Not rated		14.77%
FMIvT International Equity Portfolio	10,639,053		Not rated		19.46%
FMIvT Core Real Estate	9,195,564		Not rated		16.82%
Total FMIvT Investments	53,034,877				97.02%
Self-Directed DROP Account	1,201,802				2.20%
Total Investments	54,236,679				99.22%
Total Cash and Investments	\$ 54,664,380				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 at the measurement date.

**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

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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.

At September 30, 2022, the investments by fair value level are:

Executive Employees' Retirement Plan		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	9/30/2022			
FMIvT Broad Market High Quality Bond Fund	\$ 5,399,720	\$ -	\$ 5,399,720	\$ -
FMIvT Large Cap Diversified Value Portfolio	14,648,746	-	14,648,746	-
FMIvT Diversified Small Cap Equity Portfolio	8,072,849	-	8,072,849	-
FMIvT International Equity Portfolio	10,639,053		10,639,053	
Self-Directed DROP Account	1,201,802	-	1,201,802	-
<b>Total Investments at Fair Value</b>	<b>39,962,170</b>	<b>\$ -</b>	<b>\$ 39,962,170</b>	<b>\$ -</b>

Investment at the net asset value (NAV)*		Redemption Frequency	Redemption Notice Period
FMIvT Core Real Estate	9,195,564	Quarterly	5 business days prior to valuation
FMIvT Core Plus Fixed Income	5,078,945	Monthly	
<b>Total Investments measured at NAV</b>	<b>14,274,509</b>		
<b>Total Investments</b>	<b>\$ 54,236,679</b>		

\* 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).

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**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).

**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,

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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 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, 2022 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. Governmental Accounting Standards Board (GASB) Statement No. 40 requires disclosures when the percent is 5% or more of fiduciary net position in any one issuer. As of September 30, 2022, all investments were within the allowable limits.



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**c. General Employees' Pension Plan**

At September 30, 2022 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	\$ 11,400				0.01%
Short-term investments	5,972,108				2.80%
Total Cash and Short-Term Investments	<u>5,983,508</u>				<u>2.81%</u>
U.S. Government Securities:					
U.S. Treasury Securities:					
U.S. Treasury bonds	27,206,285	4.89 years		Moody's	12.76%
U.S. Government Sponsored Agencies:					
Mortgage Backed Securities:					
Federal National Mortgage Association	56,953	12.72 years	Aaa	Moody's	0.03%
Government National Mortgage Association	4,351		Aaa	Moody's	0.00%
Federal Home Loan Mortgage Corporation	51,192		Aaa	Moody's	0.02%
Corporate Bonds & Debentures:					
Corporate Obligations:					
Bonds	273,481	4.30 years	Aaa	Moody's	0.13%
Bonds	879,777		Aa	Moody's	0.41%
Bonds	8,122,293		A	Moody's	3.81%
Bonds	241,431		Baa	Moody's	0.11%
Domestic Equity and Convertible Securities:					
Common stock	93,459,230				43.82%
Convertible preferred stock	1,707,313				0.80%
Corporate convertible bonds	13,501,239				6.33%
Preferred stock	296,027				0.14%
Global infrastructure fund	10,171,678				4.77%
Real Estate Funds:					
Real estate direct investment partnership	21,578,078				10.12%
Real estate investment trust	7,264,143				3.41%
International Equity:					
International equity fund	22,477,492				10.54%
Total Investments	<u>207,290,963</u>				<u>97.19%</u>
Total Cash and Investments	<u>\$ 213,274,471</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 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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**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.

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.

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At September 30, 2022, the investments by fair value level are:

General Employees' Pension Plan	Investment by fair value level	9/30/2022	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)
Fixed income:					
	Certificate of deposits	\$ 17,641,514	\$ -	\$ 17,641,514	\$ -
	Corporate bonds	9,516,982	-	9,516,982	-
	U.S. government securities	9,677,267	-	9,677,267	-
	<b>Total Fixed Income</b>	<b>36,835,763</b>	<b>-</b>	<b>36,835,763</b>	<b>-</b>
Domestic Equity and convertible securities:					
	Common stock	93,459,230	31,065,739	62,393,491	-
	Convertible preferred stock	1,707,313	1,707,313	-	-
	Preferred stock	296,027	-	296,027	-
	Commingled funds	-	-	-	-
	Corporate convertible bonds	13,501,239	-	13,501,239	-
	International equity	22,477,492	-	22,477,492	-
	Real estate investment trust	7,264,143	7,264,143	-	-
	<b>Total Stock and Convertible Securities</b>	<b>138,705,444</b>	<b>40,037,195</b>	<b>98,668,249</b>	<b>-</b>
	<b>Total investments at fair value</b>	<b>175,541,207</b>	<b>\$ 40,037,195</b>	<b>\$ 135,504,012</b>	<b>-</b>

Investment measured at the net asset value (NAV)*		Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Global Infrastructure (1)	10,171,678	Daily	Trade date +1	-
Real estate direct investment partnership (2)	21,578,078	Quarterly	45 Days	-
<b>Total investments measured at NAV</b>	<b>31,749,756</b>			<b>-</b>
<b>Total investments</b>	<b>\$ 207,290,963</b>			<b>\$ -</b>

\* 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) *Global Infrastructure*: This portfolio seeks to achieve positive returns by investing in a select universe of "Preferred Infrastructure" companies. The companies have the potential to achieve lower volatility returns that exceed inflation which allow the portfolio to reach high diversification opportunities. The portfolio may then compliment other real assets, private equity infrastructure, and global equity allocations..

(2) *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, 2022, is included in the preceding table.

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**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, 2022, 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. Governmental Accounting Standards Board (GASB) Statement No. 40 requires disclosures when the percent is 5% or more of fiduciary net position in any one issuer. At September 30, 2022, 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.

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**d. Police and Firefighter's Retirement System**

At September 30, 2022, 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
<b>Cash and Short-Term Investments</b>					
Cash Deposits	\$ 1,114,990				0.25%
Short-term Investments	<u>6,539,628</u>				<u>1.45%</u>
<b>Total Cash and Short-Term Investments</b>	<u>7,654,618</u>				<u>1.70%</u>
<b>Domestic Equity</b>	<u>96,804,865</u>				<u>21.52%</u>
<b>Fixed Income:</b>					
<b>U.S. Treasury Securities:</b>					
U.S. Treasury bonds	3,226,589		Aaa	Moody's	<u>0.72%</u>
U.S. Treasury bonds	<u>62,629</u>		Baa	Moody's	<u>0.01%</u>
<b>Total U.S. Treasury Securities</b>	<u>3,289,218</u>	17.78 years			<u>0.73%</u>
<b>Mortgage-backed Securities:</b>					
Federal National Mortgage Association	6,054,998		Aaa	Moody's	1.35%
Government National Mortgage Association	2,731,630		Aaa	Moody's	0.61%
Federal Home Loan Mortgage Corporation	<u>3,010,855</u>		Aaa	Moody's	<u>0.67%</u>
<b>Total Mortgage-backed Securities</b>	<u>11,797,483</u>	26.04 years			<u>2.62%</u>
<b>Total U.S. Government Securities</b>	<u>15,086,701</u>				<u>3.35%</u>

*continued*

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

Police and Firefighters' Retirement System Portfolio/Investments (continued)	Fair Value	Weighted Avg Maturity	Credit Rating	Percent Distribution
<b>Corporate Bonds &amp; Debentures:</b>				
Corporate Obligations:				
Multi Sector	\$ 22,072,182			
Emerging Market	15,481,436			
Bonds	66,805		Aaa	Moody's 0.01%
Bonds	494,704		Aa	Moody's 0.11%
Bonds	5,219,795		A	Moody's 1.16%
Bonds	5,758,791		Baa	Moody's 1.28%
Bonds	227,539		Ba	Moody's 0.05%
Bonds	5,297,295		Not rated	1.18%
<b>Total Corporate Obligations</b>	<u>54,618,547</u>	10.83 years		<u>12.14%</u>
Commercial Mortgage Backed Securities (CMBS):				
CMBS	148,411		Aaa	Moody's 0.03%
CMBS	147,963		Not rated	0.03%
<b>Total Commercial Mortgage-Backed Securities</b>	<u>296,374</u>	14.55 years		<u>0.07%</u>
Asset Backed Securities:				
ABS	1,696,190		Aaa	Moody's 0.38%
ABS	742,607		Not rated	0.17%
<b>Total Asset Backed Securities</b>	<u>2,438,797</u>	3.50 years		<u>0.54%</u>
<b>Total Corporate Bonds and Debentures</b>	<u>57,353,718</u>			<u>12.75%</u>
<b>Commingled Funds:</b>				
Mutual funds	3,415,314		Not rated	0.76%
Long/Short equity strategies	24,603,536			5.47%
<b>Total Commingled Funds</b>	<u>28,018,850</u>			<u>6.23%</u>
<b>Non-US Equity</b>	<u>50,190,555</u>			<u>11.16%</u>
<b>Real Estate</b>	<u>28,647,107</u>			<u>6.37%</u>
<b>Private market</b>	<u>126,121,641</u>			<u>28.04%</u>
<b>Multi Asset Class</b>	<u>39,888,590</u>			<u>8.87%</u>
<b>Total Investments</b>	<u>442,112,027</u>			<u>98.30%</u>
<b>Total Cash and Investments</b>	<u>\$ 449,766,645</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 is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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**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.

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.



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At September 30, 2022, the investments by fair value level are:

System Investment by fair value level	9/30/2022	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)
Domestic equity	\$ 96,804,865	\$ 96,804,865		\$ -
US government securities	34,886,801	-	\$ 34,886,801	-
Corporate bonds and debentures	-	-	-	-
Commingled funds	3,415,315	3,415,315		
Non-US equity	50,190,555	50,190,555	-	-
<b>Total investments at fair value</b>	<b>185,297,536</b>	<b>\$ 150,410,735</b>	<b>\$ 34,886,801</b>	<b>\$ -</b>

Investment at the net asset value (NAV)*	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Emerging market (1)	15,481,436	-	Monthly
Multi sector (2)	22,072,182	-	Quarterly
Commingled Funds			
Long/short equity strategies (3)	24,603,535	-	Quarterly
Private equity (4)	126,121,641	83,494,670	N/A
Multi asset class (5)	39,888,590	-	N/A
Real estate direct investment partnership			
Real estate funds (6)	17,372,664	-	Quarterly
Private real estate fund (7)	11,274,443	5,000,000	N/A
Total real estate direct investment partnership	28,647,107	5,000,000	
<b>Total investments measured at NAV</b>	<b>256,814,491</b>	<b>88,494,670</b>	
<b>Total investments</b>	<b>\$ 442,112,027</b>	<b>\$ 88,494,670</b>	

\* 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) *Emerging market*: This type of investment invests the majority of its assets in securities from countries that are considered emerging. Usually investing heavily in securities of varying asset classes.

(2) *Multi sector*: This type of fund uses a combination of asset classes as investment to diversity the overall portfolio and reduce the risk of holding too many assets in one class of assets.

(3) *Long/short equity strategies*: This is an investing strategy to purchase stocks they expect to go up and short stocks they expect to go down.

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

(5) *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.

(6) *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.

(7) *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.

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**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, 2022, 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, 2022, 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. Governmental Accounting Standards Board (GASB) Statement No. 40 requires disclosures when the percent is more than 5% of the fair value of the portfolio. At September 30, 2022, 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, 2022, 4.10% 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.

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**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.

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**Accounts Receivable**

Accounts receivable as of the fiscal year-end for the City's individual governmental 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 Operating Fund	Land Proceeds Fund	Five Year Capital Improvement	Infrastructure Surtax Fund	Other Governmental	Internal Services	Total
Receivables:									
Accounts, net	\$ 5,611,130				\$ 90,518		\$ 92,308	\$ 894,922	\$ 6,688,878
Assessments							82,327		82,327
Lease revenues	1,122,512	\$ 59,465,713							60,588,225
Interest on investments	394,485		40,995	\$ 32,722	99,665	\$ 15,946	198,817	408,723	1,191,353
<b>Net governmental receivables</b>	<b>\$ 7,128,127</b>	<b>\$ 59,506,708</b>	<b>\$ 32,722</b>	<b>\$ 190,183</b>	<b>\$ 15,946</b>	<b>\$ 373,452</b>	<b>\$ 1,303,645</b>	<b>\$ 68,550,783</b>	

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

Business-type	Water & Sewer	Other Enterprise	Total
Receivables:			
Accounts, net	\$ 10,905,186	\$ 2,687,650	\$ 13,592,836
Assessments	545,936		545,936
Interest on assessments	86,513		86,513
Interest on investments	620,895	67,998	688,893
<b>Net business-type receivables</b>	<b>\$ 12,158,530</b>	<b>\$ 2,755,648</b>	<b>\$ 14,914,178</b>

**Accounts Payable**

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

Governmental Payables	General	Community Redevelopment Agency Operating Fund	Five Year Capital Improvement	Infrastructure Surtax Fund	Beach and Park Operations	Other Governmental	Internal Services	Total
Payables:								
Vendors	\$ 3,173,321	\$ 996,234	\$ 776,786	\$ 842,233	\$ 479,173	\$ 743,316	\$ 3,952,297	\$ 10,963,360
Salaries and benefits	7,154,665	95,304			831,415	478,137		8,559,521
<b>Governmental payables</b>	<b>\$ 10,327,986</b>	<b>\$ 1,091,538</b>	<b>\$ 776,786</b>	<b>\$ 842,233</b>	<b>\$ 1,310,588</b>	<b>\$ 1,221,453</b>	<b>\$ 3,952,297</b>	<b>\$ 19,522,881</b>

**CITY OF BOCA RATON, FLORIDA**  
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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	\$ 5,314,120	\$ 297,565	\$ 5,611,685
Salaries and benefits	1,172,085	368,404	1,540,489
<b>Business-type payables</b>	<b><u>\$ 6,486,205</u></b>	<b><u>\$ 665,969</u></b>	<b><u>\$ 7,152,174</u></b>

**5. Encumbrances**

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances from fiscal year 2022 that were re-appropriated on October 1, 2022 were:

Major funds:	
General Fund	\$ 5,938,320
Five Year Capital Improvement Fund	5,331,698
Infrastructure	<u>3,686,200</u>
Total Major funds	14,956,218
Non-Major Governmental Funds	<u>6,155,073</u>
Total Encumbrances	<u><u>\$ 21,111,291</u></u>

**6. Capital Assets**

The following is a summary of capital asset activity for the fiscal year ended September 30, 2022:

Governmental activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated/amortized:					
Land	\$ 138,135,702		\$ 4,944,692		\$ 143,080,394
Construction in progress	24,873,347	\$ 25,932,968	-	\$ 16,053,351	34,752,964
Total capital assets not being depreciated/amortized	<u>163,009,049</u>	<u>25,932,968</u>	<u>4,944,692</u>	<u>16,053,351</u>	<u>177,833,358</u>
Capital assets being depreciated/amortized:					
Buildings	94,385,976	6,824,103	8,824,400.00	-	110,034,479
Equipment	78,474,702	5,259,648	2,212,324	2,408,278	83,538,396
Infrastructure	448,167,701	9,058,314	10,449,236		467,675,251
Total capital assets being depreciated/amortized	<u>621,028,379</u>	<u>21,142,065</u>	<u>21,485,960</u>	<u>2,408,278</u>	<u>661,248,126</u>
Less accumulated depreciation/amortization for:					
Buildings	49,725,536	2,977,459	1,151,787	-	53,854,782
Equipment	57,354,705	5,950,971	1,358,186	2,168,850	62,495,012
Infrastructure	298,098,405	11,334,192	1,897,913	-	311,330,510
Total accumulated depreciation/amortization	<u>405,178,646</u>	<u>20,262,622</u>	<u>4,407,886</u>	<u>2,168,850</u>	<u>427,680,304</u>
Total capital assets being depreciated/amortized, net	215,849,733	879,443	17,078,074	239,428	233,567,822
<b>Governmental activities capital assets, net</b>	<b><u>\$ 378,858,782</u></b>	<b><u>\$ 26,812,411</u></b>	<b><u>\$ 22,022,766</u></b>	<b><u>\$ 16,292,779</u></b>	<b><u>\$ 411,401,180</u></b>

**CITY OF BOCA RATON, FLORIDA**  
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Business-type activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Water and sewer</b>					
Capital assets not being depreciated/amortized:					
Land	\$ 245,873				\$ 245,873
Construction in progress	34,946,140	\$ 16,250,319	\$ -	\$ 19,001,295	32,195,164
Total capital assets not being depreciated/amortized	35,192,013	16,250,319	-	19,001,295	32,441,037
Capital assets being depreciated/amortized:					
Buildings	102,194,234	3,226,234			105,420,467
Improvements other than buildings	324,118,230	16,209,363			340,327,592
Equipment	62,038,748	1,145,524	185,578	557,942	62,811,908
Total capital assets being depreciated/amortized	488,351,212	20,581,121	185,578	557,942	508,559,967
Less accumulated depreciation/amortization for:					
Buildings	67,641,107	2,691,258			70,332,365
Improvements other than buildings	175,532,169	10,177,590			185,709,759
Equipment	37,044,799	3,238,655	-	397,755	39,885,699
Total accumulated depreciation/amortization	280,218,075	16,107,503	-	397,755	295,927,823
Total capital assets being depreciated/amortized, net	208,133,137	4,473,618	185,578	160,187	212,632,145
	\$				\$
<b>Total water and sewer capital assets, net</b>	<b>243,325,150</b>	<b>\$ 20,723,937</b>	<b>\$ 185,578</b>	<b>\$ 19,161,482</b>	<b>245,073,182</b>

Non-major funds, business-type activities	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 5,062,693	\$ -	\$ -	\$ 4,944,693	\$ 118,000
Construction in progress	218,824	527,877	-	298,219	448,482
Total capital assets not being depreciated	5,281,517	527,877	-	5,242,912	566,482
Capital assets being depreciated:					
Buildings	10,313,161	-	-	8,824,400	1,488,761
Improvements other than buildings	28,392,717	298,219	43,143	10,335,131	18,398,948
Equipment	16,440,149	1,532,793	-	3,385,781	14,587,161
Total capital assets being depreciated	55,146,027	1,831,012	43,143	22,545,312	34,474,870
Less accumulated depreciation for:					
Buildings	2,135,205	231,352	-	1,151,785	1,214,772
Improvements other than buildings	10,472,955	857,792	-	1,897,914	9,432,833
Equipment	6,583,571	1,511,367	-	2,470,468	5,624,470
Total accumulated depreciation	19,191,731	2,600,511	-	5,520,167	16,272,072
Total capital assets being depreciated, net	35,954,296	(769,500)	43,143	17,025,145	18,202,799
Total non-major funds, capital assets, net	41,235,813	(241,622)	43,143	22,268,057	18,769,281
<b>Total business-type activities, capital assets, net</b>	<b>\$ 284,560,963</b>	<b>\$ 20,482,315</b>	<b>\$ 228,721</b>	<b>\$ 41,429,539</b>	<b>\$ 263,842,463</b>

**CITY OF BOCA RATON, FLORIDA  
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Depreciation/amortization expense was charged to function / programs of the primary government as follows:

	Depr & Amort Expense
Governmental activities:	
General government	\$ 475,498
Law enforcement	1,306,113
Fire rescue	1,364,940
Physical environment	51,558
Transportation, including depreciation of general infrastructure assets	10,495,439
Community development	154,487
Parks and recreation	<u>2,944,923</u>
Sub Total	16,792,957
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>3,962,657</u>
Total depreciation/amortization expense, governmental activities	<u><u>\$ 20,755,614</u></u>
Business-type activities:	
Water and sewer depreciation	\$ 16,107,503
Water and sewer amortization	<u>80,867</u>
Total water and sewer	16,188,368
Cemetery	50,602
Stormwater utility	766,423
Sanitation	<u>1,299,244</u>
Total depreciation and amortization expense, business-type activities	18,304,637
Total government wide depreciation and amortization expense	<u><u>\$ 39,060,251</u></u>

**Construction and Purchase Commitments:**

The City has active construction projects as of September 30, 2022. 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	Remaining Commitment
Infrastructure projects	\$ 11,208,178
Water, wastewater and drainage projects	<u>36,200,976</u>
Total	<u><u>\$ 47,409,154</u></u>

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.



**CITY OF BOCA RATON, FLORIDA  
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**7. Restatement of Prior Year Balance - Change in Accounting Principle**

The October 1, 2021 beginning net position of the Governmental Activities was restated due to the implementation of GASB Statement No. 87, *Leases* and GASB Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*.

Governmental Activities:		
Net position, beginning as originally stated	\$	497,241,543
Prior period adjustment		(13,882,560)
Net position, beginning as restated (09/30/2021)	\$	<u>483,358,983</u>

**8. Lease (Right-of-use) Assets**

For the year ended September 30, 2022, the financial statements include the adoption of *GASB Statement No. 87, Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As the interest rate implicit in the City's leases is not readily determinable, the City utilizes its incremental borrowing rate to discount the lease payments. For additional information, refer to the disclosures below.

**Leases Payable:**

The City entered into a 12-36 month lease as Lessee for the use of various Copiers. An initial lease liability was recorded in the amount of \$190,838. As of September 30, 2022, the value of the lease liability is \$90,380. The City is required to make monthly fixed payments, on average, of \$9,535. The leases have an average interest rate of 0.1933%. The equipment estimated useful life was 60 months as of the contract commencement. The value of the right to use the asset as of September 30, 2022 of \$190,838 with accumulated amortization of \$100,557 is included with equipment on the lease class activities table found below.

On January 6, 2022, the City entered into a 19 month lease as Lessee for the use of vehicles. An initial lease liability was recorded in the amount of \$131,335. As of September 30, 2022, the value of the lease liability is \$69,186. The City is required to make monthly fixed payments of \$6,929. The lease has an interest rate of 0.3100%. The value of the right to use asset as of September 30, 2022 of \$131,335 with accumulated amortization of \$61,059 is included with vehicles on the lease class activities in the following table:

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**Principal and Interest Requirements to Maturity - Governmental Activities**

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 129,455	\$ 204	\$ 129,659
2024	18,792	18	18,810
<b>Total</b>	<b>\$ 148,247</b>	<b>\$ 222</b>	<b>\$ 148,469</b>

**Principal and Interest Requirements to Maturity - Business Type Activities**

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 8,944	\$ 15	\$ 8,959
2024	2,375	1	2,376
<b>Total</b>	<b>\$ 11,319</b>	<b>\$ 16</b>	<b>\$ 11,335</b>

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Lease (Right-of-use asset):				
Vehicles		\$ 131,335	\$ -	\$ 131,335
Equipment	\$ 169,178	-	-	169,178
Total Lease (Right-of-use) Assets	169,178	131,335	-	300,513
Lease Accumulated Amortization:				
Vehicles	-	61,059	-	61,059
Equipment	-	90,203	-	90,203
Total Lease Accumulated Amortization	-	151,262	-	151,262
Less accumulated amortization for:				
Vehicles	-	70,276	-	70,276
Equipment	169,178	(90,203)	-	78,975
Equipment	\$ 169,178	\$ (19,927)	\$ -	\$ 149,251
Total Governmental Lease assets, net				

Business-Type Activities	Beginning Balance	Additions	Reductions	Ending Balance
Lease Assets:				
Equipment	\$ 21,660	-	-	\$ 21,660
Total Lease (Right-of-use) assets	21,660	-	-	21,660
Lease Accumulated Amortization:				
Equipment	-	\$ 10,354	-	10,354
Total Lease Accumulated Amortization	-	10,354	-	10,354
Less accumulated amortization for:				
Equipment	21,660	(10,354)	-	11,306
Total Business-Type Lease (Right-of-use) assets, net	21,660	(10,354)	-	11,306
Total Governmental Lease (Right-of-use) assets,	169,178	(19,927)		149,251
<b>Total Governmental and business-type activities, lease assets, net</b>	<b>\$ 190,838</b>	<b>\$ (30,281)</b>	<b>\$ -</b>	<b>\$ 160,557</b>

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Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability:				
Vehicles	-	\$ 131,335	\$ 62,149	\$ 69,186
Equipment	\$ 169,178	-	90,117	79,061
Total Lease Liability	169,178	131,335	152,266	148,247

Business-Type Activities	Beginning Balance	Additions	Reductions	Ending Balance
Lease Liability:				
Equipment	21,660	-	10,341	11,319
Total Lease Liability	21,660	-	10,341	11,319
<b>Total Governmental and Business-type Lease Liability</b>	<b>\$ 190,838</b>	<b>\$ 131,335</b>	<b>\$ 162,607</b>	<b>\$ 159,566</b>

**Leases Receivable:**

On October 1, 1989, the City entered into a 99 year lease as Lessor for the use of the CRA Mizner Park. An initial lease receivable was recorded in the amount of \$61,275,713, due to the implementation of GASB 87, *Leases*. As of September 30, 2022, the value of the lease receivable is \$59,465,713. The Lessee is required to make annual fixed payments of \$1,810,000.00. The lease has an interest rate of 2.4020%. The value of the deferred inflow of resources as of September 30, 2022 was \$60,361,150, and the City recognized lease revenue of \$914,563 during the fiscal year.

On March 6, 2021, the City entered into a 35 year lease as Lessor for the use of Cell Towers. An initial lease receivable was recorded in the amount of \$1,143,112. As of September 30, 2022, the value of the lease receivable is \$1,122,512. The lessee is required to make annual fixed payments of \$20,600. The lease has an interest rate of 0.4353%. The value of the deferred inflow of resources as of September 30, 2022 was \$1,109,912, and the City recognized lease revenue of \$33,201 during the fiscal year. The lessee has 6 extension option(s), each for 60 months.

**CITY OF BOCA RATON, FLORIDA  
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Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Deferred Inflow of Resources:				
Land and Cell Towers	\$ 62,418,825	-	\$ 947,764	\$ 61,471,062
<b>Total Deferred Inflow of Resources</b>	<b>\$ 62,418,825</b>		<b>\$ 947,764</b>	<b>\$ 61,471,062</b>

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Lease Receivable:				
Land and Cell Towers	\$ 62,418,825	-	\$ 1,830,600	\$ 60,588,225
<b>Total Lease Receivable</b>	<b>\$ 62,418,825</b>		<b>\$ 1,830,600</b>	<b>\$ 60,588,225</b>

Principal and Interest Expected to Maturity				
Fiscal Year		Governmental Activities		Total Payments
		Principal Payments	Interest Payments	
2023	\$	397,965	\$ 1,433,253	\$ 1,831,218
2024		407,839	1,424,015	1,831,855
2025		417,956	1,414,554	1,832,510
2026		428,321	1,404,864	1,833,185
2027		438,941	1,394,940	1,833,881
2028 - 2032		2,363,350	6,817,242	9,180,591
2033 - 2037		2,670,790	6,530,601	9,201,391
2038 - 2042		3,017,879	6,207,625	9,225,504
2043 - 2047		3,409,745	5,843,712	9,253,457
2048 - 2052		3,852,182	5,433,680	9,285,863
2053 - 2057		4,293,772	4,971,691	9,265,462
2058 - 2062		4,594,872	4,455,128	9,050,000
2063 - 2067		5,173,872	3,876,128	9,050,000
2068 - 2072		5,825,831	3,224,169	9,050,000
2073 - 2077		6,559,943	2,490,057	9,050,000
2078 - 2082		7,386,560	1,663,439	9,050,000
2083 - 2087		8,317,340	732,660	9,050,000
2088		1,031,067	24,766	1,055,833
	<b>\$</b>	<b>60,588,225</b>	<b>\$ 59,342,524</b>	<b>\$ 119,930,749</b>

**CITY OF BOCA RATON, FLORIDA  
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**9. 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:

<b>Deferred Outflows:</b>	Fund-Level Statements	Government-Wide Statements
Deferred charge on refunding of bonds	\$ 363,545	\$ 404,117
Deferred outflows for pensions	3,903,132	68,966,783
Deferred outflows for OPEB	279,416	1,384,416
Total deferred outflows	<u>\$ 4,546,093</u>	<u>\$ 70,755,316</u>

<b>Deferred Inflows:</b>	Fund-Level Statements	Government-Wide Statements
Unavailable revenue	\$ 570,818	
Deferred inflows for pensions	11,484,886	\$ 90,729,060
Deferred inflows for OPEB	297,491	1,473,970
Deferred inflows for leases	61,471,062	\$ 61,471,062
Total deferred inflows	<u>\$ 12,353,195</u>	<u>\$ 153,674,092</u>

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

On September 13, 2021 the City Council adopted Resolution No. 121-2021, which equalized and adopted the special assessment roll for the Downtown Special Assessment and established the special assessment amounts (\$1,540,085) due January 1, 2022.

**C. Governmental Activities Non Ad Valorem Revenue Bonds**

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

**CITY OF BOCA RATON, FLORIDA  
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**D. Governmental Activities Infrastructure Surtax Revenue Bonds**

The City issues bonds pledging the additional infrastructure sales surtax revenues.

**E. Enterprise Funds Revenue Bonds and Defeasance of Debt**

The City issues bonds whereby the City pledges income derived from the operations of the water and sewer system and a system development charge (connection fees) 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, 2022 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	\$ 4,545,000	3.00 – 4.00%	\$ 670,700
Series 2011 Refunding	Improvement	9,525,000	-	5.00%	-
Series 2011 Refunding	Improvement	6,060,000	-	3.00%	-
Series 2014 Refunding	Refunding	12,560,000	-	1.52%	-
		<u>37,370,000</u>	<u>4,545,000</u>		
Special Assessment Bonds:					
Series 2009, Refunding	Refunding	11,205,000	-	4.25%	-
Series 2010	Improvement	3,705,000	1,920,000	2.00 – 4.125%	286,769
		<u>14,910,000</u>	<u>1,920,000</u>		
Revenue Bond:					
Series 2018	Long Term Advance	19,100,000	14,040,000	2.64%	1,617,788
Series 2018	Improvement	20,000,000	11,920,000	2.92%	3,203,064
		<u>39,100,000</u>	<u>25,960,000</u>		
<b>Total for Governmental Activities</b>		<u>\$ 91,380,000</u>	<u>\$ 32,425,000</u>		

Business-type activities bonds outstanding at September 30, 2022 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 2015	Refunding	\$ 15,555,000	\$ 9,535,000	2.26%	\$ 1,703,225
Series 2020	Improvements	35,000,000	33,745,000	2.09%	2,155,232
<b>Total for Business-type Activities</b>		<u>\$ 50,555,000</u>	<u>\$ 43,280,000</u>		

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Long-term bonds and loans payable activity for the fiscal year ended September 30, 2022 was as follows:

<b>Governmental activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balances</b>	<b>Due Within One Year</b>
<b>Bonds and notes payable:</b>					
General obligation bonds	\$ 6,850,000		\$ 2,305,000	\$ 4,545,000	\$ 505,000
Special assessment bonds	3,240,000		1,320,000	1,920,000	210,000
Revenue bonds	29,945,000		3,985,000	25,960,000	1,920,000
Net premium on bonds	397,974		213,478	184,496	
<b>Total governmental bonds and loans payable net</b>	<b>\$ 40,432,974</b>		<b>\$ 7,823,478</b>	<b>\$ 32,609,496</b>	<b>\$ 2,635,000</b>

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balances</b>	<b>Due Within One Year</b>
<b><u>Water and Sewer:</u></b>					
Revenue bonds	\$ 46,005,000		\$ 2,725,000	\$ 43,280,000	\$ 2,965,000
<b>Total business-type bonds and loans payable, net</b>	<b>\$ 46,005,000</b>		<b>\$ 2,725,000</b>	<b>\$ 43,280,000</b>	<b>\$ 2,965,000</b>

Other long-term liability activity for the fiscal year ended September 30, 2022 was as follows:

<b>Governmental activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balances</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Compensated absences	\$ 22,891,555	\$ 6,982,023	\$ 7,024,957	\$ 22,848,621	\$ 2,284,862
Estimated liability for self-insurance losses	8,156,000	8,156,000	8,020,000	8,292,000	3,252,000
Lease (Right-of-use asset)	169,178	131,335	152,288	148,225	129,455
<b>Total governmental activities, long-term liabilities</b>	<b>\$ 31,216,733</b>	<b>\$ 15,269,358</b>	<b>\$ 15,197,245</b>	<b>\$ 31,288,846</b>	<b>\$ 5,666,317</b>

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balances</b>	<b>Due Within One Year</b>
<b><u>Water and Sewer:</u></b>					
Compensated absences - Water and Sewer	\$ 1,631,290	\$ 737,901	\$ 681,708	\$ 1,687,483	\$ 168,748
Compensated absences - other business type activities	751,419	216,423	361,201	606,641	60,664
Lease (Right-of-use asset)	21,660	-	\$ 10,341	11,319	8,944
<b>Total business-type activities, long-term liabilities</b>	<b>\$ 2,404,369</b>	<b>\$ 954,324</b>	<b>\$ 1,053,250</b>	<b>\$ 2,305,443</b>	<b>\$ 238,357</b>



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**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		
2023	\$ 505,000	\$ 165,700	\$ 210,000	\$ 74,119	\$ 4,100,000	\$ 718,720	\$ 2,965,000	\$ 888,502		
2024	520,000	150,550	220,000	66,769	4,215,000	602,486	3,030,000	823,275		
2025	535,000	134,950	225,000	58,794	4,330,000	482,972	3,095,000	756,629		
2026	555,000	113,550	235,000	50,356	4,455,000	360,224	3,170,000	688,457		
2027	575,000	91,350	245,000	41,544	1,380,000	233,904	3,230,000	618,814		
2028-2032	1,855,000	147,225	785,000	64,831	7,480,000	602,712	10,155,000	2,311,975		
2033-2037	-	-	-	-	-	-	9,390,000	1,360,277		
2038-2041	-	-	-	-	-	-	8,245,000	348,978		
Total	\$ 4,545,000	\$ 803,325	\$ 1,920,000	\$ 356,413	\$ 25,960,000	\$ 3,001,018	\$ 43,280,000	\$ 7,796,907		

**G. Compensated Absences**

Accumulated compensated absences and other post employment benefit obligations are recorded in the government-wide and proprietary financial statements when earned. For governmental activities, compensated absences and other post employment benefits are primarily liquidated by the General Fund when paid.

**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 (connection fees) are deposited into separate accounts. An annual calculation determines the portion of the charge to be transferred to the debt service fund. Connection fees are restricted to payment of debt service related to the construction of new plant capacity. Connection fees may not be used for operations (see Note 7).

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.

At September 30, 2022, all reserves including the bond reserve account were fully funded. The rate structure is calculated annually to assure adequate coverage of all requirements.

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**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, 2022 are as follows:

Source of Revenue Pledged	Governmental Activities		Business-type Activities
	Special Assessment	Infrastructure Surtax	Water & Sewer Revenues
Current revenue pledged	\$ 1,558,455	\$ 8,869,899	\$ 9,842,040
Current debt service	1,448,681	3,198,948	3,915,487
Total future revenues pledged	2,276,413	12,802,570	51,076,907
Description of debt	Special Assessment Refunding & Improvement Bonds, Series 2009-2010 (Visions 90 Projects) Series 2009, to refund Special Assessment Bonds, Series 2001; Series 2010, to finance certain improvements within the Downtown District	Capital Improvement Surtax Bonds, issued 2018	Water and Sewer Utility Revenue Bonds, issued 2015; Improvement Bonds, issued 2020
Purpose of debt		Infrastructure	Refunding and Improvements within Water and Sewer System
Term of commitment	2010-2030	2018-2026	2015-2040
Percentage of debt service to pledged revenues (current year)	93%	36%	40%

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

**K. Defeasance of Debt**

The 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 general purpose financial statements. At September 30, 2022, \$7,940,000 of bonds outstanding is considered defeased.

**11. 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

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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, 2022 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	608	383	49
Inactive plan members entitled to, but not yet receiving, benefits	52	9	13
Active plan members	588	375	46
Total	1,248	767	108

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

	Measurement Date	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ (Income)
General Employees' Pension Plan	9/30/21	\$ (14,170,982)	\$ 6,936,458	\$ 28,415,659	\$ (4,204,692)
Police and Firefighters' Retirement System	9/30/21	108,434,579	56,171,655	55,600,364	3,688,258
Executive Employees' Retirement Plan	9/30/21	10,895,362	5,713,751	6,719,837	(830,829)
Florida Retirement System Plan	6/30/22	596,209	141,110	-	95,276
Retiree Health Insurance Subsidy Program	6/30/22	42,742	3,809	(6,800)	5,970
Total		\$ 105,797,910	\$ 68,966,783	\$ 90,729,060	\$ (1,246,017)

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**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.

**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.

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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 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

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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 seven 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, 2022, there were 96 DROP participants with a total balance of \$10,341,999. These amounts are included in the total investment balance presented on the Pension Trust Funds Statement of Fiduciary Net Position.

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 2021, Ordinance No. 5595 was passed by City Council, providing for a one-time lump sum payment equal to 5.0% of the annual retirement benefit to members who began receiving benefits prior to October 1, 2007 and a one-time lump sum payment equal to 3.0% of the annual retirement benefit to members who began receiving benefits on or after October 1, 2007 and prior to October 1, 2011.

**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 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, 2022 determined using the actuarial valuation dated October 1, 2020 were 4.15% 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2020, rolled forward to September 30, 2021 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.6%
Salary increases	Service based
Investment rate of return	7.70%

Mortality rates, as mandated by Chapter 2015-157, Laws of Florida, were those used in Milliman's July 1, 2020 Florida Retirement System (FRS) valuation report for non-special risk employees, with appropriate adjustments made based on the plan demographics.

The long-term expected rate of return on the GE plan investments is 7.70%. 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, 2021 are summarized as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	8.3%
International equity	4.1
Bonds	3.1
Convertibles	7.8
Infrastructure	7.0
REITs	8.2
Private Real estate	5.5
Cash	0.2

The discount rate used to measure the total pension liability was 7.70 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.



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**Changes in Net Pension Liability (Asset):**

Component	General Employees' Pension Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Balance at September 30, 2020</b>	\$ 248,854,901	\$ 233,686,300	\$ 15,168,601
<b>Changes for the year:</b>			
Service cost	3,555,679	-	3,555,679
Interest	18,924,357	-	18,924,357
Reserve for 2% lump sum payments	299,877	-	299,877
Assumption changes	437,024	-	437,024
Plan changes	-	-	-
Differences between expected and actual experience	(783,804)	-	(783,804)
Contributions - employer	-	1,624,278	(1,624,278)
Contributions - employee	-	2,469,616	(2,469,616)
Net investment income	-	47,849,423	(47,849,423)
Benefit payments, including refunds of employee contributions	(16,338,054)	(16,356,549)	18,495
Transfers	(94,108)	(94,108)	
Administrative Expenses	-	(152,106)	152,106
<b>Net changes</b>	<u>6,000,971</u>	<u>35,340,554</u>	<u>(29,339,583)</u>
<b>Balance at September 30, 2021</b>	<u>\$ 254,855,872</u>	<u>\$ 269,026,854</u>	<u>\$ (14,170,982)</u>

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.70 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 (6.70%) or 1-percentage-point higher (8.70%) than the current rate:

	1% Decrease 6.70%	Current Rate 7.70%	1% Increase 8.70%
Net pension liability (asset)	\$ 10,274,691	\$ (14,170,982)	\$ (34,997,806)

**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, 2022 the City recognized pension income of \$4,204,692 on the government-wide Statement of Activities for the GE Plan. This amount is included as part of personnel services expenses within the functional program activities.



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At September 30, 2022, 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		\$ 6,523,112
Asset gain/loss	5,172,155	21,892,547
Assumptions	437,024	
Subsequent contributions	1,327,279	
Total	\$ 6,936,458	\$ 28,415,659

Deferred outflows of resources related to the GE Plan, totaling \$1,327,279 resulting from City contributions subsequent to the September 30, 2021 measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2023. 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:

2023	\$ (4,050,090)
2024	(4,431,002)
2025	(6,884,062)
2026	(6,114,047)

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.

**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 at <https://myboca.us/> or by writing to:

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

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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 \$4,214,957 for the fiscal year ended September 30, 2022: \$2,405,332 for property insurance contracts for firefighters under Chapter 175 and \$1,809,624 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 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.

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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.

Firefighter members separating from service receive a \$10.50 monthly supplement per year of service. Ordinance No. 5578, adopted on May 5, 2021, increased the supplemental for Police members separating from service, on or after May 25, 2021, from \$10.50 to \$20.00. 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.

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.

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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 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 seven years. If a member continues to remain in employment more than seven 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 72 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, 2022, there were 130

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DROP participants with a total balance of \$31,827,462. These amounts are included in the total investment balance presented on the Pension Trust Funds Statement of Fiduciary Net Position.

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 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, 2022, determined using the actuarial valuation dated October 1, 2020, were 56.47% 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,

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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 9.88% of covered payroll for police officers. Employer contributions for the fiscal year ended September 30, 2022 determined using the actuarial valuation dated October 1, 2020 were 51.81% 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 10.90% of covered payroll for firefighters. Employer contributions for the fiscal year ended September 30, 2022 determined using the actuarial valuation dated October 1, 2020 were 41.24% 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 PF Plan:**

The City's liability for the net pension liability was measured as of September 30, 2021, 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, 2020, rolled forward to September 30, 2021 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.0%
Salary increases	Age based
Investment rate of return	7.70%
Cost of living adjustment	varies

Mortality rates, as mandated by Chapter 2015-157, Laws of Florida, were those used in Milliman's July 1, 2020 Florida Retirement System (FRS) valuation report for special risk employees, with appropriate adjustments made based on the plan demographics.



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The long-term expected rate of return on the PF plan investments is 7.70%. 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, 2021 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	6.04%
U.S. Small Cap Equity	7.09
International Developed Equity	7.00
Emerging Markets Equity	8.82
Core Fixed income	0.38
High Yield Fixed Income	2.97
Emerging Markets Debt	3.16
Multi-Asset Class Solutions	3.40
Private Equity	10.11
Long/Short Equity Strategies	4.12
Credit/Event Hedge Strategies	3.12
Real Estate - Core	3.50
Private Debt	5.56

The discount rate used to measure the total pension liability was 7.70 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.



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**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)
<b>Balance at September 30, 2020</b>	\$ 585,826,598	\$ 416,865,042	\$ 168,961,556
<b>Changes for the year:</b>			
Service cost	12,396,281		12,396,281
Interest	45,369,348		45,369,348
Changes of benefit terms	2,622,670		2,622,670
Differences between expected and actual experience	812,119		812,119
Changes of assumptions	3,273,141		3,273,141
Contributions - employer		15,721,887	(15,721,887)
Contributions - State		3,711,634	(3,711,634)
Contributions - employee		4,271,551	(4,271,551)
Contributions - buy back	98,446	98,446	-
Net investment income		101,524,813	(101,524,813)
Benefit payments, including re-funds of employee contributions	(30,869,226)	(30,869,226)	-
Transfers			-
Administrative expense		(229,349)	229,349
<b>Net changes</b>	<b>33,702,779</b>	<b>94,229,756</b>	<b>(60,526,977)</b>
<b>Balance at September 30, 2021</b>	<b>\$ 619,529,377</b>	<b>\$ 511,094,798</b>	<b>\$ 108,434,579</b>

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, 2022 totals \$15,879,163.

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The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.70 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 (6.70%) or 1-percentage-point higher (8.70%) than the current rate:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>6.70%</b>	<b>7.70%</b>	<b>8.70%</b>
Net pension liability	\$ 187,673,379	\$ 108,434,579	\$ 43,469,987

**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, 2022 the City recognized pension expense of \$3,688,258 on the government-wide Statement of Activities for the PF Plan. This amount is included as part of personnel services expenses within the functional program activities.

At September 30, 2022, the City reported deferred outflows and inflows of resources related to the PF Plan from the following sources:

<b>Police and Firefighters' Retirement System</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ 812,119	
Changes of assumptions	32,550,705	\$ 2,459,653
Net difference between projected and actual earnings on pension plan investments		53,140,711
Employer and state contributions subsequent to the measurement date	22,808,831	
Total	<u>\$ 56,171,655</u>	<u>\$ 55,600,364</u>

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Deferred outflows of resources related to the PF Plan, totaling \$22,808,831 resulting from City and State contributions subsequent to the September 30, 2022 measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2023. 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:

Year ended September 30:		
2023	\$	(1,866,494)
2024		(2,825,947)
2025		(7,415,235)
2026		(10,810,741)
2027		680,877

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

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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.

For members hired on or before September 30, 2010, Division 1, Division 2 or Division 3 utilize multipliers of 3.05, 3.15 and 3.25 respectively. For members who retire or enter the DROP before January 26, 2021, Division 4 utilizes a multiplier of 4.55 for the first 10 years and 3.35 thereafter. For members who retire or enter the DROP on or after January 26, 2021, Division 4 utilizes the same percentage multiplier as provided for Division 3 members, plus 0.1. After September 30, 2010, new members assigned to Division 1, Division 2, Division 3 and Division 4 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 1<sup>st</sup> 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 eighty-four months. At September 30, 2022, there were 7 DROP participants with a total balance of \$3,264,416. These amounts are included in the total investment balance presented on the Pension Trust Funds Statement of Fiduciary Net Position.

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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.

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, 2022 determined using the actuarial valuation dated October 1, 2020 were 44.32% 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, 2021, 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, 2020, rolled forward to September 30, 2021 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75%
Salary increases	Varies
Investment rate of return	7.15%
Cost of living adjustment	Varies

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Mortality rates were based on the Florida Retirement System (FRS) mortality assumptions. FRS uses the RP-2000 mortality tables with white and blue collar adjustments and with mortality improvements projected for healthy lives to all future years using Scale BB.

The long-term expected rate of return on the EE plan investments is 7.15%. 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 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, 2021 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Core Bonds	2.6%
Multi-Sector	2.9
U.S. Large Cap Equity	7.2
U.S. Small Cap Equity	8.4
Non-U.S. Equity	8.2
Core Real Estate	6.7

The discount rate used to measure the total pension liability was 7.15 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.

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**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)
<b>Balance at September 30, 2020</b>	\$ 71,669,198	\$ 52,290,543	\$ 19,378,655
<b>Changes for the year:</b>			
Service cost	1,004,178		1,004,178
Interest	5,080,148		5,080,148
Changes of benefit terms Differences between expected and actual experience	777,025		777,025
Changes to assumptions			-
Contributions - employer		2,600,459	(2,600,459)
Contributions - employee		698,790	(698,790)
Transfer from other pension plans		94,108	
Net investment income		12,058,989	(12,058,989)
Benefit payments, including re- funds of employee contributions	(3,244,704)	(3,244,704)	
Administrative expense		(107,702)	75,266
<b>Net changes</b>	<u>\$ 3,616,647</u>	<u>12,099,940</u>	<u>(8,483,293)</u>
<b>Balance at September 30, 2021</b>	<u>\$ 75,285,845</u>	<u>\$ 64,390,483</u>	<u>\$ 10,895,362</u>

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.15 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 (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease	Current Rate	1% Increase
	6.15%	7.15%	8.15%
Net pension liability	\$ 19,950,590	\$ 10,895,362	\$ 3,421,543



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**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, 2022 the City recognized pension income of \$830,829 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, 2022, 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	\$ 2,607,594	
Asset (gain)/loss	439,652	\$ 6,719,837
Assumption change	106,003	
Subsequent contribution	2,560,502	
Total	\$ 5,713,751	\$ 6,719,837

Deferred outflows of resources related to the EE Plan, totaling \$2,560,502, resulting from City contributions subsequent to the September 30, 2021 measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2023. 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:

Year ended September 30:	
2023	\$ 2,825,300
2024	(672,024)
2025	(1,514,205)
2026	(1,645,157)

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.

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**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. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://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

**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

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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 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

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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, 2022 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 2022 fiscal year were as follows:

Percent of Gross Salary		Percent of Gross Salary	
October 1, 2021 to June 30, 2022		July 1, 2022 to September 30, 2022	
<u>Employee</u>	<u>Employer<sup>1</sup></u>	<u>Employee</u>	<u>Employer<sup>1</sup></u>
3.00%	51.42%	3.00%	57.00%

<sup>1</sup>Employer 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 \$70,875 for the fiscal year ended September 30, 2022. 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 compensation for all active FRS members. The HIS contribution rate for the periods October 1, 2021 through June 30, 2022 and July 1, 2022 through September 30, 2022 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. 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.

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The City's contributions to the HIS Plan totaled \$2,307 for the fiscal year ended September 30, 2022.

**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	6.70%	3.54%
Salary Increase	3.25%	3.25%
Inflation	2.40%	2.40%

Mortality assumptions for both the FRS Pension Plan and HIS program were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

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 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:

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Asset Class	Target Allocation <sup>1</sup>	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	8.9%	7.8%
<b>Total</b>	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.3%

<sup>1</sup>As outlined in the FRS Pension Plan's investment policy

The discount rate used to measure the total pension liability was 6.7% 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 3.54% 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 2022:

- FRS: The long-term expected rate of return was decreased from 6.80% to 6.70%
- HIS: The municipal bond rate used to determine total pension liability was increased from 2.16% to 3.54%.
- HIS: The elected assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

Net Pension Liability

At September 30, 2022, the City reported a liability of \$596,209 for its proportionate share of the FRS Pension Plan's net pension liability and \$42,742 for the HIS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The City's proportionate share of the net pension liability was calculated using accrued retirement contributions related to the reporting periods included in the system's fiscal year ended June 30, 2013 through June 30, 2022. At June 30, 2022, the City's proportionate share was .001602367% for the FRS plan and .000403548% for the

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HIS plan, which represent a decrease of .000156448% and .000011982% respectively from the proportionate shares measured as of June 30, 2021.

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 6.7%, 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 (5.7%) or 1-percentage-point higher (7.7%) than the current rate:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>5.70%</b>	<b>6.70%</b>	<b>7.70%</b>
Net pension liability (asset)	\$ 1,031,103	\$ 596,209	\$ 232,586

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, 2022 the City recognized pension expense of \$95,278 related to the FRS Pension Plan and \$5,970 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:

	<b>Deferred Outflows of Resources</b>		
	<b>FRS</b>	<b>HIS</b>	<b>Total</b>
Differences between expected and actual experience	\$ 1,995	\$ (1,297)	\$ 698
Changes in assumptions	73,426	(2,450)	70,976
Net difference between projected and actual investment earnings	39,368	(62)	39,306
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	10,178	6,947	17,125
City FRS contributions subsequent to the measurement date	16,143	671	16,814
<b>Total Deferred Outflows of Resources</b>	<b>\$ 141,110</b>	<b>\$ 3,809</b>	<b>144,919</b>



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	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	-	\$ (188)	\$ (188)
Changes in assumptions	-	(6,612)	(6,612)
Net difference between projected and actual investment earnings	-	-	-
Changes in proportion and differences between City FRS contributions and proportionate share of FRS contributions	\$ -	-	-
<b>Total Deferred Inflows of Resources</b>	<b>\$ -</b>	<b>\$ (6,800)</b>	<b>(6,800)</b>

The deferred outflows of resources related to pensions, totaling \$16,679 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, 2022. 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
2023	\$ 34,125	\$ (716)	\$ 31,654
2024	12,877	(386)	(9,952)
2025	(11,524)	(177)	(39,228)
2026	100,270	(391)	80,083
2027	5,362	(907)	215
Thereafter	-	(414)	(499)
<b>Total</b>	<b>141,110</b>	<b>(2,991)</b>	<b>138,119</b>

Payables to the Pension Plan – At September 30, 2022, the City did not report a payable to the Plan for the fiscal year ended September 30, 2022.

## 12. 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.

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- 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.

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 7 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, 2022, the OPEB Plan covered 1,059 active employees and 108 retirees.

**Total OPEB Liability**

**Actuarial Methods and Assumptions**

The OPEB liability is based on the October 1, 2022 valuation which includes several actuarial assumptions. September 30, 2022 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)	4.40%
Inflation rate	2.50%
Medical Trend Rate (using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions)	3.94%
Salary Increase	General - Varies Police & Executives - Varies Pub-2010 mortality fully generational using scale MP- 2021
Mortality Rate	

The discount rate used to determine the liabilities under *GASB Statement No. 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 2.19% as of September 30, 2021 and 4.40% as of September 30, 2022.

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The City does not provide funding for any portion of the premiums after retirement; 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, 2022, the City reported a total OPEB liability of \$5,792,597, representing 6.21% of covered payroll. The components of the City's OPEB liability were as follows:

Component	Value
Total OPEB liability	\$ 5,792,597
Plan fiduciary net position	--
Total OPEB liability	<u>\$ 5,792,597</u>
Plan fiduciary net position as a percentage of OPEB liability	0%
Covered payroll	\$ 93,336,507
Total OPEB liability as a percentage of covered payroll	6.21%

**Change in OPEB Liability**

The detail of the change in OPEB liability for fiscal year 2022 is presented below:

Component	Increase (Decrease)
<b>Balance at September 30, 2021</b>	<b>\$ 5,950,335</b>
Changes for the year:	
Service cost	271,029
Interest cost	126,992
Plan changes	
Differences between expected and actual experience	1,230,776
Changes in assumptions	(1,483,311)
Benefit payments, net of retiree contributions	<u>(303,224)</u>
Net changes	<u>(157,738)</u>
<b>Balance at September 30, 2022</b>	<b><u>\$ 5,792,597</u></b>

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

The chart below presents the total OPEB liability of the City, calculated using the discount rate of 4.40%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.40%) or 1-percentage-point higher (5.40%) than the current rate.

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	1% Decrease 3.40%	Discount Rate 4.40%	1% Increase 5.40%
Total OPEB liability	\$ 6,292,120	\$ 5,792,597	\$ 5,347,806

The chart below presents the total OPEB liability of the City, calculated using a health care cost trend rate of 3.94%, 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 (2.94%) or 1-percentage-point higher (4.94%) than the current rate.

	1% Decrease 2.94%	Medical Trend 3.94%	1% Increase 4.94%
Total OPEB liability	\$ 5,297,924	\$ 5,792,597	\$ 6,363,705

**OPEB expense**

For the fiscal year ended September 30, 2022, the City recognized OPEB expense of \$413,065. This amount is broken down in more details below.

Expense	Amount
Service cost	\$ 271,029
Interest	<u>126,992</u>
Differences between expected and actual experience	
In current fiscal year, recognized in current year	175,825
From past years recognized in current year	<u>(44,768)</u>
Total	<u>131,057</u>
Changes in assumptions	
In current fiscal year, recognized in current year	(211,902)
From past years recognized in current year	<u>95,889</u>
Total	<u>(116,013)</u>
Total OPEB expense	<u>\$ 413,065</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.

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**OPEB Fiduciary Net Position**

**Deferred Inflows/Outflows of Resources related to OPEB**

For the fiscal year ended September 30, 2022, 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
Differences between expected and actual experience	\$ 1,054,951	\$ 179,075
Changes in assumptions	329,465	1,294,895
Total	<u>\$ 1,384,416</u>	<u>\$ 1,473,970</u>

Deferred outflows of resources of \$448,839 and deferred inflows of resources of \$270,814 are the result of changes in assumptions which increased the total OPEB liability by \$99,114, of which \$14,159 was recognized in OPEB expense at September 30, 2022. The remainder of the balance will be recognized to OPEB expense as follows:

Fiscal year ended September 30:	
2023	\$ 15,043
2024	38,529
2025	(42,567)
2026	(42,569)
2027	(21,917)
Thereafter	(36,073)

**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, 2022:

	Interfund Receivables (Due From)	Interfund Payables (Due To)
Major funds:		
General Fund	\$ 3,764,998	
Beach and Park Operations Fund		\$ 3,764,998
Total interfund receivables/payables	<u>\$ 3,764,998</u>	<u>\$ 3,764,998</u>

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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	Total
General		\$ 25,966,463	\$ 2,464,100	\$ 28,430,563
CRA Revenue				-
Land Proceeds				
5 Year Capital Improvements			2,329,500	2,329,500
Beach and Park Operations			194,400	194,400
Water and Sewer			79,300	79,300
Non-major governmental	\$ 21,000	\$ 14,202,961		14,223,961
Non-major enterprise	320,000		16,800	336,800
Total	\$ 341,000	\$ 40,169,424	\$ 5,084,100	\$ 45,594,524

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

**14. 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 \$375,000 and with Aggregate contract attachment point of \$11,959,775 with 125% aggregate corridor. The

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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 \$11,584,000 reported in the Fund at September 30, 2022 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, 2022. 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 1.0% is assumed for general liability and workers compensation claims.

The estimated liability at September 30, 2021 and 2022 is as follows:

Type	As of 9/30/21	As of 9/30/22	Due Within One Year
Workers Compensation	\$ 6,750,000	\$ 7,172,000	\$ 1,413,000
General and Automobile Liability	3,601,000	3,651,000	1,078,000
Health Insurance	778,000	761,000	761,000
Total	<u>\$ 11,129,000</u>	<u>\$ 11,584,000</u>	<u>\$ 3,252,000</u>

Changes in the estimated liability for the fiscal years ended September 30, 2021 and 2022 are as follows:

Fiscal Year	Liability on October 1	Changes in Estimates	Claim Payments	Liability on September 30
2021	\$ 10,759,000	\$ 18,913,056	\$ 18,543,056	\$ 11,129,000
2022	\$ 11,129,000	\$ 18,519,253	\$ 18,064,253	\$ 11,584,000



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**15. 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, 2022. 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, 2022, would not have a material adverse effect on the financial position of the City.

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SEPTEMBER 30, 2022**

**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 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 the Community Redevelopment Agency has issued separate trust fund financial statements and an audit report. Please refer to the City's website for the documents.

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2022:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 16,390,645	
Lease revenues	2,126,600	
Investment income (loss)	(375,647)	
Miscellaneous revenues	12,976	
Other	1,332,302	
Purpose of withdrawals:		
Salaries and benefits		\$ 2,349,512
Professional services		144,169
Advertising		9,971
Repayments to City		15,000,000
Other contractual services		708
Insurance premiums		76,319
IT technology		10,275
Supplies		10,932
Dues and subscriptions		5,110
Capital outlay		1,682,166
Project Related expenses		1,505,540
Miscellaneous		501,448
Total	<u>\$ 19,486,876</u>	<u>\$ 21,296,150</u>

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

**General Employees' Pension Plan**

September 30,	Year 2021	Year 2020	Year 2019	Year 2018
<b>Total Pension Liability</b>				
Service cost	\$ 3,555,679	\$ 3,621,703	\$ 3,565,692	\$ 3,439,409
Interest	18,924,357	18,427,537	18,235,699	17,465,497
Reserve for 2% lump sum payments	299,877	(78,088)	78,088	
Changes of benefit terms	-	647,487	1,105,146	
Differences between expected and actual experience	(783,804)	2,084,345	(3,967,222)	2,976,520
Changes of Assumptions	437,024	(167,450)	1,078,853	1,083,605
Benefit payments, including refunds of member contributions	(16,338,054)	(15,220,344)	(15,389,621)	(13,435,956)
Transfers (net)	(94,108)	(259,656)	(466,265)	(398,832)
<b>Net Change in Total Pension Liability</b>	<u>6,000,971</u>	<u>9,055,534</u>	<u>4,240,370</u>	<u>11,130,243</u>
<b>Total Pension Liability - Beginning</b>	<u>248,854,901</u>	<u>239,799,367</u>	<u>235,558,997</u>	<u>224,428,754</u>
<b>Total Pension Liability - Ending (a)</b>	<u>254,855,872</u>	<u>248,854,901</u>	<u>239,799,367</u>	<u>235,558,997</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	1,624,278	1,725,822	2,240,997	2,093,506
Contributions - member	2,469,616	2,520,603	2,468,106	2,560,917
Net investment income (loss)	47,849,423	20,891,319	7,574,765	18,067,722
Benefit payments, including refunds of member contributions	(16,356,549)	(15,220,344)	(15,389,621)	(13,435,956)
Administrative expense	(152,106)	(131,381)	(114,677)	(106,870)
Transfers (net)	(94,108)	(259,656)	(466,265)	(398,832)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>35,340,554</u>	<u>9,526,363</u>	<u>(3,686,695)</u>	<u>8,780,487</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>233,686,300</u>	<u>224,159,937</u>	<u>227,846,632</u>	<u>219,066,145</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>269,026,854</u>	<u>233,686,300</u>	<u>224,159,937</u>	<u>227,846,632</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ (14,170,982)</u>	<u>\$ 15,168,601</u>	<u>\$ 15,639,430</u>	<u>\$ 7,712,365</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	105.56%	93.90%	93.48%	96.73%
<b>Covered Payroll</b>	\$ 32,820,497	\$ 32,830,669	\$ 31,486,792	\$ 37,233,984
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	(43.18)%	46.20%	49.67%	20.71%

**Notes to Schedule:**

<sup>1</sup>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<sup>(1)</sup>**

**General Employees' Pension Plan**

Year 2017	Year 2016	Year 2015	Year 2014
\$ 3,224,234	\$ 3,855,305	\$ 3,952,877	\$ 4,070,341
16,928,618	16,311,059	15,878,172	15,543,810
1,501,811			
(1,491,049)	113,363	(1,726,306)	(3,613,328)
2,087,606	636,444		
(12,101,909)	(12,610,638)	(12,424,759)	(10,670,374)
(310,001)	(108,675)	(48,097)	(264,439)
9,839,310	8,196,858	5,631,887	5,066,010
214,589,444	206,392,586	200,760,699	195,694,689
<u>224,428,754</u>	<u>214,589,444</u>	<u>206,392,586</u>	<u>200,760,699</u>
2,340,675	3,361,534	3,925,569	3,744,111
2,431,496	2,509,043	2,335,348	2,360,378
22,496,220	16,484,179	(2,130,561)	19,283,849
(12,101,909)	(12,610,638)	(12,424,759)	(10,670,374)
(135,013)	(132,952)	(90,032)	(243,981)
(310,001)	(108,675)	6,442	(264,439)
<u>14,721,468</u>	<u>9,502,491</u>	<u>(8,377,993)</u>	<u>14,209,544</u>
204,344,677	194,842,186	203,220,179	189,010,635
<u>219,066,145</u>	<u>204,344,677</u>	<u>194,842,186</u>	<u>203,220,179</u>
<u>\$ 5,362,609</u>	<u>\$ 10,244,767</u>	<u>\$ 11,550,400</u>	<u>\$ (2,459,480)</u>
97.61%	95.23%	94.40%	101.23%
\$ 36,206,318	\$ 35,094,926	\$ 35,658,133	\$ 34,835,028
14.81%	29.19%	32.39%	(7.06)%

**Notes to Schedule:**

<sup>1</sup>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 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)
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%
2020	1,342,842	1,725,822	\$ 382,980	32,830,669	4.09%	5.26%
2021	1,624,278	1,624,278		31,971,845	5.08%	5.08%
2022	1,653,797	1,327,279	(326,518)	31,971,845	5.17%	4.15%

**Notes to Schedule:**

Valuation date: October 1, 2020

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	7.75%

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

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

**Police & Firefighters' Retirement System**

September 30,	Year 2021	Year 2020	Year 2019	Year 2018
<b>Total Pension Liability</b>				
Service cost	\$ 12,396,281	\$ 11,741,146	\$ 11,021,198	\$ 10,027,517
Interest	45,369,348	42,316,629	39,878,548	37,651,191
Changes of benefit terms	2,622,670	937,428		1,270,260
Differences between expected and actual experience	812,119	1,950,627	5,211,764	4,019,386
Transfer from (to) General Employees' Plan			11,307	(10,300)
Changes of Assumptions	3,273,141	12,500,208	3,076,955	2,874,659
Contributions - buy back	98,446	245,305	414,164	113,861
Benefit payments, including refunds of member contributions	(30,869,226)	(27,414,110)	(26,100,713)	(22,420,013)
<b>Net Change in Total Pension Liability</b>	<b>33,702,779</b>	<b>42,277,233</b>	<b>33,513,223</b>	<b>33,526,561</b>
<b>Total Pension Liability - Beginning</b>	<b>585,826,598</b>	<b>543,549,365</b>	<b>510,036,142</b>	<b>476,509,581</b>
<b>Total Pension Liability - Ending (a)</b>	<b>619,529,377</b>	<b>585,826,598</b>	<b>543,549,365</b>	<b>510,036,142</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	15,721,887	14,654,808	13,316,657	10,186,562
Contributions - State	3,711,634	3,464,368	3,483,705	3,313,018
Contributions - member	4,271,551	4,372,630	4,201,798	3,956,634
Contributions - buy back	98,446	245,305	414,164	113,861
Transfer from General Employees' Plan			11,307	(10,300)
Net investment income	101,524,813	20,999,386	13,400,305	27,561,870
Benefit payments, including refunds of member contributions	(30,869,226)	(27,414,110)	(26,100,713)	(22,420,013)
Administrative expense	(229,349)	(249,355)	(216,090)	(228,726)
Other				
<b>Net Change in Plan Fiduciary Net Position</b>	<b>94,229,756</b>	<b>16,073,032</b>	<b>8,511,133</b>	<b>22,472,906</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>416,865,042</b>	<b>400,792,010</b>	<b>392,280,877</b>	<b>369,807,971</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>511,094,798</b>	<b>416,865,042</b>	<b>400,792,010</b>	<b>392,280,877</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 108,434,579</b>	<b>\$ 168,961,556</b>	<b>\$ 142,757,355</b>	<b>\$ 117,755,265</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>82.50%</b>	<b>71.16%</b>	<b>73.74%</b>	<b>76.91%</b>
<b>Covered Payroll</b>	<b>\$ 39,548,028</b>	<b>\$ 40,455,610</b>	<b>\$ 38,811,038</b>	<b>\$ 36,539,436</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>274.18%</b>	<b>417.65%</b>	<b>367.83%</b>	<b>322.27%</b>

**Notes to Schedule:**

<sup>1</sup> 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<sup>(1)</sup>**

**Police & Firefighters' Retirement System**

Year 2017	Year 2016	Year 2015	Year 2014	Year 2013
\$ 9,139,764	\$ 8,067,516	\$ 8,019,243	\$ 8,842,600	\$ 8,187,593
35,591,072	33,015,209	31,100,803	30,257,546	28,465,767
		(12,002,331)		
1,149,110	(154,745)	2,110,050		
			132,304	
2,864,781	13,548,989			
135,964	25,319	51,514	28,668	
<u>(21,835,563)</u>	<u>(19,320,864)</u>	<u>(15,478,755)</u>	<u>(16,310,699)</u>	<u>(13,511,539)</u>
27,045,128	35,181,424	13,800,524	22,950,419	23,141,821
449,464,453	414,283,029	400,482,505	377,532,086	354,390,265
<u>476,509,581</u>	<u>449,464,453</u>	<u>414,283,029</u>	<u>400,482,505</u>	<u>377,532,086</u>
8,020,870	8,111,246	11,352,729	13,182,553	12,419,043
2,771,797	3,899,711	3,198,125	2,868,153	2,843,696
3,620,915	3,436,368	3,109,262	2,985,855	2,981,727
135,964	25,319	51,514	28,668	
			132,304	
38,904,664	26,257,007	2,205,514	26,241,511	34,407,247
(21,835,562)	(19,320,864)	(15,478,755)	(16,310,699)	(13,511,539)
(250,745)	(256,228)	(222,131)	(362,469)	(444,233)
				5593
<u>31,367,903</u>	<u>22,152,559</u>	<u>4,216,258</u>	<u>28,765,876</u>	<u>38,701,534</u>
338,440,068	316,287,509	312,071,251	283,305,375	244,603,841
<u>369,807,971</u>	<u>338,440,068</u>	<u>316,287,509</u>	<u>312,071,251</u>	<u>283,305,375</u>
<u>\$ 106,701,610</u>	<u>\$ 111,024,385</u>	<u>\$ 97,995,520</u>	<u>\$ 88,411,254</u>	<u>\$ 94,226,711</u>
77.61%	75.30%	76.35%	77.92%	75.04%
\$ 33,450,986	\$ 31,834,502	\$ 29,855,531	\$ 29,422,696	\$ 29,655,556
318.98%	348.75%	328.23%	300.49%	317.74%

**Notes to Schedule:**

<sup>1</sup>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 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)
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%
2020	18,119,176	18,119,176		40,455,610	44.79%	44.79%
2021	19,433,521	19,433,521		39,548,028	49.14%	49.14%
2021	22,808,831	22,808,831		40,390,535	56.47%	56.47%

**Notes to Schedule:**

Valuation date: October 1, 2020

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 10/1/2018)
Asset valuation method	4-year smoothing
Payroll growth projection	2.92% per annum
Inflation	2.00%
Investment rate of return	7.75%

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

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

**Executive Employees' Retirement Plan**

September 30,	Year 2021	Year 2020	Year 2019	Year 2018
<b>Total Pension Liability</b>				
Service cost	\$ 1,004,178	\$ 979,825	\$ 1,027,733	\$ 1,033,954
Interest	5,080,148	4,523,118	4,012,692	3,759,183
Changes of benefit terms	-	3,756,497		
Differences between expected and actual experience	777,025	1,966,158	4,304,119	1,258,361
Changes of assumptions		212,007		461,746
Benefit payments, including refunds of member contributions	(3,244,704)	(2,352,833)	(2,159,731)	(3,860,948)
<b>Net Change in Total Pension Liability</b>	<u>3,616,647</u>	<u>9,084,772</u>	<u>7,184,813</u>	<u>2,652,296</u>
<b>Total Pension Liability - Beginning</b>	<u>71,669,198</u>	<u>62,584,426</u>	<u>55,399,613</u>	<u>52,747,317</u>
<b>Total Pension Liability - Ending (a)</b>	<u>75,285,845</u>	<u>71,669,198</u>	<u>62,584,426</u>	<u>55,399,613</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	2,600,459	2,234,407	1,954,554	1,850,134
Contributions - member	698,790	857,673	1,089,408	885,015
Transfer from other pension plans	94,108			409,132
Net investment income	12,058,989	3,403,805	2,550,698	3,770,512
Benefit payments, including refunds of member contributions	(3,244,704)	(2,352,833)	(2,159,731)	(3,860,949)
Administrative expense	(107,702)	(82,798)	(75,265)	(46,064)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>12,099,940</u>	<u>4,060,254</u>	<u>3,359,664</u>	<u>3,007,780</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>52,290,543</u>	<u>48,230,289</u>	<u>44,870,625</u>	<u>41,862,845</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>64,390,483</u>	<u>52,290,543</u>	<u>48,230,289</u>	<u>44,870,625</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 10,895,362</u>	<u>\$ 19,378,655</u>	<u>\$ 14,354,137</u>	<u>\$ 10,528,988</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	85.53%	72.96%	77.06%	80.99%
<b>Covered Payroll</b>	\$ 5,728,084	\$ 5,593,482	\$ 5,593,482	\$ 5,361,342
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	190.21%	346.45%	256.62%	196.39%

**Notes to Schedule:**

<sup>1</sup>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<sup>(1)</sup>**

**Executive Employees' Retirement Plan**

Year 2017	Year 2016	Year 2015	Year 2014
\$ 999,642	\$ 887,093	\$ 830,044	\$ 807,122
3,607,804	3,302,491	3,130,704	2,970,466
1,970,552	1,605,801	(145,142)	327,026
(1,870,177)	(1,804,008)	(1,360,326)	(1,088,490)
4,707,821	3,991,377	2,455,280	4,071,362
48,039,496	44,048,119	41,592,839	37,521,477
<u>52,747,317</u>	<u>48,039,496</u>	<u>44,048,119</u>	<u>41,592,839</u>
1,525,219	1,482,115	1,457,248	1,458,974
639,876	762,047	635,026	717,085
314,525	108,675	21,680	
5,423,879	2,819,391	85,342	2,784,339
(1,870,177)	(1,804,008)	(1,360,326)	(1,088,489)
(31,744)	(29,006)	(27,327)	(38,294)
<u>6,001,578</u>	<u>3,339,214</u>	<u>811,643</u>	<u>3,833,615</u>
35,861,267	32,522,053	31,710,410	27,876,795
<u>41,862,845</u>	<u>35,861,267</u>	<u>32,522,053</u>	<u>31,710,410</u>
<u>\$ 10,884,472</u>	<u>\$ 12,178,229</u>	<u>\$ 11,526,066</u>	<u>\$ 9,882,429</u>
79.36%	74.65%	73.83%	76.24%
\$ 5,748,308	\$ 5,359,816	\$ 4,748,431	\$ 4,463,155
189.35%	227.21%	242.73%	221.42%

**Notes to Schedule:**

<sup>1</sup>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 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)
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%
2020	2,234,407	2,234,407		5,549,081	40.27%	40.27%
2021	2,600,459	2,600,459		5,728,084	45.40%	45.40%
2022	2,560,502	2,560,502		5,777,148	44.32%	44.32%

**Notes to Schedule:**

Valuation date: October 1, 2020

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	7.10%

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

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**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 <sup>(1,2)</sup>**

June 30,	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
City of Boca Raton's proportion of the FRS net pension liability (asset)	0.001602367%	0.001758816%	0.000432167%	0.002126274%	0.002140260%
City of Boca Raton's proportionate share of the FRS net pension liability (asset)	\$ 596,209	\$ 132,859	\$ 891,269	\$ 732,259	\$ 644,657
City of Boca Raton's covered payroll	\$ 147,077	\$ 147,115	\$ 150,000	\$ 145,333	\$ 145,333
City of Boca Raton's proportionate share of the FRS net pension liability (asset) as a percentage of its covered payroll	405.37%	90.31%	594.18%	503.85%	443.57%
Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%
June 30,	Year 2017 <sup>3</sup>	Year 2016	Year 2015	Year 2014	
City of Boca Raton's proportion of the FRS net pension liability (asset)	0.001760086%	0.000573538%	0.000594821%	0.000399841%	
City of Boca Raton's proportionate share of the FRS net pension liability (asset)	\$ 520,622	\$ 144,819	\$ 76,829	\$ 24,396	
City of Boca Raton's covered payroll	\$ 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 payroll	426.91%	383.12%	203.25%	71.33%	
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.88%	92.00%	96.09%	

**Notes to Schedule:**

<sup>1</sup> 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

<sup>2</sup> The amounts presented for each fiscal year were determined as of the measurement date, June 30.

<sup>3</sup> 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 PROPORTIONATE SHARE OF NET PENSION LIABILITY  
Health Insurance Subsidy (HIS) Plan  
Last Ten Fiscal Years<sup>(1,2)</sup>**

<b>June 30,</b>	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
City of Boca Raton's proportion of the HIS net pension liability (asset)	0.000403548%	0.000415530%	0.000432167%	0.000434533%	0.000444945%
City of Boca Raton's proportionate share of the HIS net pension liability (asset)	\$ 42,742	\$ 50,971	\$ 52,767	\$ 48,620	\$ 47,093
City of Boca Raton's covered payroll	\$ 147,077	\$ 147,115	\$ 150,000	\$ 145,333	\$ 145,333
City of Boca Raton's proportionate share of the HIS net pension liability (asset) as a percentage of its covered payroll	29.06%	34.65%	35.18%	33.45%	32.40%
Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%
<b>June 30,</b>	<u>Year 2017<sup>3</sup></u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>	
City of Boca Raton's proportion of the HIS net pension liability (asset)	0.000382574%	0.000122446%	0.000124595%	0.000109049%	
City of Boca Raton's proportionate share of the HIS net pension liability (asset)	\$ 40,907	\$ 14,271	\$ 12,707	\$ 10,196	
City of Boca Raton's covered payroll	\$ 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 payroll	33.54%	37.75%	33.62%	29.81%	
Plan fiduciary net position as a percentage of the total pension liability	1.64%	0.97%	0.50%	0.99%	

**Notes to Schedule:**

- <sup>1</sup> 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
- <sup>2</sup> The amounts presented for each fiscal year were determined as of the measurement date, June 30.
- <sup>3</sup> 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 <sup>(1,2)</sup>**

September 30,	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
Contractually required contribution	\$ 70,875	\$ 72,094	\$ 70,785	\$ 70,515	\$ 62,634
Contributions in relation to the contractually required contribution	<u>(70,875)</u>	<u>(72,094)</u>	<u>(70,785)</u>	<u>(70,515)</u>	<u>(62,634)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Boca Raton's covered payroll	\$ 138,980	\$ 150,000	\$ 150,000	\$ 150,000	\$ 140,667
Contributions as a percentage of covered payroll	51.00%	48.06%	47.19%	47.01%	44.53%
September 30,	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>	
Contractually required contribution	\$ 62,261	\$ 15,352	\$ 15,724	\$ 11,834	
Contributions in relation to the contractually required contribution	<u>(62,261)</u>	<u>(15,352)</u>	<u>(15,724)</u>	<u>(11,834)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
City of Boca Raton's covered payroll	\$ 150,000	\$ 37,800	\$ 37,800	\$ 34,200	
Contributions as a percentage of covered payroll	41.51%	40.61%	41.60%	34.60%	

**Notes to Schedule:**

<sup>1</sup> 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

<sup>2</sup> The amounts presented for each fiscal year were determined as of the measurement date, June 30.

**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CITY CONTRIBUTIONS  
Health Insurance Subsidy (HIS) Plan  
Last Ten Fiscal Years <sup>(1,2)</sup>**

September 30,	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
Contractually required contribution	\$ 2,307	\$ 2,490	\$ 2,490	\$ 2,490	\$ 2,335
Contributions in relation to the contractually required contribution	<u>(2,307)</u>	<u>(2,490)</u>	<u>(2,490)</u>	<u>(2,490)</u>	<u>(2,335)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Boca Raton's covered payroll	\$ 138,980	\$ 150,000	\$ 150,000	\$ 150,000	\$ 140,667
Contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%

September 30,	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Contractually required contribution	\$ 2,490	\$ 627	\$ 514	\$ 416
Contributions in relation to the contractually required contribution	<u>(2,490)</u>	<u>(627)</u>	<u>(514)</u>	<u>(416)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Boca Raton's covered payroll	\$ 150,000	\$ 37,800	\$ 37,800	\$ 34,200
Contributions as a percentage of covered payroll	1.66%	1.66%	1.36%	1.22%

**Notes to Schedule:**

<sup>1</sup> 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

<sup>2</sup> 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 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 271,029	\$ 250,988	\$ 320,837	\$ 263,838	\$ 265,614
Interest Cost	126,992	134,824	152,590	187,333	169,577
Changes of benefit terms	-	-	-	-	-
Experience Losses/(Gains)	1,230,776	-	(313,379)	-	-
Changes of assumptions	(1,483,311)	99,114	168,834	486,576	(140,911)
Benefit payments	(303,224)	(257,865)	(308,672)	(251,787)	(244,453)
<b>Net change in total OPEB liability</b>	(157,738)	227,061	20,210	685,960	49,827
<b>Total OPEB liability - beginning</b>	<u>5,950,335</u>	<u>5,723,274</u>	<u>5,703,064</u>	<u>5,017,104</u>	<u>4,967,277</u>
<b>Total OPEB liability - ending</b>	<u>\$ 5,792,597</u>	<u>\$ 5,950,335</u>	<u>\$ 5,723,274</u>	<u>\$ 5,703,064</u>	<u>\$ 5,017,104</u>
Covered payroll	\$ 93,228,645	\$ 81,312,364	\$ 80,542,532	\$ 75,374,981	\$ 70,611,024
Total OPEB liability as a percentage of covered payroll	6.21%	7.32%	7.11%	7.57%	7.11%

**\*Note to schedule**

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.

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**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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
PROPERTY TAXES	\$ 83,985,700	\$ 83,985,700	\$ 84,996,336	\$ 1,010,636
EXCISE TAXES				
Utility	20,117,900	20,117,900	21,576,036	1,458,136
Total excise taxes	<u>20,117,900</u>	<u>20,117,900</u>	<u>21,576,036</u>	<u>1,458,136</u>
FRANCHISE TAXES				
Electrical	10,200,000	10,200,000	11,489,934	1,289,934
Television	1,700,000	1,700,000	1,641,194	(58,806)
Natural gas	200,000	200,000	229,479	29,479
Solid waste	1,300,000	1,300,000	1,848,167	548,167
Total franchise taxes	<u>13,400,000</u>	<u>13,400,000</u>	<u>15,208,774</u>	<u>1,808,774</u>
Total taxes	<u>117,503,600</u>	<u>117,503,600</u>	<u>121,781,146</u>	<u>4,277,546</u>
LICENSES AND PERMITS				
Local business taxes	1,555,000	1,555,000	1,633,523	78,523
Beverage licenses	175,000	175,000	163,829	(11,171)
Special permits	9,000	9,000	14,918	5,918
Other	1,313,000	1,313,000	5,362,961	4,049,961
Total licenses and permits	<u>3,052,000</u>	<u>3,052,000</u>	<u>7,175,231</u>	<u>4,123,231</u>
INTERGOVERNMENTAL				
Federal Grants	7,000,000	12,000,000	12,585,143	585,143
State revenue sharing	11,665,800	11,665,800	14,709,699	3,043,899
Palm Beach County	15,496,800	15,496,800	15,702,331	205,531
Beach tax district	1,854,300	1,854,300	1,701,486	(152,814)
Other shared local revenue	138,400	138,400	521,482	383,082
Total intergovernmental	<u>36,155,300</u>	<u>41,155,300</u>	<u>45,220,141</u>	<u>4,064,841</u>
CHARGES FOR SERVICES				
Physical environment	205,000	205,000	180,706	(24,294)
Planning and zoning fees	858,800	858,800	1,297,665	438,865
Fire services	15,429,300	15,429,300	15,425,274	(4,026)
Police services	270,000	270,000	372,285	102,285
Library	199,600	199,600	180,828	(18,772)
Recreation services	5,953,400	5,953,400	5,897,819	(55,581)
Parking	950,000	950,000	1,438,525	488,525
Administrative service charge	8,850,500	8,850,500	8,885,295	34,795
Other charges for services	496,000	496,000	702,145	206,145
Total charges for services	<u>33,212,600</u>	<u>33,212,600</u>	<u>34,380,542</u>	<u>1,167,942</u>
FINES AND FORFEITURES	1,116,200	1,116,200	1,618,853	502,653
INVESTMENT EARNINGS (LOSS)	137,000	137,000	(4,996,670)	(5,133,670)
MISCELLANEOUS	102,400	102,400	636,419	534,019
Total revenues	<u>191,279,100</u>	<u>196,279,100</u>	<u>205,815,662</u>	<u>9,536,562</u>
<b>EXPENDITURES</b>				
Current:				
GENERAL GOVERNMENT				
City council	464,400	464,400	408,478	55,922
Total city council	<u>464,400</u>	<u>464,400</u>	<u>408,478</u>	<u>55,922</u>
City manager				
Administration	1,774,100	1,774,100	2,139,764	(365,664)
City clerk	1,241,100	1,241,100	972,694	268,406
Human resources	2,792,900	2,814,100	2,156,762	657,338
Mizner Park Amphitheater	1,283,900	1,303,100	1,034,485	268,615
Communications	630,100	630,100	491,374	138,726
Sustainability Office	162,800	162,800	135,989	26,811
Office of management and budget	637,900	637,900	604,591	33,309
Total city manager	<u>8,522,800</u>	<u>8,563,200</u>	<u>7,535,659</u>	<u>1,027,541</u>

(CONTINUED)

**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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
Financial services				
Financial services administration	\$ 1,139,800	\$ 1,139,800	\$ 1,136,528	\$ 3,272
Pension	610,100	611,800	532,865	78,935
Accounting	790,700	787,400	611,762	175,638
Treasury	207,800	207,800	200,608	7,192
Accounts payable	341,400	341,400	342,713	(1,313)
Alarm administration	173,700	166,700	111,876	54,824
Purchasing	1,162,400	1,165,700	1,196,653	(30,953)
Parking	255,600	262,600	228,625	33,975
Total financial services	<u>4,681,500</u>	<u>4,683,200</u>	<u>4,361,630</u>	<u>321,570</u>
City attorney	1,704,100	1,704,100	1,658,575	45,525
Total city attorney	<u>1,704,100</u>	<u>1,704,100</u>	<u>1,658,575</u>	<u>45,525</u>
Development services				
Development services administration	981,100	987,900	826,340	161,560
Code compliance/licensing	1,233,000	1,233,200	1,720,619	(487,419)
Planning and zoning	1,995,000	2,010,400	1,662,825	347,575
Total development services	<u>4,209,100</u>	<u>4,231,500</u>	<u>4,209,784</u>	<u>21,716</u>
Other non-departmental services	9,216,300	9,245,500	8,945,393	300,107
Total general government	<u>28,798,200</u>	<u>28,891,900</u>	<u>27,119,519</u>	<u>1,772,381</u>
<b>PUBLIC SAFETY</b>				
Parks & recreation			4,910	(4,910)
Law enforcement				
Communications/dispatch	3,844,200	3,846,200	2,995,432	850,768
Community services	17,698,300	17,869,200	17,550,393	318,807
Bureau of field services	37,202,500	37,207,700	36,207,096	1,000,604
Biological Processing Lab	207,600	207,600	152,645	54,955
Total law enforcement	<u>58,952,600</u>	<u>59,130,700</u>	<u>56,905,566</u>	<u>2,225,134</u>
Fire rescue services				
Fire administration	4,895,000	4,898,200	4,638,101	260,099
Logistics and support	4,147,500	4,151,800	3,862,921	288,879
Fire operations	49,440,900	49,572,100	48,641,928	930,172
Fire and life safety	934,000	934,000	821,051	112,949
Total fire rescue services	<u>59,417,400</u>	<u>59,556,100</u>	<u>57,964,001</u>	<u>1,592,099</u>
Total public safety	<u>118,370,000</u>	<u>118,686,800</u>	<u>114,874,477</u>	<u>3,812,323</u>
<b>PHYSICAL ENVIRONMENT</b>				
Physical environment administration	1,387,500	11,592,900	6,842,210	4,750,690
Dredge	596,400	596,400	451,280	145,120
Facilities management	4,907,100	5,074,800	4,174,777	900,023
Total physical environment	<u>6,891,000</u>	<u>17,264,100</u>	<u>11,468,267</u>	<u>5,795,833</u>
<b>TRANSPORTATION</b>				
Streets	1,528,100	1,528,100	1,445,879	82,221
Traffic/special projects	5,143,400	5,341,100	4,378,437	962,663
Engineering-survey	393,200	397,600	376,462	21,138
Engineering-design	1,673,200	1,668,800	1,253,062	415,738
Total transportation	<u>8,737,900</u>	<u>8,935,600</u>	<u>7,453,840</u>	<u>1,481,760</u>

(CONTINUED)

**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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>PARKS AND RECREATION</b>				
Parks and rec administration	\$ 2,582,100	\$ 2,532,100	\$ 2,710,241	\$ (178,141)
Library	5,799,100	5,891,700	5,816,676	75,024
Community center	860,300	860,300	636,172	224,128
Camp programs	635,800	635,800	45,820	589,980
Athletics	515,300	515,300	462,581	52,719
Children's Museum	150,000	166,900	69,354	97,546
Skateboard park	59,700	59,700	52,206	7,494
Special programs	391,800	391,800	385,617	6,183
Aquatics	603,600	615,100	523,932	91,168
Tennis center	346,900	366,600	333,827	32,773
Special interest activity	609,300	616,600	467,587	149,013
Ocean rescue	2,233,000	2,236,800	2,371,313	(134,513)
Parks District I	5,836,800	6,098,800	5,857,030	241,770
Golf Course	3,283,000	3,294,000	3,456,640	(162,640)
Parks District II	1,075,200	1,082,300	944,740	137,560
Mizner Park	1,357,500	1,357,500	790,725	566,775
Park rangers	984,000	984,000	900,019	83,981
Irrigation	787,500	787,500	609,822	177,678
Beautification	7,527,700	7,606,400	7,812,180	(205,780)
Total parks and recreation	<u>35,638,600</u>	<u>36,099,200</u>	<u>34,246,482</u>	<u>1,852,718</u>
Total expenditures	<u>198,435,700</u>	<u>209,877,600</u>	<u>195,162,585</u>	<u>14,715,015</u>
Excess (deficiency) of revenues over expenditures	<u>(7,156,600)</u>	<u>(13,598,500)</u>	<u>10,653,077</u>	<u>24,251,577</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases:				
Lease (right-of-use asset) acquired			282,311	282,311
Transfers in:				
Downtown Infrastructure Fund	21,000	21,000	21,000	
Golf Course Fund		320,000	320,000	
Total transfers in	<u>21,000</u>	<u>341,000</u>	<u>341,000</u>	
Transfers out:				
Building Permits Fund	(7,046,600)	(20,966,500)	(20,966,463)	37
Transportation Fund		(2,000,000)	(2,000,000)	
Capital Improvement Fund		(3,000,000)	(3,000,000)	
Information Technology Fund	(16,200)	(16,200)	(16,200)	
Fleet Management Fund	(1,030,100)	(2,447,900)	(2,447,900)	
Total transfers out	<u>(8,092,900)</u>	<u>(28,430,600)</u>	<u>(28,430,563)</u>	<u>37</u>
Total other financing uses	<u>(8,071,900)</u>	<u>(28,089,600)</u>	<u>(27,807,252)</u>	<u>282,348</u>
Net change in fund balance	<u>\$ (15,228,500)</u>	<u>\$ (41,688,100)</u>	<u>(17,154,175)</u>	<u>\$ 24,533,925</u>
Fund balance - beginning, as previously reported			<u>97,101,269</u>	
Fund balance - ending			<u>\$ 79,947,094</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 16,000,000	\$ 16,000,000	\$ 16,390,645	\$ 390,645
Charges for services	2,492,600	2,492,600	3,458,902	966,302
Investment earnings (loss)	19,000	19,000	(375,647)	(394,647)
Miscellaneous			12,974	12,974
Total revenues	<u>18,511,600</u>	<u>18,511,600</u>	<u>19,486,874</u>	<u>975,274</u>
<b>EXPENDITURES</b>				
General government	46,200	46,200	3,400	42,800
Community development	19,560,100	19,557,700	19,610,584	(52,884)
Capital outlay	4,185,000	7,911,600	1,682,166	6,229,434
Total expenditures	<u>23,791,300</u>	<u>27,515,500</u>	<u>21,296,150</u>	<u>6,219,350</u>
Net change in fund balance	<u>\$ (5,279,700)</u>	<u>\$ (9,003,900)</u>	(1,809,276)	<u>\$ 7,194,624</u>
Fund balance - beginning			<u>11,242,245</u>	
Fund balance - ending			<u>\$ 9,432,969</u>	

See accompanying note to required supplementary information

**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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Investment earnings (loss)	\$ 1,000	\$ 1,000		\$ (1,000)
Total revenues	<u>1,000</u>	<u>1,000</u>		<u>(1,000)</u>
<b>EXPENDITURES</b>				
General government		48,000	\$ 785	47,215
Total expenditures		<u>48,000</u>	<u>785</u>	<u>47,215</u>
Excess (deficiency) of revenues over expenditures	<u>1,000</u>	<u>(47,000)</u>	<u>(785)</u>	<u>46,215</u>
<b>OTHER FINANCING USES</b>				
Transfers out	7,800,000	(7,919,400)	(7,919,400)	
Proceeds from the sale of capital assets	65,000,000	65,000,000	65,749,351	749,351
Total other financing uses	<u>72,800,000</u>	<u>57,080,600</u>	<u>57,829,951</u>	<u>749,351</u>
Net change in fund balance	<u>\$ 72,801,000</u>	<u>\$ 57,033,600</u>	57,829,166	<u>\$ 795,566</u>
Fund balance - beginning			<u>40,405</u>	
Fund balance - ending			<u>\$ 57,869,571</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 21,878,100	\$ 25,780,100	\$ 15,777,482	\$ (10,002,618)
Charges for services	3,082,900	3,082,900	4,215,564	1,132,664
Donations in lieu of land	25,000	25,000	23,326	(1,674)
Miscellaneous			3,932	3,932
Total revenues	<u>24,986,000</u>	<u>28,888,000</u>	<u>20,020,304</u>	<u>(8,867,696)</u>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	19,693,600	19,863,200	17,722,724	2,140,476
Capital outlay	5,098,000	8,830,400	2,130,588	6,699,812
Interest			23	(23)
Total expenditures	<u>24,791,600</u>	<u>28,693,600</u>	<u>19,853,335</u>	<u>8,840,265</u>
Excess (deficiency) of revenues over expenditures	<u>194,400</u>	<u>194,400</u>	<u>166,969</u>	<u>(27,431)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	194,400	(194,400)	(194,400)	
Lease (right-of-use asset) acquired			27,431	27,431
Total other financing uses	<u>194,400</u>	<u>(194,400)</u>	<u>(166,969)</u>	<u>27,431</u>
Net change in fund balance	<u>\$ 388,800</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, 2022**

**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.





## 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, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive / (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 8,894,300	\$ 8,894,300	\$ 9,160,710	\$ 266,410
Intergovernmental	14,735,700	14,735,700	536,599	(14,199,101)
Donations in lieu of land	504,200	504,200	419,226	(84,974)
Investment earnings (loss)	41,000	41,000	(1,112,019)	(1,153,019)
Bond proceeds	200,000	200,000		(200,000)
Total revenues	24,375,200	24,375,200	9,004,516	(15,370,684)
<b>EXPENDITURES</b>				
General government	497,900	497,900	498,980	(1,080)
Public safety			638,900	(638,900)
Parks & recreation			771,403	(771,403)
Capital outlay	28,281,000	32,358,400	5,084,958	27,273,442
Capital outlay:				
Transportation	800,000	811,400	2,053,164	(1,241,764)
Total expenditures	29,578,900	33,667,700	9,047,405	24,620,295
Excess (deficiency) of revenues over expenditures	(5,203,700)	(9,292,500)	(42,889)	9,249,611
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	9,000,000	12,000,000	12,000,000	
Transfers out	3,529,500	(3,529,500)	(3,529,500)	
Total other financing uses	12,529,500	8,470,500	8,470,500	
Net change in fund balance	\$ 7,325,800	\$ (822,000)	8,427,611	\$ 9,249,611
Fund balance - beginning			24,954,996	
Fund balance - ending			\$ 33,382,607	

**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, 2022**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive / (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 6,977,000	\$ 6,977,000	\$ 9,174,880	\$ 2,197,880
Investment earnings (loss)	25,000	25,000	(304,981)	(329,981)
Total revenues	7,002,000	7,002,000	8,869,899	1,867,899
<b>EXPENDITURES</b>				
Capital outlay	6,351,000	22,354,400	10,321,591	12,032,809
Transportation	—	—	3,111,013	(3,111,013)
Total expenditures	6,351,000	22,354,400	13,432,604	8,921,796
Excess (deficiency) of revenues over expenditures	651,000	(15,352,400)	(4,562,705)	10,789,695
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	3,198,900	(3,198,900)	(3,198,948)	(48)
Total other financing uses	3,198,900	(3,198,900)	(3,198,948)	(48)
Net change in fund balance	\$ 3,849,900	\$ (18,551,300)	(7,761,653)	\$ 10,789,647
Fund balance - beginning			17,599,913	
Fund balance - ending			\$ 9,838,260	

# 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.

**Building Permits —** is to ensure a safely built environment for the community through responsible enforcement of Building Codes, City Ordinances and State Laws utilizing a customer focused approach.

**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.

**Ocean Breeze Greater Boca Raton Beach & Park District Fund (GBRBPD)—**To account for GBRBPD annual reimbursement to the City for the debt service costs.

**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 FUND**

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.

## **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.

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**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,958,104		\$ 2,319,739	\$ 3,146,406	\$ 14,424,249
Investments	41,963,945			18,338,325	60,302,270
Receivables, net:					
Assessments				82,327	82,327
Interest	109,015			71,330	180,345
Due from other governmental units	405,361				405,361
Restricted:					
Restricted cash and cash equivalents	128,946	\$ 532,456			661,402
Investments	751,534	3,103,344			3,854,878
Interest receivable on investments	2,704	15,768			18,472
Restricted accounts receivable		92,308			92,308
Total assets	<u>\$ 52,319,609</u>	<u>\$ 3,743,876</u>	<u>\$ 2,319,739</u>	<u>\$ 21,638,388</u>	<u>\$ 80,021,612</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,035,664		\$ 6,758	\$ 179,031	\$ 1,221,453
Performance bonds and escrow funds	883,184	\$ 4,000			887,184
Unavailable revenue	1,173				1,173
Total liabilities	<u>1,920,021</u>	<u>4,000</u>	<u>6,758</u>	<u>179,031</u>	<u>2,109,810</u>
<b>FUND BALANCES</b>					
Non-spendable:					
Perpetual care, cemetery and mausoleum		3,739,876			3,739,876
Restricted for:					
Building permits	32,309,556				32,309,556
Debt service			2,312,981		2,312,981
Housing	1,154,670				1,154,670
Law enforcement	1,226,924				1,226,924
Transportation	9,874,738				9,874,738
Downtown				1,227,781	1,227,781
Economic development	5,833,700				5,833,700
Land dedication				17,830,219	17,830,219
Committed to:					
Right of way acquisition				2,401,357	2,401,357
Total fund balances	<u>50,399,588</u>	<u>3,739,876</u>	<u>2,312,981</u>	<u>21,459,357</u>	<u>77,911,802</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,319,609</u>	<u>\$ 3,743,876</u>	<u>\$ 2,319,739</u>	<u>\$ 21,638,388</u>	<u>\$ 80,021,612</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, 2022**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 3,209,278		\$ 2,599,554		\$ 5,808,832
Licenses and permits	22,002,110				22,002,110
Intergovernmental	2,564,711				2,564,711
Charges for services	147,883	\$ 326,686			474,569
Fines and forfeitures	76,424				76,424
Special assessments				\$ 1,558,455	1,558,455
Donations in lieu of land				1,947,490	1,947,490
Investment earnings (loss)	(1,140,326)	(118,890)		(701,844)	(1,961,060)
Miscellaneous	317,397				317,397
Total revenues	<u>27,177,477</u>	<u>207,796</u>	<u>2,599,554</u>	<u>2,804,101</u>	<u>32,788,928</u>
<b>EXPENDITURES</b>					
Current:					
General government	170,460				170,460
Law enforcement	32,857				32,857
Fire rescue	1,407,163				1,407,163
Physical environment	1,704			24,760	26,464
Transportation	1,801,842				1,801,842
Community development	9,482,203				9,482,203
Parks and recreation				9,441	9,441
Capital outlay	1,089,158			3,937,671	5,026,829
Debt service:					
Principal			7,610,000		7,610,000
Interest			1,230,195		1,230,195
Total expenditures	<u>13,985,387</u>		<u>8,840,195</u>	<u>3,971,872</u>	<u>26,797,454</u>
Excess (deficiency) of revenues over expenditures	<u>13,192,090</u>	<u>207,796</u>	<u>(6,240,641)</u>	<u>(1,167,771)</u>	<u>5,991,474</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	22,966,463		6,265,361	137,600	29,369,424
Transfers out	(1,617,732)	(834,900)		(1,607,281)	(4,059,913)
Total other financing sources (uses)	<u>21,348,731</u>	<u>(834,900)</u>	<u>6,265,361</u>	<u>(1,469,681)</u>	<u>25,309,511</u>
Net change in fund balances	34,540,821	(627,104)	24,720	(2,637,452)	31,300,985
Fund balances - beginning	<u>15,858,767</u>	<u>4,366,980</u>	<u>2,288,261</u>	<u>24,096,809</u>	<u>46,610,817</u>
Fund balances - ending	<u>\$ 50,399,588</u>	<u>\$ 3,739,876</u>	<u>\$ 2,312,981</u>	<u>\$ 21,459,357</u>	<u>\$ 77,911,802</u>



**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

	<b>Community Development Block Grant Program</b>	<b>SHIP Housing Assistance Trust Fund</b>	<b>Building Permits Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Transportation Fund</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 17,219	\$ 1,155,420	\$ 4,794,193	\$ 678,051	\$ 1,443,492
Investments			27,942,215	546,327	8,413,163
Receivables, net:					
Interest		597	40,487	2,586	41,086
Due from other governmental units	48,270				357,091
Restricted:					
Restricted cash and cash equivalents					
Investments					
Interest receivable on investments					
Total assets	<u>\$ 65,489</u>	<u>\$ 1,156,017</u>	<u>\$ 32,776,895</u>	<u>\$ 1,226,964</u>	<u>\$ 10,254,832</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 65,489	\$ 1,347	\$ 467,339	\$ 40	\$ 380,094
Performance bonds and escrow funds					
Total liabilities	<u>65,489</u>	<u>1,347</u>	<u>467,339</u>	<u>40</u>	<u>380,094</u>
Unavailable revenue					
<b>FUND BALANCES</b>					
Restricted for:					
Building permits			32,309,556		
Housing		1,154,670			
Law enforcement				1,226,924	
Transportation					9,874,738
Economic development					
Committed to:					
Total fund balances		<u>1,154,670</u>	<u>32,309,556</u>	<u>1,226,924</u>	<u>9,874,738</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,489</u>	<u>\$ 1,156,017</u>	<u>\$ 32,776,895</u>	<u>\$ 1,226,964</u>	<u>\$ 10,254,832</u>

<u>Ocean Breeze GBRBPD</u>	<u>Economic Development Fund</u>	<u>General Trust Fund</u>	<u>Grant Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
	\$ 868,556		\$ 1,173	\$ 8,958,104
	5,062,240			41,963,945
	24,259			109,015
		\$ 128,946		405,361
		751,534		128,946
		2,704		751,534
<u>\$</u>	<u>\$ 5,955,055</u>	<u>\$ 883,184</u>	<u>\$ 1,173</u>	<u>\$ 52,319,609</u>
	\$ 121,355			\$ 1,035,664
		\$ 883,184		883,184
	121,355	883,184		1,918,848
			\$ 1,173	1,173
				32,309,556
				1,154,670
				1,226,924
				9,874,738
	5,833,700			5,833,700
	5,833,700			50,399,588
<u>\$</u>	<u>\$ 5,955,055</u>	<u>\$ 883,184</u>	<u>\$ 1,173</u>	<u>\$ 52,319,609</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, 2022**

	<b>Community Development Block Grant Program</b>	<b>SHIP Housing Assistance Trust Fund</b>	<b>Building Permits Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Transportation Fund</b>
<b>REVENUES</b>					
Taxes					\$ 2,209,278
Licenses and permits			\$ 22,002,110		
Intergovernmental	\$ 825,833	\$ 497,236			
Charges for services			147,883		
Fines and forfeitures				\$ 76,424	
Investment earnings (loss)		4,217	(1,017,395)	(18,472)	(317,312)
Miscellaneous	53,500	206,639			57,258
Total revenues	<u>879,333</u>	<u>708,092</u>	<u>21,132,598</u>	<u>57,952</u>	<u>1,949,224</u>
<b>EXPENDITURES</b>					
Current:					
General government			170,460		
Law enforcement				36,889	
Fire rescue			1,407,163		
Physical environment			1,704		
Transportation			486,093		1,315,749
Community development	592,136	19,490	7,724,085		
Capital outlay	287,197				771,287
Total expenditures	<u>879,333</u>	<u>19,490</u>	<u>9,789,505</u>	<u>36,889</u>	<u>2,087,036</u>
Excess (deficiency) of revenues over expenditures		<u>688,602</u>	<u>11,343,093</u>	<u>21,063</u>	<u>(137,812)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in			20,966,463		2,000,000
Transfers out					
Total other financing sources (uses)			<u>20,966,463</u>		<u>2,000,000</u>
Net change in fund balances		688,602	32,309,556	21,063	1,862,188
Fund balances - beginning		466,068		1,205,861	8,012,550
Fund balances - ending	<u>\$</u>	<u>\$ 1,154,670</u>	<u>\$ 32,309,556</u>	<u>\$ 1,226,924</u>	<u>\$ 9,874,738</u>

<b>Ocean Breeze GBRPD</b>	<b>Economic Development Fund</b>	<b>Grant Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>
	\$ 1,000,000		\$ 3,209,278
\$ 1,215,000		\$ 26,642	22,002,110
			2,564,711
			147,883
402,732	(194,096)		76,424
			(1,140,326)
			317,397
<u>1,617,732</u>	<u>805,904</u>	<u>26,642</u>	<u>27,177,477</u>
			170,460
		(4,032)	32,857
			1,407,163
			1,704
			1,801,842
	1,146,492		9,482,203
		30,674	1,089,158
	<u>1,146,492</u>	<u>26,642</u>	<u>13,985,387</u>
<u>1,617,732</u>	<u>(340,588)</u>		<u>13,192,090</u>
			22,966,463
<u>(1,617,732)</u>			<u>(1,617,732)</u>
<u>(1,617,732)</u>			<u>21,348,731</u>
	(340,588)		34,540,821
	6,174,288		15,858,767
<u>\$</u>	<u>\$ 5,833,700</u>	<u>\$</u>	<u>\$ 50,399,588</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 2,119,000	\$ 2,179,800	\$ 825,833	\$ (1,353,967)
Miscellaneous	105,100	105,100	53,500	(51,600)
Total revenues	<u>2,224,100</u>	<u>2,284,900</u>	<u>879,333</u>	<u>(1,405,567)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	189,300	189,300	592,136	(402,836)
Capital outlay	2,034,800	2,095,600	287,197	1,808,403
Total expenditures	<u>2,224,100</u>	<u>2,284,900</u>	<u>879,333</u>	<u>1,405,567</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  
HOUSING ASSISTANCE TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 902,900	\$ 902,900	\$ 497,236	\$ (405,664)
Investment earnings (loss)	500	500	4,217	3,717
Miscellaneous	350,000	350,000	206,639	(143,361)
Total revenues	<u>1,253,400</u>	<u>1,253,400</u>	<u>708,092</u>	<u>(545,308)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	1,253,400	1,253,400	19,490	1,233,910
Total expenditures	<u>1,253,400</u>	<u>1,253,400</u>	<u>19,490</u>	<u>1,233,910</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>	688,602	<u>\$ 688,602</u>
Fund balance - beginning			<u>466,068</u>	
Fund balance - ending			<u>\$ 1,154,670</u>	

**CITY OF BOCA RATON, FLORIDA**  
**BUILDING PERMITS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive / (Negative)</b>
<b>REVENUES</b>				
Licenses and permits	\$ 8,300,000	\$ 8,300,000	\$ 22,002,110	\$ 13,702,110
Charges for services			147,883	147,883
Investment earnings (loss)			(1,017,395)	(1,017,395)
Total revenues	<u>8,300,000</u>	<u>8,300,000</u>	<u>21,132,598</u>	<u>12,832,598</u>
<b>EXPENDITURES</b>				
General government		243,800	170,460	73,340
Fire rescue		1,672,300	1,407,163	265,137
Physical environment			1,704	(1,704)
Transportation		487,400	486,093	1,307
Community development	11,771,400	9,117,900	7,724,085	1,393,815
Capital outlay		250,000		250,000
Total expenditures	<u>11,771,400</u>	<u>11,771,400</u>	<u>9,789,505</u>	<u>1,981,895</u>
Excess (deficiency) of revenues over expenditures	<u>(3,471,400)</u>	<u>(3,471,400)</u>	<u>11,343,093</u>	<u>14,814,493</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>7,046,600</u>	<u>20,966,500</u>	<u>20,966,463</u>	<u>(37)</u>
Total other financing sources (uses)	<u>7,046,600</u>	<u>20,966,500</u>	<u>20,966,463</u>	<u>(37)</u>
Net change in fund balance	<u>\$ 3,575,200</u>	<u>\$ 17,495,100</u>	32,309,556	<u>\$ 14,814,456</u>
Fund balance - beginning			_____	
Fund balance - ending			<u>\$ 32,309,556</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 110,000	\$ 110,000	\$ 76,424	\$ (33,576)
Investment earnings (loss)	1,000	1,000	(18,472)	(19,472)
Total revenues	<u>111,000</u>	<u>111,000</u>	<u>57,952</u>	<u>(53,048)</u>
<b>EXPENDITURES</b>				
Current:				
Law enforcement	<u>230,300</u>	<u>230,300</u>	<u>36,889</u>	<u>193,411</u>
Total expenditures	<u>230,300</u>	<u>230,300</u>	<u>36,889</u>	<u>193,411</u>
Net change in fund balance	<u>\$ (119,300)</u>	<u>\$ (119,300)</u>	21,063	<u>\$ 140,363</u>
Fund balance - beginning			<u>1,205,861</u>	
Fund balance - ending			<u>\$ 1,226,924</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 2,143,600	\$ 2,143,600	\$ 2,209,278	\$ 65,678
Intergovernmental	2,000,000	2,000,000		(2,000,000)
Investment earnings (loss)	16,000	16,000	(317,312)	(333,312)
Miscellaneous			57,258	57,258
Total revenues	<u>4,159,600</u>	<u>4,159,600</u>	<u>1,949,224</u>	<u>(2,210,376)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	200,000	353,800	1,315,749	(961,949)
Capital outlay	<u>6,390,800</u>	<u>8,195,600</u>	<u>771,287</u>	<u>7,424,313</u>
Total expenditures	<u>6,590,800</u>	<u>8,549,400</u>	<u>2,087,036</u>	<u>6,462,364</u>
Excess (deficiency) of revenues over expenditures	<u>(2,431,200)</u>	<u>(4,389,800)</u>	<u>(137,812)</u>	<u>4,251,988</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		<u>2,000,000</u>	<u>2,000,000</u>	
Total other financing sources (uses)		<u>2,000,000</u>	<u>2,000,000</u>	
Net change in fund balance	<u>\$ (2,431,200)</u>	<u>\$ (2,389,800)</u>	1,862,188	<u>\$ 4,251,988</u>
Fund balance - beginning			<u>8,012,550</u>	
Fund balance - ending			<u>\$ 9,874,738</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,215,000	\$ 1,215,000	\$ 1,215,000	
Investment earnings (loss)	402,800	402,800	402,732	\$ (68)
Total revenues	<u>1,617,800</u>	<u>1,617,800</u>	<u>1,617,732</u>	<u>(68)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	1,617,800	(1,617,800)	(1,617,732)	68
Total other financing sources (uses)	<u>1,617,800</u>	<u>(1,617,800)</u>	<u>(1,617,732)</u>	<u>68</u>
Net change in fund balance	<u>\$ 3,235,600</u>	<u>\$</u>		<u>\$</u>
Fund balance - beginning			_____	
Fund balance - ending			<u>\$</u> <u>_____</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Investment earnings (loss)	10,000	10,000	(194,096)	\$ (204,096)
Total revenues	<u>1,010,000</u>	<u>1,010,000</u>	<u>805,904</u>	<u>(204,096)</u>
<b>EXPENDITURES</b>				
Current:				
General government		100,000		100,000
Community development	2,177,900	2,077,900	1,146,492	931,408
Total expenditures	<u>2,177,900</u>	<u>2,177,900</u>	<u>1,146,492</u>	<u>1,031,408</u>
Net change in fund balance	<u>\$ (1,167,900)</u>	<u>\$ (1,167,900)</u>	(340,588)	<u>\$ 827,312</u>
Fund balance - beginning			<u>6,174,288</u>	
Fund balance - ending			<u>\$ 5,833,700</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 520,200	\$ 2,218,700	\$ 26,642	\$ (2,192,058)
Total revenues	<u>520,200</u>	<u>2,218,700</u>	<u>26,642</u>	<u>(2,192,058)</u>
<b>EXPENDITURES</b>				
Current:				
Law enforcement	53,200	58,500	(4,032)	62,532
Capital outlay	467,000	2,160,200	30,674	2,129,526
Total expenditures	<u>520,200</u>	<u>2,218,700</u>	<u>26,642</u>	<u>2,192,058</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  
PERPETUAL CARE PERMANENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 50,000	\$ 50,000	\$ 326,686	\$ 276,686
Investment earnings (loss)	6,000	6,000	(118,890)	(124,890)
Total revenues	<u>56,000</u>	<u>56,000</u>	<u>207,796</u>	<u>151,796</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(834,900)</u>	<u>(834,900)</u>	<u>(834,900)</u>	
Total other financing sources (uses)	<u>(834,900)</u>	<u>(834,900)</u>	<u>(834,900)</u>	
Net change in fund balance	<u>\$ (778,900)</u>	<u>\$ (778,900)</u>	(627,104)	<u>\$ 151,796</u>
Fund balance - beginning			<u>4,366,980</u>	
Fund balance - ending			<u>\$ 3,739,876</u>	

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

	<b>City Debt Service Fund</b>	<b>Total Non-major Debt Service Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,319,739	\$ 2,319,739
Total assets	\$ 2,319,739	\$ 2,319,739
<b>FUND BALANCES</b>		
Restricted for:		
Debt service	2,312,981	2,312,981
Total fund balances	2,312,981	2,312,981
Total liabilities, deferred inflows of resources and fund balances	\$ 2,319,739	\$ 2,319,739

**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, 2022**

	<u>City Debt Service Fund</u>	<u>Total Non-major Debt Service Funds</u>
<b>REVENUES</b>		
Taxes	\$ 2,599,554	\$ 2,599,554
Total revenues	<u>2,599,554</u>	<u>2,599,554</u>
<b>EXPENDITURES</b>		
Debt service:		
Principal	7,610,000	7,610,000
Interest	<u>1,230,195</u>	<u>1,230,195</u>
Total expenditures	<u>8,840,195</u>	<u>8,840,195</u>
Excess (deficiency) of revenues over expenditures	<u>(6,240,641)</u>	<u>(6,240,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	<u>6,265,361</u>	<u>6,265,361</u>
Total other financing sources (uses)	<u>6,265,361</u>	<u>6,265,361</u>
Net change in fund balances	24,720	24,720
Fund balances - beginning	<u>2,288,261</u>	<u>2,288,261</u>
Fund balances - ending	<u>\$ 2,312,981</u>	<u>\$ 2,312,981</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, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Taxes	\$ 2,565,900	\$ 2,566,000	\$ 2,599,554	\$ 33,554
Total revenues	<u>2,565,900</u>	<u>2,566,000</u>	<u>2,599,554</u>	<u>33,554</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	7,610,000	7,610,000	7,610,000	
Interest	<u>1,273,300</u>	<u>1,273,300</u>	<u>1,230,195</u>	43,105
Total expenditures	<u>8,883,300</u>	<u>8,883,300</u>	<u>8,840,195</u>	43,105
Excess (deficiency) of revenues over expenditures	<u>(6,317,400)</u>	<u>(6,317,300)</u>	<u>(6,240,641)</u>	76,659
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>6,265,500</u>	<u>6,265,400</u>	<u>6,265,361</u>	(39)
Total other financing sources	<u>6,265,500</u>	<u>6,265,400</u>	<u>6,265,361</u>	(39)
Net change in fund balance	<u>\$ (51,900)</u>	<u>\$ (51,900)</u>	24,720	<u>\$ 76,620</u>
Fund balance - beginning			<u>2,288,261</u>	
Fund balance - ending			<u>\$ 2,312,981</u>	



**CITY OF BOCA RATON, FLORIDA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

	<b>Right of Way Acquisition Program Fund</b>	<b>Park Land Dedication Fund</b>	<b>Downtown Land Dedication Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 350,361	\$ 1,313,212	\$ 1,315,494
Investments	2,042,003	7,653,853	7,667,152
Receivables, net:			
Assessments			
Interest	8,993	31,005	28,534
Total assets	<u>\$ 2,401,357</u>	<u>\$ 8,998,070</u>	<u>\$ 9,011,180</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 179,031	
<b>FUND BALANCES</b>			
Restricted for:			
Downtown			
Land dedication		8,819,039	\$ 9,011,180
Committed to:			
Right of way acquisition	\$ 2,401,357		
Total fund balances	<u>2,401,357</u>	<u>8,819,039</u>	<u>9,011,180</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,401,357</u>	<u>\$ 8,998,070</u>	<u>\$ 9,011,180</u>

<b>Downtown Infrastructure Fund</b>	<b>Total Non-Major Capital Projects Funds</b>
\$ 167,339	\$ 3,146,406
975,317	18,338,325
82,327	82,327
2,798	71,330
<u>\$ 1,227,781</u>	<u>\$ 21,638,388</u>
	\$ 179,031
\$ 1,227,781	1,227,781
	17,830,219
	2,401,357
<u>1,227,781</u>	<u>21,459,357</u>
<u>\$ 1,227,781</u>	<u>\$ 21,638,388</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, 2022**

	<u>Right of Way Acquisition Program Fund</u>	<u>Park Land Dedication Fund</u>	<u>Downtown Land Dedication Fund</u>
<b>REVENUES</b>			
Special assessments			
Donations in lieu of land		\$ 757,280	\$ 1,190,210
Investment earnings (loss)	\$ (77,709)	(296,296)	(291,577)
Total revenues	<u>(77,709)</u>	<u>460,984</u>	<u>898,633</u>
<b>EXPENDITURES</b>			
Physical environment		24,760	
Parks and recreation		8,196	1,245
Capital outlay		3,937,671	
Total expenditures		<u>3,970,627</u>	<u>1,245</u>
Excess (deficiency) of revenues over expenditures	<u>(77,709)</u>	<u>(3,509,643)</u>	<u>897,388</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in			137,600
Transfers out		(137,600)	
Total other financing sources (uses)		<u>(137,600)</u>	<u>137,600</u>
Net change in fund balances	(77,709)	(3,647,243)	1,034,988
Fund balances - beginning	<u>2,479,066</u>	<u>12,466,282</u>	<u>7,976,192</u>
Fund balances - ending	<u>\$ 2,401,357</u>	<u>\$ 8,819,039</u>	<u>\$ 9,011,180</u>

<b>Downtown Infrastructure Fund</b>	<b>Total Non-Major Capital Project Funds</b>
\$ 1,558,455	\$ 1,558,455
(36,262)	1,947,490
<u>1,522,193</u>	<u>(701,844)</u>
	2,804,101
	24,760
	9,441
	<u>3,937,671</u>
	<u>3,971,872</u>
<u>1,522,193</u>	<u>(1,167,771)</u>
	137,600
<u>(1,469,681)</u>	<u>(1,607,281)</u>
<u>(1,469,681)</u>	<u>(1,469,681)</u>
52,512	(2,637,452)
<u>1,175,269</u>	<u>24,096,809</u>
<u>\$ 1,227,781</u>	<u>\$ 21,459,357</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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Investment earnings (loss)	\$ 3,000	\$ 3,000	\$ (77,709)	\$ (80,709)
Total revenues	3,000	3,000	(77,709)	(80,709)
<b>EXPENDITURES</b>				
Total expenditures				
Net change in fund balance	\$ 3,000	\$ 3,000	(77,709)	\$ (80,709)
Fund balance - beginning			2,479,066	
Fund balance - ending			\$ 2,401,357	

**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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Donations in lieu of land	\$ 400,000	\$ 400,000	\$ 757,280	\$ 357,280
Investment earnings (loss)	17,000	17,000	(296,296)	(313,296)
Total revenues	417,000	417,000	460,984	43,984
<b>EXPENDITURES</b>				
Physical environment			24,760	(24,760)
Parks and recreation		18,500	8,196	10,304
Capital outlay	4,725,000	8,758,400	3,937,671	4,820,729
Total expenditures	4,725,000	8,776,900	3,970,627	4,806,273
Excess (deficiency) of revenues over expenditures	(4,308,000)	(8,359,900)	(3,509,643)	4,850,257
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	137,600	(137,600)	(137,600)	
Total other financing sources (uses)	137,600	(137,600)	(137,600)	
Net change in fund balance	\$ (4,170,400)	\$ (8,497,500)	(3,647,243)	\$ 4,850,257
Fund balance - beginning			12,466,282	
Fund balance - ending			\$ 8,819,039	

**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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Donations in lieu of land	\$ 20,000	\$ 20,000	\$ 1,190,210	\$ 1,170,210
Investment earnings (loss)	11,000	11,000	(291,577)	(302,577)
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>898,633</u>	<u>867,633</u>
<b>EXPENDITURES</b>				
Parks and recreation			1,245	(1,245)
Capital outlay		3,600		3,600
Total expenditures		<u>3,600</u>	<u>1,245</u>	<u>2,355</u>
Excess (deficiency) of revenues over expenditures	<u>31,000</u>	<u>27,400</u>	<u>897,388</u>	<u>869,988</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>137,600</u>	<u>137,600</u>	<u>137,600</u>	
Total other financing sources (uses)	<u>137,600</u>	<u>137,600</u>	<u>137,600</u>	
Net change in fund balance	<u>\$ 168,600</u>	<u>\$ 165,000</u>	1,034,988	<u>\$ 869,988</u>
Fund balance - beginning			<u>7,976,192</u>	
Fund balance - ending			<u>\$ 9,011,180</u>	

**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, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Special assessments	\$ 1,510,000	\$ 1,510,000	\$ 1,558,455	\$ 48,455
Investment earnings (loss)	2,000	2,000	(36,262)	(38,262)
Total revenues	<u>1,512,000</u>	<u>1,512,000</u>	<u>1,522,193</u>	<u>10,193</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	1,469,700	(1,469,700)	(1,469,681)	19
Total other financing sources (uses)	<u>1,469,700</u>	<u>(1,469,700)</u>	<u>(1,469,681)</u>	<u>19</u>
Net change in fund balance	<u>\$ 2,981,700</u>	<u>\$ 42,300</u>	52,512	<u>\$ 10,212</u>
Fund balance - beginning			<u>1,175,269</u>	
Fund balance - ending			<u>\$ 1,227,781</u>	



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## 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 Mausoleum 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, 2022**

	<b>Cemetery Mausoleum</b>	<b>Golf Course</b>	<b>Stormwater Utility</b>	<b>Sanitation</b>	<b>Total Non-Major Enterprise Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 107,668		\$ 1,338,158	\$ 1,628,303	\$ 3,074,129
Investments	627,533		7,799,234	9,490,298	17,917,065
Interest receivable on investments	2,402		32,471	33,125	67,998
Accounts receivable	40,185		454,273	2,193,192	2,687,650
Inventories	59,991				59,991
Total current assets	<u>837,779</u>		<u>9,624,136</u>	<u>13,344,918</u>	<u>23,806,833</u>
Noncurrent assets:					
Capital assets:					
Net pension asset	69,861		128,079	541,424	739,364
Land	118,000				118,000
Construction in progress			402,586	45,896	448,482
Buildings	1,488,761				1,488,761
Improvements other than buildings	588,373		17,810,575		18,398,948
Equipment	182,911		1,831,509	12,572,742	14,587,162
Less accumulated depreciation	(1,859,141)		(10,131,397)	(4,281,534)	(16,272,072)
Leased equipment				3,844	3,844
Less accumulated amortization lease equipment				(2,197)	(2,197)
Total capital assets (net of accumulated depreciation)	<u>588,765</u>		<u>10,041,352</u>	<u>8,880,175</u>	<u>19,510,292</u>
Total noncurrent assets	<u>588,765</u>		<u>10,041,352</u>	<u>8,880,175</u>	<u>19,510,292</u>
Total assets	<u>1,426,544</u>		<u>19,665,488</u>	<u>22,225,093</u>	<u>43,317,125</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows for pensions	34,196		62,692	265,017	361,905
Deferred outflows for OPEB	5,065		10,974	48,961	65,000
Total deferred outflows of resources	<u>39,261</u>		<u>73,666</u>	<u>313,978</u>	<u>426,905</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	59,452		285,090	321,427	665,969
Compensated absences	3,094		10,628	46,942	60,664
Customer deposits payable				9,601	9,601
Restricted retainage payable			3,059		3,059
Lease liability				1,649	1,649
Total current liabilities	<u>62,546</u>		<u>298,777</u>	<u>379,619</u>	<u>740,942</u>
Non-current liabilities:					
Compensated absences	27,842		95,649	422,484	545,975
Total OPEB liability	21,192		45,917	204,860	271,969
Total noncurrent liabilities	<u>49,034</u>		<u>141,566</u>	<u>627,344</u>	<u>817,944</u>
Total liabilities	<u>111,580</u>		<u>440,343</u>	<u>1,006,963</u>	<u>1,558,886</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows for pensions	140,085		256,823	1,085,662	1,482,570
Deferred inflows for OPEB	5,393		11,684	52,128	69,205
Total deferred inflows of resources	<u>145,478</u>		<u>268,507</u>	<u>1,137,790</u>	<u>1,551,775</u>
<b>NET POSITION</b>					
Net investment in capital assets	518,904		9,782,864	8,337,397	18,639,165
Net pension asset	69,861		128,079	541,424	739,364
Unrestricted	619,982		9,119,361	11,515,497	21,254,840
Total net position	<u>\$ 1,208,747</u>	<u>\$</u>	<u>\$ 19,030,304</u>	<u>\$ 20,394,318</u>	<u>\$ 40,633,369</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, 2022**

	<b>Cemetery Mausoleum</b>	<b>Golf Course</b>	<b>Stormwater Utility</b>	<b>Sanitation</b>	<b>Total Non-major Enterprise Funds</b>
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 454,921		\$ 3,136,550	\$ 11,280,152	\$ 14,871,623
Other	561			(1,022)	(461)
Total operating revenues	<u>455,482</u>		<u>3,136,550</u>	<u>11,279,130</u>	<u>14,871,162</u>
<b>OPERATING EXPENSES</b>					
Personnel services	364,399		1,086,016	3,658,513	5,108,928
Materials and supplies	41,653		3,191	175,169	220,013
General and administration	39,620		511,053	910,555	1,461,228
Other services and charges	185,695		1,177,676	2,233,213	3,596,584
Depreciation/amortization of capital assets	50,602		766,423	1,299,244	2,116,269
Total operating expenses	<u>681,969</u>		<u>3,544,359</u>	<u>8,276,694</u>	<u>12,503,022</u>
Operating income (loss)	<u>(226,487)</u>		<u>(407,809)</u>	<u>3,002,436</u>	<u>2,368,140</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	(23,046)		(295,942)	(356,461)	(675,449)
Lease interest expense				(6)	(6)
Gain (loss) on disposal of capital assets		\$ 200,600		39,251	239,851
Total nonoperating revenues (expenses)	<u>(23,046)</u>	<u>200,600</u>	<u>(295,942)</u>	<u>(317,216)</u>	<u>(435,604)</u>
Income (loss) before transfers and contributions	(249,533)	200,600	(703,751)	2,685,220	1,932,536
Transfers in	834,900	(200,600)			634,300
Transfers out			(1,200)	(15,600)	(16,800)
Assets transferred to governmental activities		(20,788,742)			(20,788,742)
Change in net position	585,367	(20,788,742)	(704,951)	2,669,620	(18,238,706)
Net position, beginning	<u>623,380</u>	<u>20,788,742</u>	<u>19,735,255</u>	<u>17,724,698</u>	<u>58,872,075</u>
Net position, ending	<u>\$ 1,208,747</u>	<u>\$</u>	<u>\$ 19,030,304</u>	<u>\$ 20,394,318</u>	<u>\$ 40,633,369</u>

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Cemetery Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non- Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 433,299	\$ -	\$ 3,048,250	\$ 10,942,712	\$ 14,424,261
Payments to suppliers	(283,662)		(1,482,093)	(3,656,272)	(5,422,027)
Payments to employees	(349,939)		(1,116,053)	(3,800,494)	(5,266,486)
<b>Net cash provided by (used in) operating activities</b>	<u>(200,302)</u>		<u>450,104</u>	<u>3,485,946</u>	<u>3,735,748</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	834,900				834,900
Transfers out		317,500	(1,200)	(15,600)	300,700
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>834,900</u>	<u>317,500</u>	<u>(1,200)</u>	<u>(15,600)</u>	<u>1,135,600</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets			(571,019)	(885,445)	(1,456,464)
Interest paid				(6)	(6)
Proceeds from sale of capital assets				39,251	39,251
Due to other funds					
Advances from other funds		(320,000)			(320,000)
<b>Net cash provided by (used in) capital and related financing activities</b>		<u>(320,000)</u>	<u>(571,019)</u>	<u>(846,200)</u>	<u>(1,737,219)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	2,695		54,288	53,583	110,566
Sale of investments	73,849		4,610,648	4,179,334	8,863,831
Purchase of investments	(650,593)		(8,085,838)	(9,839,044)	(18,575,476)
<b>Net cash provided by (used in) investing activities</b>	<u>(574,049)</u>		<u>(3,420,902)</u>	<u>(5,606,128)</u>	<u>(9,601,079)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>60,549</u>	<u>(2,500)</u>	<u>(3,543,017)</u>	<u>(2,981,982)</u>	<u>(6,466,950)</u>
<b>Cash and cash equivalents</b>					
<b>Beginning of year</b>	47,119	2,500	4,881,175	4,610,285	9,541,079
<b>End of year</b>	<u>\$ 107,668</u>	<u>\$ -</u>	<u>\$ 1,338,158</u>	<u>\$ 1,628,303</u>	<u>\$ 3,074,129</u>

(Continued)

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (continued)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Cemetery Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non- Major Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (226,487)	\$ -	\$ (407,809)	\$ 3,002,436	\$ 2,368,140
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	50,603		766,423	1,299,244	2,116,270
Change in assets, liabilities, deferred outflows & deferred inflows					
(Increase) decrease in accounts receivable	(22,183)		(88,300)	(339,849)	(450,332)
(Increase) decrease in due from other governmental units					
(Increase) decrease in inventories	(943)				(943)
(Increase) decrease in net pension asset	(69,861)		(128,079)	(541,424)	(739,364)
(Increase) decrease in deferred pension outflows	11,095		40,782	138,820	190,697
Increase (decrease) in accounts payable and accrued liabilities	(7,402)		209,302	(340,957)	(139,057)
Increase (decrease) in retainage payable			(459)		(459)
Increase (decrease) in lease liability				1,649	1,649
Increase (decrease) in performance bonds and escrow funds					
Increase (decrease) in customer deposits payable				3,431	3,431
Increase (decrease) in compensated absences	22,939		21,958	51,483	96,380
Increase (decrease) in total OPEB liability	(887)		1,759	(4,892)	(4,020)
Increase (decrease) in unearned revenue					
Increase (decrease) in net pension liability	(69,773)		(159,227)	(626,173)	(855,173)
Increase (decrease) in deferred inflows for pensions	108,209		184,080	799,596	1,091,885
Increase (decrease) in deferred inflows for OPEB	4,388		9,674	42,582	56,644
Total adjustments	26,185		857,913	483,510	1,367,608
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (200,302)</b>	<b>\$ -</b>	<b>\$ 450,104</b>	<b>\$ 3,485,946</b>	<b>\$ 3,735,748</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Unrealized gain (loss) on investments	\$ (23,060)	\$ -	\$ (286,604)	\$ (348,746)	\$ (658,411)

## 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, 2022**

	<b>Fleet Management Fund</b>	<b>Information Technology Fund</b>	<b>Self- Insurance Programs Fund</b>	<b>Retirement Sustainability Fund</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 4,700,159	\$ 957,342	\$ 4,580,944	\$ 6,131,685	\$ 16,370,130
Investments	27,394,135	5,577,372	26,670,168	35,737,565	95,379,240
Interest receivable on investments	100,436	48,876	135,101	124,310	408,723
Accounts receivable	293,326		601,596		894,922
Inventories	1,053,950				1,053,950
Total current assets	<u>33,542,006</u>	<u>6,583,590</u>	<u>31,987,809</u>	<u>41,993,560</u>	<u>114,106,965</u>
Net pension asset	<u>270,296</u>	<u>997,183</u>	<u>141,385</u>		<u>1,408,864</u>
Noncurrent assets:					
Capital assets:					
Construction in progress	25,848	7,395,876			7,421,724
Buildings	1,270,000				1,270,000
Equipment	38,492,659	5,121,358			43,614,017
Less accumulated depreciation	(26,612,042)	(3,905,842)			(30,517,884)
Leased equipment	8,458	5,122	4,622		18,202
Less accumulated amortization lease equipment	(2,819)	(2,195)	(1,541)		(6,555)
Total capital assets (net of accumulated depreciation/amortization)	<u>13,182,104</u>	<u>8,614,319</u>	<u>3,081</u>		<u>21,799,504</u>
Total noncurrent assets	<u>13,182,104</u>	<u>8,614,319</u>	<u>3,081</u>		<u>21,799,504</u>
Total assets	<u>46,994,406</u>	<u>16,195,092</u>	<u>32,132,275</u>	<u>41,993,560</u>	<u>137,315,333</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows for pensions	132,305	1,007,704	197,927		1,337,936
Deferred outflows for OPEB	16,039	40,519	5,909		62,467
Total deferred outflows of resources	<u>148,344</u>	<u>1,048,223</u>	<u>203,836</u>		<u>1,400,403</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	595,498	636,194	2,720,605		3,952,297
Compensated absences	18,227	69,361	10,169		97,757
Estimated liability for self-insurance losses			3,252,000		3,252,000
Lease liability	5,645	2,930	3,085		11,660
Total current liabilities	<u>619,370</u>	<u>708,485</u>	<u>5,985,859</u>		<u>7,313,714</u>
Non-current liabilities:					
Compensated absences	164,043	624,244	91,528		879,815
Net pension liability		990,807	245,454		1,236,261
Total OPEB liability	67,109	169,539	24,724		261,372
Estimated liability for self-insurance losses			8,332,000		8,332,000
Total noncurrent liabilities	<u>231,152</u>	<u>1,784,590</u>	<u>8,693,706</u>		<u>10,709,448</u>
Total liabilities	<u>850,522</u>	<u>2,493,075</u>	<u>14,679,565</u>		<u>18,023,162</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows for pensions	541,997	2,610,645	434,893		3,587,535
Deferred inflows for OPEB	17,076	43,141	6,291		66,508
Total deferred inflows of resources	<u>559,073</u>	<u>2,653,786</u>	<u>441,184</u>		<u>3,654,043</u>
<b>NET POSITION</b>					
Net investment in capital assets	12,986,436	8,583,825			21,570,261
Net pension assets	270,296	997,183	141,385		1,408,864
Unrestricted	32,476,423	2,515,446	17,073,977	41,993,560	94,059,406
Total net position	<u>\$ 45,733,155</u>	<u>\$ 12,096,454</u>	<u>\$ 17,215,362</u>	<u>\$ 41,993,560</u>	<u>\$ 117,038,531</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, 2022**

	<b>Fleet Management Fund</b>	<b>Information Technology Fund</b>	<b>Self- Insurance Programs Fund</b>	<b>Retirement Sustainability Fund</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Fleet management	\$ 5,911,135				\$ 5,911,135
Management information processing		\$ 11,433,000			11,433,000
Insurance premiums			\$ 24,759,859		24,759,859
Insurance premium tax				\$ 4,214,956	4,214,956
Retirement sustainability				2,884,700	2,884,700
Other	271,299	12,757	1,504,471		1,788,527
Total operating revenues	<u>6,182,434</u>	<u>11,445,757</u>	<u>26,264,330</u>	<u>7,099,656</u>	<u>50,992,177</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,340,037	5,769,957	852,050		7,962,044
Materials and supplies	42,550	74,649	2,375		119,574
General and administration	134,410	147,589	35,090		317,089
Other services and charges	505,513	7,732,480	5,403,578		13,641,571
Insurance claims			18,519,253		18,519,253
Pension benefits				4,231,150	4,231,150
Depreciation/amortization of capital assets	3,600,349	360,767	1,541		3,962,657
Total operating expenses	<u>5,622,859</u>	<u>14,085,442</u>	<u>24,813,887</u>	<u>4,231,150</u>	<u>48,753,338</u>
Operating income (loss)	<u>559,575</u>	<u>(2,639,685)</u>	<u>1,450,443</u>	<u>2,868,506</u>	<u>2,238,839</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	(1,041,336)	(212,623)	(1,009,913)	(1,356,342)	(3,620,214)
Lease interest expense	(16)	(9)	(9)		(34)
Gain (loss) on disposal of capital assets	173,415	(12,285)			161,130
Total nonoperating revenues (expenses)	<u>(867,937)</u>	<u>(224,917)</u>	<u>(1,009,922)</u>	<u>(1,356,342)</u>	<u>(3,459,118)</u>
Income (loss) before transfers and contributions	(308,362)	(2,864,602)	440,521	1,512,164	(1,220,279)
Transfers in	2,447,900	2,636,200			5,084,100
Change in net position	2,139,538	(228,402)	440,521	1,512,164	3,863,821
Net position, beginning	43,593,617	12,324,856	16,774,841	40,481,396	113,174,710
Net position, ending	<u>\$ 45,733,155</u>	<u>\$ 12,096,454</u>	<u>\$ 17,215,362</u>	<u>\$ 41,993,560</u>	<u>\$ 117,038,531</u>

**CITY OF BOCA RATON, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Fleet Management Fund	Information Technology Fund	Self-Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 6,133,148	\$ 11,445,757	\$ 26,098,714	\$ 7,099,656	\$ 50,777,275
Payments to suppliers	(449,738)	(8,039,871)	(4,041,761)	(4,231,150)	(16,762,520)
Payments to employees	(1,377,198)	(5,829,488)	(860,649)		(8,067,335)
Claims paid			(18,064,253)		(18,064,253)
<b>Net cash provided by (used in) operating activities</b>	<u>4,306,212</u>	<u>(2,423,602)</u>	<u>3,132,051</u>	<u>2,868,506</u>	<u>7,883,167</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	2,447,900	2,636,200			5,084,100
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>2,447,900</u>	<u>2,636,200</u>			<u>5,084,100</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(3,531,783)	(453,920)	(4,622)		(3,990,325)
Interest paid	(16)	(9)	(9)		(34)
Proceeds from sale of capital assets	173,415	(12,285)			161,130
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(3,358,384)</u>	<u>(466,214)</u>	<u>(4,631)</u>		<u>(3,829,229)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends received	201,475	57,178	175,316	240,321	674,290
Sale of investments	14,263,811	3,532,757	13,957,176	19,385,092	51,138,836
Purchase of investments	(28,400,806)	(5,782,328)	(27,650,110)	(37,050,838)	(98,884,082)
<b>Net cash provided by (used in) investing activities</b>	<u>(13,935,520)</u>	<u>(2,192,393)</u>	<u>(13,517,619)</u>	<u>(17,425,425)</u>	<u>(47,070,957)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(10,539,792)</u>	<u>(2,446,009)</u>	<u>(10,390,199)</u>	<u>(14,556,919)</u>	<u>(37,932,919)</u>
<b>Cash and cash equivalents</b>					
<b>Beginning of year</b>	15,239,951	3,403,351	14,971,143	20,688,604	54,303,049
<b>End of year</b>	<u>\$ 4,700,159</u>	<u>\$ 957,342</u>	<u>\$ 4,580,944</u>	<u>\$ 6,131,685</u>	<u>\$ 16,370,130</u>

(Continued)

**CITY OF BOCA RATON, FLORIDA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS (continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Fleet Management Fund	Information Technology Fund	Self-Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 559,575	\$ (2,639,685)	\$ 1,450,443	\$ 2,868,506	\$ 2,238,839
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,600,349	360,767	1,541		3,962,657
(Increase) decrease in accounts receivable	(49,286)		(165,616)		(214,902)
(Increase) decrease in inventories	(187,496)				(187,496)
(Increase) decrease in net pension asset	(270,296)	(997,183)	(141,385)		(1,408,864)
(Increase) decrease in deferred pension outflows	31,442	227,238	15,775		274,455
Increase (decrease) in accounts payable and accrued liabilities	415,211	(88,537)	1,396,549		1,723,223
Increase (decrease) in compensated absences	9,033	45,224	(8,975)		45,282
Increase (decrease) in lease liability	5,645	2,930	3,085		11,660
Increase (decrease) in total OPEB liability	872	(7,094)	(4,714)		(10,936)
Increase (decrease) in estimated liability for self-insurance losses			455,000		455,000
Increase (decrease) in net pension liability	(250,469)	(1,436,455)	(256,236)		(1,943,160)
Increase (decrease) in deferred inflows for pensions	427,571	2,074,091	381,633		2,883,295
Increase (decrease) in deferred inflows for OPEB	14,061	35,102	4,951		54,114
Total adjustments	3,746,637	216,083	1,681,608		5,644,328
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 4,306,212</b>	<b>\$ (2,423,602)</b>	<b>\$ 3,132,051</b>	<b>\$ 2,868,506</b>	<b>\$ 7,883,167</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Unrealized gain (loss) on investments	\$ (1,006,671)	\$ (204,956)	\$ (979,942)	\$ (1,313,273)	\$ (3,504,842)

## 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, 2022**

	<b>Police and Firefighters' Retirement System</b>	<b>General Employees' Pension Plan</b>	<b>Executive Employees' Retirement Plan</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,654,618	\$ 5,983,508	\$ 427,701	\$ 14,065,827
Investments:				
Common and preferred stock	96,804,865	93,459,230		190,264,095
U.S. government securities	34,886,801	9,677,267		44,564,068
Corporate bonds and debentures	37,553,618	27,158,496		64,712,114
Corporate convertible equity		15,504,579		15,504,579
Infrastructure		10,171,678		10,171,678
Commingled funds	28,018,850	22,477,492		50,496,342
Real estate	79,318,099	28,842,221		108,160,320
Private equity	125,641,204			125,641,204
Multi asset class	39,888,590			39,888,590
Florida Municipal Pension Trust Fund			54,236,679	54,236,679
Total investments	<u>442,112,027</u>	<u>207,290,963</u>	<u>54,236,679</u>	<u>703,639,669</u>
Receivables:				
Interest and dividends	264,096	243,207		507,303
Unsettled trades receivable		132,760		132,760
Total receivables	<u>264,096</u>	<u>375,967</u>		<u>640,063</u>
Other assets		1,197,822		1,197,822
Prepaid expenses	35,563			35,563
Total assets	<u>450,066,304</u>	<u>214,848,260</u>	<u>54,664,380</u>	<u>719,578,944</u>
<b>LIABILITIES</b>				
Accounts payable	308,019	219,478		527,497
Unsettled trades payable	610,858	249,560		860,418
Total liabilities	<u>918,877</u>	<u>469,038</u>		<u>1,387,915</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u><u>\$ 449,147,427</u></u>	<u><u>\$ 214,379,222</u></u>	<u><u>\$ 54,664,380</u></u>	<u><u>\$ 718,191,029</u></u>

**CITY OF BOCA RATON, FLORIDA  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<b>Police and Firefighters' Retirement System</b>	<b>General Employees' Pension Plan</b>	<b>Executive Employees' Retirement Plan</b>	<b>Total Pension Trust Funds</b>
<b>ADDITIONS</b>				
Contributions:				
City	\$ 18,593,875	\$ 1,327,279	\$ 2,560,502	\$ 22,481,656
State	4,214,956			4,214,956
Employee	4,504,393	2,292,470	632,861	7,429,724
Transfer from other pension trust funds			143,810	143,810
Total contributions	<u>27,313,224</u>	<u>3,619,749</u>	<u>3,337,173</u>	<u>34,270,146</u>
Investment income:				
Interest revenue	974,276	(43,849,495)	(9,076,932)	(51,952,151)
Dividends	7,755,122	3,272,331	2,197	11,029,650
Net appreciation (depreciation) in fair value of investments	(65,411,551)			(65,411,551)
Other investment income	22,463	4,624		27,087
Investment expense	(4,265,101)	(824,078)	(49,000)	(5,138,179)
Total investment income	<u>(60,924,791)</u>	<u>(41,396,618)</u>	<u>(9,123,735)</u>	<u>(111,445,144)</u>
Total additions	<u>(33,611,567)</u>	<u>(37,776,869)</u>	<u>(5,786,562)</u>	<u>(77,174,998)</u>
<b>DEDUCTIONS</b>				
Benefits paid:				
Retirement	22,265,777	13,128,904	2,823,009	38,217,690
Disability	951,611	100,718		1,052,329
Death	1,124,729	1,103,508		2,228,237
Deferred retirement option plan	3,620,916	1,794,268	933,916	6,349,100
Termination refunds	102,747	456,989	19,528	579,264
Administrative expenses	270,024	142,566	163,088	575,678
Transfer to other pension trust funds		143,810		143,810
Total deductions	<u>28,335,804</u>	<u>16,870,763</u>	<u>3,939,541</u>	<u>49,146,108</u>
Net increase/(decrease) in net position	(61,947,371)	(54,647,632)	(9,726,103)	(126,321,106)
<b>NET POSITION RESTRICTED FOR PENSION</b>				
Beginning of year	511,094,798	269,026,854	64,390,483	844,512,135
End of year	<u>\$ 449,147,427</u>	<u>\$ 214,379,222</u>	<u>\$ 54,664,380</u>	<u>\$ 718,191,029</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.

<b>Contents</b>	<b>Page</b>
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<b>Financial Trends</b>	<b>175</b>
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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.

<b>Revenue Capacity</b>	<b>185</b>
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This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

<b>Debt Capacity</b>	<b>190</b>
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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.

<b>Demographic and Economic Information</b>	<b>198</b>
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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.

<b>Operating Information</b>	<b>201</b>
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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.



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## **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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities					
Net investment in capital assets	\$368,548	\$365,123	\$343,424	\$346,406	\$383,364
Restricted	45,621	54,793	64,313	68,787	77,176
Unrestricted	94,762	99,030	40,029	64,216	25,208
Total governmental activities net position	<u>\$508,931</u>	<u>\$518,946</u>	<u>\$447,766</u>	<u>\$479,409</u>	<u>\$485,748</u>
Business-type activities					
Net investment in capital assets	\$214,698	\$224,767	\$221,972	\$228,380	\$229,424
Restricted	60,744	66,786	68,015	79,734	75,550
Unrestricted	61,970	53,581	72,957	72,893	90,195
Total business-type activities net position	<u>\$337,412</u>	<u>\$345,134</u>	<u>\$362,944</u>	<u>\$381,007</u>	<u>\$395,169</u>
Primary government					
Net investment in capital assets	\$583,246	\$589,890	\$565,396	\$574,786	\$612,788
Restricted	106,365	121,579	132,328	148,521	152,726
Unrestricted	156,732	152,611	112,986	137,109	115,403
Total primary government net position	<u>\$846,343</u>	<u>\$864,080</u>	<u>\$810,710</u>	<u>\$860,416</u>	<u>\$880,917</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$356,695	\$339,885	\$352,856	\$352,192	\$373,750
84,149	109,664	94,209	89,740	104,403
44,238	49,682	43,288	55,310	126,759
<u>\$485,082</u>	<u>\$499,231</u>	<u>\$490,353</u>	<u>\$497,242</u>	<u>\$604,912</u>

\$227,958	\$239,614	\$249,111	\$256,087	\$226,710
61,802	59,222	45,114	74,943	81,751
111,578	120,150	133,956	124,327	126,604
<u>\$401,338</u>	<u>\$418,986</u>	<u>\$428,181</u>	<u>\$455,357</u>	<u>\$435,065</u>

\$584,653	\$579,499	\$601,967	\$608,279	\$600,460
145,951	168,886	139,323	164,683	186,154
155,816	169,832	177,244	179,637	253,363
<u>\$886,420</u>	<u>\$918,217</u>	<u>\$918,534</u>	<u>\$952,599</u>	<u>\$1,039,977</u>

**CITY OF BOCA RATON, FLORIDA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

*(accrual basis of accounting)  
(amounts expressed in thousands)  
(Unaudited)*

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 18,891	\$ 19,017	\$ 20,655	\$ 34,158	\$ 28,232
Law enforcement	42,044	43,913	40,575	34,328	72,198
Fire rescue	43,626	44,831	42,631	37,701	35,501
Physical environment	4,255	4,055	4,217	4,449	5,034
Transportation	20,185	19,166	17,744	13,672	20,177
Community development	2,889	2,804	3,257	5,345	5,702
Parks and recreation	37,542	37,507	37,107	38,605	42,614
Interest and fiscal charges	3,807	4,114	2,165	2,393	1,968
Total governmental activities expenses	<u>173,239</u>	<u>175,407</u>	<u>168,351</u>	<u>170,651</u>	<u>211,426</u>
Business-type activities:					
Water and sewer	45,617	45,393	48,616	48,415	49,730
Cemetery	569	623	610	664	720
Golf course	2,776	2,787	2,726	2,831	3,091
Stormwater utility	2,169	2,428	2,252	2,260	2,596
Sanitation	6,727	6,758	6,183	6,816	7,102
Total business-type activities expenses	<u>57,858</u>	<u>57,989</u>	<u>60,387</u>	<u>60,986</u>	<u>63,238</u>
Total primary government expenses	<u>\$ 231,097</u>	<u>\$ 233,396</u>	<u>\$ 228,738</u>	<u>\$ 231,637</u>	<u>\$ 274,664</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 25,301	\$ 25,881	\$ 32,294	\$ 27,994	\$ 26,992
Law enforcement	3,286	3,187	2,484	2,055	2,010
Fire rescue	12,968	12,517	10,605	10,554	12,162
Physical environment	245	143	137	1,942	3,369
Transportation				49	26
Community development	2,020	2,324	1,959	2,174	2,051
Parks and recreation	19,313	19,125	19,213	21,141	21,210
Operating grants and contributions	4,482	6,262	4,494	5,979	7,679
Capital grants and contributions	2,971	1,159	5,295	5,060	4,747
Total governmental activities program revenues	<u>70,586</u>	<u>70,598</u>	<u>76,481</u>	<u>76,948</u>	<u>80,246</u>
Business-type activities:					
Charges for services:					
Water and sewer	\$ 48,452	\$ 51,071	\$ 54,934	\$ 54,142	\$ 57,400
Cemetery	210	244	236	241	449
Golf course	2,485	2,440	2,490	2,482	2,518
Stormwater utility	2,236	2,292	2,353	2,379	2,474
Sanitation	7,376	7,487	7,502	7,629	7,835
Operating grants and contributions					
Capital grants and contribution	9,025	867	11,473	11,902	6,295
Total business-type activities program revenues	<u>69,784</u>	<u>64,401</u>	<u>78,988</u>	<u>78,775</u>	<u>76,971</u>
Total primary government program revenues	<u>\$ 140,370</u>	<u>\$ 134,999</u>	<u>\$ 155,469</u>	<u>\$ 155,723</u>	<u>\$ 157,217</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 32,066	\$ 39,341	\$ 69,844	\$ 35,481	\$ 23,411
49,796	49,727	54,068	63,401	50,922
53,134	49,475	54,266	65,142	63,052
5,507	5,222	5,406	4,448	4,684
25,420	31,725	14,215	26,269	37,356
6,384	13,517	15,876	19,447	29,828
44,873	46,220	43,243	46,749	46,717
1,293	1,719	1,589	1,318	1,055
<u>218,473</u>	<u>236,946</u>	<u>258,507</u>	<u>262,255</u>	<u>257,025</u>

52,174	53,646	57,576	59,759	61,848
671	652	1,028	902	682
2,777	2,843	3,100	3,254	-
2,804	3,396	2,848	2,852	3,544
7,381	7,829	7,987	7,979	8,277
<u>65,807</u>	<u>68,366</u>	<u>72,539</u>	<u>74,746</u>	<u>74,351</u>
<u>\$ 284,280</u>	<u>\$ 305,312</u>	<u>\$ 331,046</u>	<u>\$ 337,001</u>	<u>\$ 331,376</u>

\$ 26,057	\$ 31,309	\$ 28,305	\$ 40,598	\$ 21,904
1,812	1,902	1,500	2,771	3,610
14,043	15,038	15,290	15,205	15,583
270	207	205	250	182
178	67	90	8	57
2,306	1,942	1,332	1,680	25,624
22,862	23,896	20,462	22,039	28,147
6,781	13,680	19,131	16,844	30,494
1,036	1,910	1,670	3,762	68,560
<u>75,345</u>	<u>89,951</u>	<u>87,985</u>	<u>103,157</u>	<u>194,161</u>

\$ 56,704	\$ 60,504	\$ 58,944	\$ 57,973	\$ 60,205
375	378	302	369	455
2,432	2,534	2,489	2,920	
2,534	2,653	3,017	3,021	3,137
7,715	8,038	10,134	10,921	11,279
			84	410
1,017	5,834	3,410	26,325	5,098
<u>70,777</u>	<u>79,941</u>	<u>78,296</u>	<u>101,613</u>	<u>80,584</u>

<u>\$ 146,122</u>	<u>\$ 169,892</u>	<u>\$ 166,281</u>	<u>\$ 204,770</u>	<u>\$ 274,745</u>
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**CITY OF BOCA RATON, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

*(accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Net (Expenses) Revenue</b>					
Governmental activities	\$ (102,653)	\$ (104,809)	\$ (91,870)	\$ (93,703)	\$ (131,180)
Business-type activities	11,926	6,412	18,601	17,789	13,733
Total primary government net expense	<u>\$ (90,727)</u>	<u>\$ (98,397)</u>	<u>\$ (73,269)</u>	<u>\$ (75,914)</u>	<u>\$ (117,447)</u>
<b>General Revenue and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property tax	\$ 59,568	\$ 61,938	\$ 65,238	\$ 69,785	\$ 74,866
Utility tax	20,502	21,390	21,361	20,652	21,645
Franchise tax	11,977	12,867	12,893	12,536	12,826
Sales tax	5,854	6,287	6,687	6,898	6,916
Infrastructure tax					4,312
Gas tax	1,958	1,999	2,120	2,154	2,312
Incremental property tax	6,575	6,730	7,183	8,449	9,720
State shared revenues unrestricted	2,280	2,418	2,549	2,781	2,849
Investment earnings (loss) unrestricted	(186)	1,344	1,279	1,083	1,030
Gain (loss) on disposal of capital assets	156	112	49	253	315
Miscellaneous	88	137	188	237	322
Transfers	(445)	(397)	(338)	518	408
Total governmental activities	<u>108,327</u>	<u>114,825</u>	<u>119,209</u>	<u>125,346</u>	<u>137,521</u>
Business-type activities					
Investment earnings (loss)	(288)	901	847	675	614
Gain (loss) on disposal of capital assets	229	11	50	67	186
Miscellaneous			19	51	36
Transfers	445	397	338	(518)	(408)
Total business-type activities	<u>386</u>	<u>1,309</u>	<u>1,254</u>	<u>275</u>	<u>428</u>
Total primary government	<u>\$ 108,713</u>	<u>\$ 116,134</u>	<u>\$ 120,463</u>	<u>\$ 125,621</u>	<u>\$ 137,949</u>
Changes in net position					
Governmental activities	\$ 5,674	\$ 10,016	\$ 27,339	\$ 31,643	\$ 6,339
Business-type activities	12,312	7,721	19,855	18,064	14,162
Total primary government	<u>\$ 17,986</u>	<u>\$ 17,737</u>	<u>\$ 47,194</u>	<u>\$ 49,707</u>	<u>\$ 20,501</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ (143,129)	\$ (146,996)	\$ (170,519)	\$ (159,098)	\$ (62,863)
4,971	11,574	5,757	26,867	6,232
<u>\$ (138,158)</u>	<u>\$ (135,422)</u>	<u>\$ (164,762)</u>	<u>\$ (132,231)</u>	<u>\$ (56,631)</u>

\$ 79,753	\$ 84,781	\$ 88,550	\$ 92,750	\$ 96,069
21,894	22,174	21,804	21,841	23,266
13,215	13,350	12,882	13,243	15,209
7,177	7,464	7,040	8,365	9,757
6,471	6,767	6,471	7,645	9,175
2,244	2,265	2,018	2,132	2,209
12,489	13,366	14,150	14,780	16,391
2,924	3,108	2,878	3,364	4,208
2,279	7,886	5,658	1,068	(12,379)
392	288	150	653	204
362	288	397	50	57
(144)	(593)	(354)	96	20,251
<u>149,056</u>	<u>161,144</u>	<u>161,644</u>	<u>165,987</u>	<u>184,417</u>

1,154	4,702	3,119	385	(6,660)
116	195	(183)	20	386
208	583	354	(96)	
144	593	148	-	(20,251)
<u>1,622</u>	<u>6,073</u>	<u>3,438</u>	<u>309</u>	<u>(26,525)</u>

<u>\$ 150,678</u>	<u>\$ 167,217</u>	<u>\$ 165,082</u>	<u>\$ 166,296</u>	<u>\$ 157,892</u>
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\$ 5,927	\$ 14,148	\$ (8,878)	\$ 6,889	\$ 121,553
6,593	17,647	9,195	27,176	(20,292)
<u>\$ 12,520</u>	<u>\$ 31,795</u>	<u>\$ 317</u>	<u>\$ 34,065</u>	<u>\$ 101,261</u>



**CITY OF BOCA RATON, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**

*(modified accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund:</b>					
Non-spendable:					
Inventories, Advance	\$ 23	\$ 25	\$ 22	\$ 345	\$ 339
Restricted for:					
Army Corp of Engineers	170	170	170	170	170
Building permits					
Committed to:					
Right of way beautification					35
Hurricane/ disaster emergency	10,600	10,600	10,600	10,600	13,424
Mizner Park debt service	1,633	1,633	1,633	1,633	1,633
Retirement system reserve	12,000				
Assigned to:					
Subsequent year's budget	12,920	3,762	2,536	14,825	14,703
Unassigned	21,300	29,138	44,075	38,822	30,242
Total general fund	<u>\$ 58,646</u>	<u>\$ 45,328</u>	<u>\$ 59,036</u>	<u>\$ 66,395</u>	<u>\$ 60,546</u>
<b>All Other Governmental Funds:</b>					
Non-spendable:					
Perpetual care, cemetery	\$ 1,630	\$ 1,505	\$ 1,385	\$ 1,446	\$ 1,610
Perpetual care, masoleum	2,994	2,776	2,611	2,695	2,822
Restricted for:					
Building Permits					
Debt service	6,191	11,489	11,830	11,948	12,073
Housing	202	150	532	814	1,204
Infrastructure					4,315
Law enforcement	1,084	766	1,211	1,159	1,293
Transportation	13,363	8,947	9,981	10,682	11,882
Right of way beautification	271	1,814	2,117	1,231	-
Downtown	2,181	2,941	6,850	5,920	6,128
Economic development		6,487	4,788	4,636	5,574
Land dedication	5,243	5,538	9,763	14,317	15,910
Land Proceeds					
Library	550	547	372		
Committed to:					
Parking	826	3	3	3	3
Right of way acquisition	2,297	2,315	2,331	2,341	2,350
Assigned to:					
Capital projects	23,021	26,031	29,571	25,544	21,268
Environmentally sensitive lands	1,032				
Unassigned					
Total all other governmental funds	<u>\$ 60,885</u>	<u>\$ 71,309</u>	<u>\$ 83,345</u>	<u>\$ 82,736</u>	<u>\$ 86,432</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 347	\$ 337	\$ 344	\$ 346	\$ 19
170	170	170	170	170
	6,514	9,230	20,966	
223	225	139	790	27
12,936	18,590	18,590	18,870	19,625
1,233	7,425	6,964	16,242	9,657
<u>33,323</u>	<u>30,383</u>	<u>36,963</u>	<u>39,717</u>	<u>50,449</u>
<u>\$ 48,232</u>	<u>\$ 63,644</u>	<u>\$ 72,400</u>	<u>\$ 97,101</u>	<u>\$ 79,947</u>
\$ 1,678	\$ 1,646	\$ 1,615	\$ 1,722	\$ 1,635
2,773	2,597	2,505	2,645	2,105
				32,309
12,712	2,116	2,150	2,288	2,313
886	807	529	466	1,155
8,718	27,750	19,297	17,600	9,838
1,190	1,125	1,190	1,206	1,227
10,368	10,674	9,896	8,013	9,875
-	-	-	-	-
5,909	11,002	12,428	12,414	10,658
8,562	6,176	6,185	6,174	5,834
16,397	17,940	19,018	20,443	17,830
6	31	49	40	57,869
3	3	3	3	3
2,367	2,431	2,474	2,479	2,401
22,547	23,786	24,631	24,955	33,383
<u>\$ 94,116</u>	<u>\$ 108,084</u>	<u>\$ 101,970</u>	<u>\$ 100,448</u>	<u>\$ 188,435</u>

**CITY OF BOCA RATON, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

*(modified accrual basis of accounting)*  
(Unaudited)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Revenues:</b>					
Taxes	\$ 103,840,677	\$ 104,972,742	\$ 108,754,619	\$ 114,075,840	\$ 125,189,629
Licenses and permits	12,661,480	13,716,396	18,199,802	15,527,771	13,752,420
Intergovernmental	27,232,751	29,205,706	28,204,044	33,169,318	38,983,346
Charges of services	28,501,248	28,566,477	30,545,193	29,598,932	31,536,517
Fines and forfeitures	2,973,556	2,332,373	2,203,618	1,602,642	1,667,585
Special assessments	1,493,004	1,483,647	1,505,634	1,511,197	1,512,790
Donations in lieu of land	2,442,421	724,303	4,642,068	4,927,834	2,218,238
Investment earnings (loss)	(101,337)	999,229	872,975	768,096	700,702
Miscellaneous	205,082	223,098	220,838	332,882	484,425
<b>Total revenues</b>	<b>179,248,882</b>	<b>182,223,971</b>	<b>195,148,791</b>	<b>201,514,512</b>	<b>216,045,652</b>
<b>Expenditures:</b>					
Current:					
General government	20,917,289	18,176,334	19,701,982	21,996,764	26,458,740
Law enforcement	39,515,182	40,453,294	39,650,656	41,031,455	44,500,795
Fire rescue	39,809,307	41,333,442	40,739,785	44,686,248	44,292,717
Physical environment	4,281,679	4,038,442	4,220,664	4,956,152	4,652,372
Transportation	6,725,749	6,354,401	7,536,209	11,830,942	18,003,649
Community development	3,025,793	3,153,304	3,942,306	7,353,945	6,255,361
Parks and recreation	34,993,019	34,587,799	35,757,011	38,642,169	40,307,017
Capital outlay	13,287,857	5,460,607	928,156	6,022,772	9,961,955
Debt service:					
Principal	11,015,000	11,600,000	7,722,363	7,680,486	7,665,707
Interest	2,460,400	1,834,035	5,081,592	5,107,954	5,111,168
Bond issuance costs		45,146			
Bond repayment		12,507,993			
<b>Total expenditures</b>	<b>176,031,275</b>	<b>179,544,797</b>	<b>165,280,724</b>	<b>189,308,887</b>	<b>207,209,481</b>
Excess (deficiency) of revenues Over expenditures	<u>3,217,607</u>	<u>2,679,174</u>	<u>29,868,067</u>	<u>12,205,625</u>	<u>8,836,171</u>
<b>Other financing sources (uses):</b>					
Transfers in	10,457,500	17,292,828	9,617,600	9,924,796	16,157,948
Transfers out	(13,140,800)	(35,425,628)	(13,741,700)	(15,381,200)	(27,146,976)
Proceeds from sale of capital assets					
Lease (right-of-use asset) acquired					
Refunding and new bonds issued		12,560,000			
<b>Total other financing sources (uses)</b>	<b>(2,683,300)</b>	<b>(5,572,800)</b>	<b>(4,124,100)</b>	<b>(5,456,404)</b>	<b>(10,989,028)</b>
<b>Net change in fund balances</b>	<b>\$ 534,307</b>	<b>\$ (2,893,626)</b>	<b>\$ 25,743,967</b>	<b>\$ 6,749,221</b>	<b>\$ (2,152,857)</b>
<b>Debt service as a percentage of Noncapital expenditures</b>	8.10%	7.55%	7.78%	6.95%	6.52%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 136,042,459	\$ 142,744,416	\$ 145,894,699	\$ 152,359,558	\$ 162,316,213
13,031,240	16,632,462	14,938,041	26,143,143	29,177,341
34,985,353	44,054,242	47,253,581	46,746,248	64,098,933
33,605,151	35,741,289	32,819,230	36,324,451	42,048,497
1,430,218	1,615,709	1,218,360	1,326,229	1,695,277
1,519,976	1,547,777	1,531,554	1,530,233	1,558,455
840,499	1,786,918	1,641,007	3,761,985	2,795,987
1,433,234	5,122,263	3,833,082	849,709	(8,750,377)
723,413	554,589	690,221	749,768	814,120
<u>223,611,543</u>	<u>249,799,665</u>	<u>249,819,775</u>	<u>269,791,324</u>	<u>295,754,446</u>
29,102,759	29,450,258	30,099,361	30,363,079	26,978,318
47,594,807	50,202,799	53,781,452	53,661,403	57,561,256
48,332,421	50,792,426	54,101,552	56,064,052	59,301,549
5,269,402	5,206,147	5,399,507	7,385,089	9,360,580
15,487,320	14,612,619	18,754,633	12,148,808	11,060,413
7,309,798	13,872,937	16,732,880	19,647,705	29,092,902
60,654,784	42,649,422	42,430,428	42,979,799	53,549,195
4,811,148	10,909,768	12,785,429	12,384,494	29,699,835
8,087,014	8,894,599	9,230,000	7,350,000	7,755,725
5,274,703	5,634,349	1,768,336	1,488,170	1,230,545
44,050	64,201			
<u>231,968,206</u>	<u>232,289,525</u>	<u>245,083,578</u>	<u>243,472,599</u>	<u>285,590,318</u>
(8,356,663)	17,510,140	4,736,197	26,318,725	10,164,128
11,441,485	13,135,524	11,959,995	11,826,964	41,710,424
(22,153,685)	(21,264,524)	(13,744,795)	(14,967,564)	(47,332,724)
				65,981,088
				309,742
<u>19,100,000</u>	<u>20,000,000</u>			
<u>8,387,800</u>	<u>11,871,000</u>	<u>(1,784,800)</u>	<u>(3,140,600)</u>	<u>60,668,530</u>
<u>\$ 31,137</u>	<u>\$ 29,381,140</u>	<u>\$ 2,951,397</u>	<u>\$ 23,178,125</u>	<u>\$ 70,832,658</u>
5.86%	6.50%	4.73%	3.81%	3.81%

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## **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> <sup>(2)</sup>	<u>Real Property</u> <sup>(1)</sup>	<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>
2013	\$ 18,551,617,089	\$ 908,950,096	\$ 19,460,567,185	\$ 2,833,483,666	\$ 16,627,083,519	3.72
2014	19,490,849,519	931,461,073	20,422,310,592	3,150,099,060	17,272,211,532	3.72
2015	21,228,631,119	942,986,167	22,171,617,286	3,948,840,288	18,222,776,998	3.71
2016	23,483,977,167	960,239,397	24,444,216,564	4,889,767,942	19,554,448,622	3.68
2017	25,535,736,108	1,038,415,774	26,574,151,882	5,567,612,961	21,006,538,921	3.68
2018	27,103,496,479	900,034,862	28,003,531,341	5,496,652,239	22,506,879,102	3.68
2019	28,436,576,386	912,320,426	29,348,896,812	5,463,573,971	23,885,322,841	3.68
2020	29,698,116,755	1,120,267,563	30,818,384,318	5,621,330,641	25,197,053,677	3.68
2021	30,531,500,361	955,496,379	31,486,996,740	5,344,152,213	26,142,844,527	3.68
2022	34,137,840,300	1,079,809,342	35,217,649,642	4,254,923,628	30,962,726,014	3.68

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

	<u>Estimated Actual</u> <u>Value</u>	<u>Taxable Assessed</u> <u>Value as a % of</u> <u>Actual Taxable Value</u>
\$	20,738,752,412	80.17%
	21,630,010,810	79.85%
	23,460,717,251	77.32%
	25,841,728,608	75.77%
	28,046,758,787	74.90%
	29,587,726,191	76.07%
	31,015,888,721	77.01%
	32,545,643,512	77.42%
	33,311,515,653	78.48%
	45,804,319,450	67.60%



**CITY OF BOCA RATON, FLORIDA  
PROPERTY TAX RATES  
ALL DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS (1)  
(Unaudited)**

<u>Tax Year</u>	<u>Operating Millage</u>	<u>Debt Service</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Debt Service</u>	<u>Total County Tax</u>	<u>Operating Millage</u>	<u>Debt Service</u>	<u>Total Schools</u>	<u>Other</u>	<u>Total</u>
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	3.579	0.100	3.679	4.782	0.121	4.902	6.769	0.000	6.769	2.689	18.038
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
2020	3.570	0.108	3.679	4.782	0.031	4.812	7.01	0.000	7.010	2.557	18.058
2021	3.579	0.100	3.679	4.782	0.033	4.815	6.875	0.000	6.875	2.689	18.057
2022	3.656	0.023	3.678	4.715	0.029	4.744	6.519	0.000	6.519	2.619	17.560

**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	2022			2013		
	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 TRUST	\$ 635,900,511	1	2.05%	\$ 351,800,511	1	2.12%
BOCA OWNER LLC	339,951,717	2	1.10%			
G&I X BRIC FEE OWNER LLC	232,118,475	3	0.75%			
FLORIDA POWER & LIGHT CO	206,831,790	4	0.67%	106,046,392	4	0.64%
BOCA RATON CRA LESSOR	176,490,464	5	0.57%			
PALMETTO PROMENADE OWNER LLC	157,902,879	6	0.51%			
VIA MIZNER OWNER I LLC	144,859,423	7	0.47%			
ALTIS BOCA RATON LLC	142,451,966	8	0.46%			
OFFICE DEPOT INC	129,702,415	9	0.42%			
ROYAL PALM PLACE INVESTMENTS LLC	122,613,641	10	0.40%	62,759,114	7	0.38%
Panthers BRHC Ltd. Partnership				154,693,268	2	0.93%
HUB Properties Trust				143,165,914	3	0.86%
BRE Boca Raton CRA Lessor				104,665,619	5	0.63%
Boca Raton CRA Lessor				96,472,130	6	0.58%
PR Heritage LLC				56,644,210	9	0.34%
WRC Properties Inc				57,347,775	8	0.34%
Panthers BRHC LLC				55,377,684	10	0.33%
<b>Total</b>	<b>\$ 2,288,823,281</b>		<b>7.39%</b>	<b>\$ 1,188,972,617</b>		<b>7.15%</b>

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
2013	\$ 61,894,344	\$ 59,327,683	95.9%	\$ 117,532	\$ 59,445,215	96.0%
2014	64,295,809	61,803,940	96.1%	129,569	61,933,509	96.3%
2015	67,653,899	65,089,535	96.2%	165,927	65,255,462	96.5%
2016	71,957,439	69,322,388	96.3%	90,753	69,413,141	96.5%
2017	77,249,421	74,490,355	96.4%	31,637	74,521,992	96.5%
2018	82,659,659	79,727,836	96.5%	15,114	79,742,949	96.5%
2019	87,708,652	84,586,487	96.4%	290,669	84,877,155	96.8%
2020	91,843,259	88,322,011	96.2%	124,182	88,446,193	96.3%
2021	93,197,588	89,765,770	96.3%	-	89,765,770	96.3%
2022	99,575,009	96,008,158	96.4%	60,420	96,068,577	96.5%

(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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds</b>	<b>Revenue Bonds</b>	<b>Tax Increment Bonds <sup>2</sup></b>	<b>Loans Payable</b>	<b>Capital Leases</b>
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			
2020	9,065,000	4,500,000	34,431,570			
2021	6,850,000	3,240,000	29,945,000			
2022	4,770,068	1,911,778	25,927,650			

**Note:** Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> 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.

<sup>2</sup> Includes accreted interest on Capital Appreciation Bond.

**Business-Type Activities**

	<b>Water &amp; Sewer Revenue Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>
\$	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
	14,595,000	62,591,570	0.0977%	658
	46,005,000	86,040,000	0.0691%	878
	43,280,000	75,889,496	0.0793%	762

**CITY OF BOCA RATON, FLORIDA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
*(dollars in thousands, except per capita)*  
(Unaudited)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Restricted for Debt Service</u>	<u>Assessed Value of Taxable Property</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2013	\$ 36,490.00	\$ 6,191.00	\$ 16,627,084	0.18%	86,041	0.35
2014	33,105	11,489	17,272,212	0.13%	86,647	0.25
2015	29,345	11,830	18,222,777	0.10%	87,766	0.20
2016	25,495	11,948	19,581,516	0.07%	88,275	0.15
2017	21,550	12,073	21,006,539	0.05%	91,797	0.10
2018	17,495	12,712	22,506,879	0.02%	93,417	0.05
2019	13,325	2,116	23,888,627	0.05%	94,488	0.12
2020	9,065	2,150	24,966,225	0.03%	95,139	0.07
2021	6,850	2,288	26,142,854	0.02%	98,046	0.05
2022	4,545	2,313	27,096,140	0.01%	99,542	0.02

**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, 2022**  
*(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>
<b>OVERLAPPING:</b>			
Palm Beach County	\$ 26,250,000 <sup>1</sup>	0.01% <sup>2</sup>	\$ 2,788
Palm Beach School District	<u>12,534</u>	0.01% <sup>2</sup>	<u>1</u>
<b>SUBTOTAL</b>	<u>\$ 26,262,534</u>		<u>2,789</u>
<b>DIRECT DEBT:</b>			
General obligation bonds	\$ 4,545 <sup>3</sup>	100.00%	4,545
Special assessment bonds	1,920 <sup>3</sup>	100.00%	1,920
Revenue bonds	<u>25,960 <sup>3</sup></u>	100.00%	<u>25,960</u>
<b>SUBTOTAL</b>	<u>\$ 32,425</u>		<u>32,425</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<u><u>\$ 35,214</u></u>

<sup>1</sup> Source: Palm Beach County

<sup>2</sup> Determined by dividing:  
taxable assessed valuation of the City of Boca Raton  
by the total taxable valuation of Palm Beach County.

<sup>3</sup> 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>	
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
2020	61,877,711	42,014,353	19,863,358	3,470,000	424,564	5.10
2021	58,372,258	42,936,145	15,436,113	2,725,000	580,309	4.67
2022	54,614,981	44,772,941	9,842,040	2,965,000	950,487	2.51

(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 Assessments Levied (1)</u>	<u>Special Assessment Collections (2)</u>	<u>Debt Service</u>		<u>Coverage by Net Collections Available for Debt Service (3)</u>
			<u>Principal</u>	<u>Interest</u>	
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
2020	1,531,554	2,085,869	1,205,000	226,688	1.46
2021	1,530,486	1,649,888	1,260,000	179,438	1.15
2022	1,543,701	1,722,668	1,320,000	128,681	1.19

- (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**  
**PLEDGED-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>	
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
2020	1,565,313	14,150,342	15,715,655	-	-	-
2021	1,912,226	14,780,347	16,692,573	-	-	-
2022	1,179,691	16,390,645	17,570,336	-	-	-

(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> <sup>(1)</sup>	<u>Revenue Bonds</u> <u>2018</u>	<u>Special Assessment Revenue</u>		<u>Tax Incremental Revenue Refunding Bonds</u> <u>1998</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>2001B</u>	<u>2003</u>		
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	53,189,429		1,110,419	284,575	6,655,000			8,049,994	6.61
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	51,385,793	1,613,812	1,140,719	285,550	6,620,000			9,660,081	5.32
2020	43,321,116	1,614,244	1,146,919	284,769				3,045,932	14.22
2021	44,458,043	1,613,884	1,156,319	283,119				3,053,322	14.56
2022	69,626,179	1,617,732	1,162,387	286,294				3,066,413	22.71

(1) Net revenue available after deducting operating expenses, restricted, and committed amounts.

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## **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)

<b>Fiscal Year</b>	<b>Population<sup>4</sup></b>	<b>Personal Income (amounts expressed in thousands)<sup>3</sup></b>	<b>Per Capita Personal Income<sup>5</sup></b>	<b>Median Age<sup>3</sup></b>	<b>Education Level in Years of Schooling</b>	<b>School Enrollment<sup>2</sup></b>	<b>Unemployment Rate<sup>1</sup></b>
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%
2020	95,139	5,815,657	61,128	48	13	13,371	7.0%
2021	98,046	5,827,168	59,433	48	13	12,678	3.7%
2022	99,542	5,987,252	60,148	48	13	11,281	2.3%

**Source<sup>1</sup>:** Bureau of Labor Statistics for Miami-Fort Lauderdale-West Palm Beach, FL Metropolitan Statistical Area

**Source<sup>2</sup>:** 2018 School Enrollment Information - [www.Palmbeachschools.org](http://www.Palmbeachschools.org)

**Source<sup>3</sup>:** U.S. Census Bureau - Median Age (ACS 5-Year Estimate)

**Source<sup>4</sup>:** Bureau of Economic and Business Research (BEBR)

**Source<sup>5</sup>:** U.S. Census Bureau - Per capita income in past 12 months (ACS 5-Year Estimate)  
Years 2015-2019 reflect median household income

**CITY OF BOCA RATON, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

(Unaudited)

Employer	2022 <sup>(1)</sup>			2013 <sup>(2)</sup>		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Florida Atlantic University	5,059	1	4.78%	2,706	1	2.73%
Boca Raton Regional Hospital	3,135	2	2.96%	2,250	3	2.27%
Office Depot (Hdqtrs)	2,000	3	1.89%	2,250	2	2.27%
City of Boca Raton	1,810	4	1.71%	1,279	5	1.29%
National Council of Comp Ins (NCCI)	800	5	0.76%	800	6	0.81%
Johnson Controls / Tyco (Hdqtrs)	741	6	0.70%	700	8	0.71%
International Bus. Machines (IBM)	600	7	0.57%	600	9	0.60%
ADT Security Services (Hdqtrs)	500	8	0.47%			
US Foods	374	9	0.35%			
Newell Bbrands (Hdqtrs)	350	10	0.33%			
Boca Raton Resort and Club				1,800	4	1.81%
Prime Management Group Inc				750	7	0.76%
Applied Card Systems				550	10	0.55%
<b>TOTAL</b>	<u>15,369</u>		<u>14.51%</u>	<u>13,685</u>		<u>13.79%</u>
<b>TOTAL CITY WORKFORCE<sup>(3)</sup></b>	<u>105,894</u>			<u>99,236</u>		

<sup>(1)</sup>Source of 2020 data: Department of Economic Opportunity (DEO) June 2020.

<sup>(2)</sup>Source of 2012 data: 2012 City of Boca Raton CAFR

<sup>(3)</sup>Source of Workforce: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics Data (2002-2019)



**CITY OF BOCA RATON, FLORIDA**  
**FULL-TIME EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Function/Program	Fiscal Years									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	160	171	184	202	217	239	249	255	255	260
Public safety										
Police										
Officers	198	198	198	203	211	216	208	208	209	209
Civilians	97	97	97	99	105	106	115	119	118	118
Fire										
Firefighters and officers	205	205	205	209	226	232	226	238	238	238
Civilians	11	11	11	11	12	14	21	21	21	21
Highways and streets										
Engineering	9	8	8	8	12	13	16	16	16	16
Maintenance	16	16	16	16	19	19	20	20	20	20
Sanitation	46	46	46	46	50	52	52	57	57	58
Culture and recreation	296	299	314	355	377	384	392	396	396	411
Water/sewer	164	164	167	168	174	174	174	180	180	180
Stormwater	11	11	11	11	11	11	10	11	12	13
Information technology	27	30	35	38	42	47	48	48	48	48
Motor pool	12	13	13	14	14	14	16	16	18	19
Golf course	23	23	23	23	23	23	23	23	23	23
Cemetery	5	5	5	5	6	6	6	6	6	6
<b>Total</b>	<b>1,280</b>	<b>1,297</b>	<b>1,333</b>	<b>1,408</b>	<b>1,499</b>	<b>1,550</b>	<b>1,576</b>	<b>1,614</b>	<b>1,617</b>	<b>1,640</b>

Source: City of Boca Raton Approved Budget Book 2021-2022

## **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)

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:			
General government			
Bond ratings - G.O. bonds			
Moody's	Aaa	Aaa	Aaa
Standard & Poor's	AAA	AAA	AAA
Fitch	AAA	AAA	AAA
Building permits issued	8,150	7,578	8,065
Law enforcement			
Physical arrests	2,992	3,057	3,745
Parking violations	639	677	373
Traffic violations	31,481	41,097	37,127
Fire rescue			
Number of calls answered	15,737	16,310	17,275
Inspections	7,131	4,451	5,294
Transportation			
Streets resurfacing (miles)	20	9	7
Potholes repaired (tons)	10	5	4
Physical environment			
Refuse collection(tons/daily)	132	136	139
Recyclables collected (tons/daily)	18	17	16
Vegetation Collected (tons/daily)	0	0	0
Bulk Trash Collected (tons/daily)	0	0	0
Parks & recreation			
Athletic field permits issued	9,185	9,395	9,150
Community center admissions	450,381	453,848	458,030
Tennis participation	189,477	196,156	203,465
Camp programs	3,097	3,271	2,899
Aquatics participation programs	59,024	56,830	58,125
Business-type activities:			
Water			
New connections (excl Iris)	80	77	30
Water mains breaks	85	58	33
Average daily consumption (thousands of gallons)	30,490	32,481	34,530
Active accounts	34,522	36,800	36,488
Sewer			
Average daily sewage treatment (thousands of gallons)	12,345	14,180	13,269
Active accounts	33,018	33,262	33,492
Golf courses			
Annual golf permits	64	55	50
Golf participation	108,453	106,122	106,162

**Source:** Various City Departments

\*\* The unit quantity for potholes repaired is tracked in tons instead of each as a unit of production starting in 2010.

2016	2017	2018	2019	2020	2021	2022
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
AAA	AAA	AAA	AAA	AAA	AAA	AAA
AAA	AAA	AAA	AAA	AAA	AAA	AAA
8,211	9,460	10,165	9,827	10,874	12,671	11,548
2,844	3,026	2,200	1,760	1,116	1,262	1,593
264	212	155	162	236	177	185
37,795	29,823	22,298	21,870	9,138	16,434	23,561
18,372	18,386	17,602	18,235	15,860	17,499	17,715
5,542	4,479	9,176	7,756	7,089	9,950	9,840
2	1	15	11	17	6	10
3	14	12	1	17	4	4
140	131	106	108	160	165	159
16	16	16	16	23	22	21
0	0	0	0	54	51	51
0	0	0	0	9	12	10
9,479	9,161	8,813	8,884	7,461	8,437	10,311
430,438	471,451	490,547	459,568	203,402	66,121	258,762
193,023	185,961	180,768	182,270	118,348	153,728	186,234
3,388	3,357	3,611	4,182	554	4,005	16,788
55,629	46,679	52,065	60,217	38,586	50,001	68,575
77	123	89	29	33	11	41
34	35	27	29	29	32	44
33,505	34,484	35,873	35,306	33,106	33,339	33,860
36,561	36,676	36,802	36,857	36,919	36,930	36,776
13,635	13,440	13,140	12,260	13,354	13,003	13,281
33,571	33,690	33,773	33,787	33,807	33,815	33,687
41	40	34	34	32	41	N/A
98,744	98,223	94,557	99,624	87,976	99,740	60,554

**CITY OF BOCA RATON, FLORIDA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Function/Program</b>	<b>Fiscal Years</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Governmental activities</b>										
<b>Law enforcement</b>										
Police stations/substations	2	2	2	2	3	3	3	2	2	2
Patrol units	230	293	229	278	282	284	284	284	284	290
<b>Fire rescue</b>										
Fire stations	8	8	8	8	8	8	8	8	8	8
Fire rescue units	33	33	33	34	35	35	35	35	35	35
<b>Physical environment</b>										
Sanitation-collection trucks	35	35	40	41	45	51	53	49	50	49
<b>Transportation</b>										
Street (miles)	220	220	220	220	220	220	220	220	200	220
Street lights	863	863	863	863	1,082	1,082	1,082	1,082	1,082	1,305
Traffic signals	136	136	136	137	138	138	138	139	139	140
Lane miles	487	487	487	487	487	487	487	487	487	487
<b>Parks and recreation</b>										
Park acreage	636	636	636	658	658	660	660	687	903	832
Parks	32	32	32	32	42	43	43	44	48	43
Swimming pools	2	2	2	2	2	2	2	2	2	1
Tennis centers	3	3	3	3	3	3	3	3	3	1
Community centers	3	3	3	3	3	3	3	3	3	1
Public libraries	2	2	2	2	2	2	2	2	2	2
Public beaches (miles)	2	2	2	2	2	2	2	2	2	2
<b>Business-type activities</b>										
<b>Water</b>										
Water mains & service lines(miles)	560	705	706	706	706	708	675	672	622	620
Fire hydrants	5,567	5,567	5,512	5,498	5,513	5,646	5,651	5,657	5,657	5,669
Maximum daily capacity (thousands of gallons)	70	70	70	70	70	70	70	70	70	70
<b>Sewer</b>										
Sanitary sewers & service laterals (mile:	516	604	591	591	591	591	607	618	710	601
Maximum daily treatment capacity (thousands of gallons)	18	18	18	18	18	18	18	18	18	18
Waste water pumping stations	240	239	240	241	241	241	242	242	242	242
Cemetery	1	1	1	1	1	1	1	1	1	1
Golf courses	3	3	3	3	3	3	3	2	2	2
<b>Storm water utilities</b>										
Storm sewer( miles)	100	100	100	100	100	100	100	100	100	100

**Sources:** Various City departments

**Note:** No capital asset indicators are available for the general government function.

**CITY OF BOCA RATON, FLORIDA**  
**COMPLIANCE REPORTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

# CITY OF BOCA RATON, FLORIDA

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

To the Honorable Mayor, 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 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 29, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 or significant deficiencies may exist that were not 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

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

*Marcum LLP*

West Palm Beach, FL  
March 29, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the City of Boca Raton, Florida (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the fiscal year ended September 30, 2022. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended September 30, 2022.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

## ***Report on Internal Control Over Compliance***

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the City as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated March 29, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Marcum LLP*

West Palm Beach, FL  
March 29, 2023

CITY OF BOCA RATON, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Federal Grantor, Pass-through Entity, Federal Program	Assistance Listing Number (ALN)	Grant/Contract Number	Passed through to Subrecipients	Expenditures
<b>U.S. Department of Justice:</b>				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant - FY 2020 (BJA)	16.738	2020-DJ-BX-0238	\$ --	\$ 15,143
Edward Byrne Memorial Justice Assistance Grant - FY 2021(BJA)	16.738	15PBJA-21-GG-01384-JAGX	--	15,531
Total Edward Byrne Memorial Justice Assistance Grant - (BJA)			--	30,674
<b>Total U.S. Department of Justice</b>			--	<b>30,674</b>
<b>U.S. Department of Treasury:</b>				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-8056	--	12,199,643
<b>Total U.S. Department of Treasury</b>				<b>12,199,643</b>
<b>U.S. Department of Housing and Urban Development:</b>				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant (CDBG)	14.218	B-16-MC-12-0001	--	4,878
Community Development Block Grant (CDBG)	14.218	B-17-MC-12-0001	--	93,427
Community Development Block Grant (CDBG)	14.218	B-18-MC-12-0001	--	128,671
Community Development Block Grant (CDBG)	14.218	B-19-MC-12-0001	--	280,473
Community Development Block Grant (CDBG)	14.218	B-20-MC-12-0001	--	31,946
Community Development Block Grant (CDBG)	14.218	B-21-MC-12-0001	--	139,129
Community Development Block Grant (CDBG) (COVID-19)	14.218	B-20-MW-12-0001	--	147,309
Community Development Block Grant (CDBG)	14.218	2022 PI	--	53,500
Total Community Development Block Grant - Entitlement Grants Cluster			--	879,333
<b>Total U.S. Department of Housing and Urban Development</b>			--	<b>879,333</b>
<b>U.S. Department of Homeland Security:</b>				
Direct Program:				
Operation Stonegarden	97.067	2020-SFA-CL-50-A9-003	--	48,570
<b>Total U.S. Department of Homeland Security</b>			--	<b>48,570</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ --</b>	<b>\$ 13,158,220</b>

# CITY OF BATON RATON, FLORIDA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal activity of the City of Boca Raton, Florida (the “City”) for the fiscal year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### NOTE 3 – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF BOCA RATON, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Non-compliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over the major program:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditors’ report issued on compliance for the major program: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

**Identification of the Major Federal Program:**

Assistance Listing

Number

21.027

Federal Program or Cluster

United States Department of Treasury –  
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs - Federal: \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?  Yes  No

**CITY OF BOCA RATON, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

There were no findings reported in the prior fiscal year.





## 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, 2022, and have issued our report thereon dated March 29, 2023.

### *Auditors’ Responsibility*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Requirements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”); and Chapter 10.550, Rules of the Auditor General.

### *Other Reporting Requirements*

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 29, 2023, 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 other 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  
March 29, 2023



**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, 2022. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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, 2022.

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

*Marcum LLP*

West Palm Beach, FL  
March 29, 2023