



# ***BOLDLY DRIVING*** INTO 2023

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023



**CITY OF DEERFIELD BEACH, FLORIDA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

# CITY OF DEERFIELD BEACH, FLORIDA

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## **INTRODUCTORY SECTION**

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June 5, 2024

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

It is our pleasure to submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Deerfield Beach, Florida (City) for the fiscal year ended September 30, 2023, with a clean audit opinion with no audit findings.

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

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

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

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

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

### **Independent Audit and Single Audit Requirements**

Marcum LLP, a firm of licensed certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining evidence supporting the amounts and disclosures contained in the financial statements on a test basis; assessing the accounting principles used and representations made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified or “clean” opinion that the City’s financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditors’ report is included in the financial section of this report.

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

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

## **The City of Deerfield Beach**

### **Profile**

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

### **Local Economy**

Home to over 86,000 residents, the City is a medium-size coastal city located on the east coast of Florida in Broward County. The City is a diverse residential community with a complimentary mix of commercial development such as shopping and retail facilities, office buildings, restaurants, tourist lodgings, distribution, warehousing, manufacturing, and light industry. The major economic influences in this area are predominantly the housing market, travel and tourism, the regional job market, the changing business environment, severe weather events, global inflation and interest rates, and economic uncertainty. Considering these economic indicators play an important role in directing and prioritizing the use of City resources now and in the future.

According to the Broward County Property Appraiser’s Office, the final taxable value of the City for the year ended September 30, 2023 reflected an increase of 10.69% over the prior year. In October 2023, the overall residential median real estate sales for the County were up 10.53%, with the City being the 5<sup>th</sup> highest in the County. The City’s total assessed property values have sustained growth for the past several years. The growth in the tax base is attributed to its redevelopment efforts, commercial and residential development projects. The Florida Economic Estimating Conference published statistics in December of 2023 indicating Florida has seen an increased demand for real estate in the past several years, even though interest rates and the cost of borrowing climbed to historically high levels in 2023. However, the housing market is expected to begin to slow down.

The state of Florida unemployment rate is now approaching its lowest recorded rate at around 2.7%. Given the Federal Reserve's actions to cool off the economy through higher interest rates, the Conference expects the unemployment rate to start an upward drift hitting 3% in Fiscal Year 2023-24. With the low unemployment rate, local government continues to have difficulties retaining and attracting qualified employees. As a result, local governments continue to be extraordinarily understaffed. In Fiscal 2023, the city implemented a robust Pay and Class Study in order to maintain a top-quality workforce.

The Gross Domestic Product (GDP) is one measurement for assessing the economic health of the State of Florida. According to the latest data, Florida's quarterly GDP has generally performed better than the nation since the pandemic. In Fiscal Year 2021-22 the State's GDP surged to 7%, more than double the pre-pandemic-year growth rate. The State's economy expanded by 4.4% in Fiscal Year 2022-23, but the Conference expects growth to 2.8% and 1.1% over the current and next fiscal years as business and consumers transition from a high inflation environment to a high interest rate environment. The Consumer Price Index (CPI) for South Florida, all items less food advanced by 5.7% for the 12 months ending in December 2023, reported by the US Bureau of Labor Statistics.

Despite the challenges faced by the post-COVID pandemic conditions, the City continued to move forward with increasing economic and development programs. The City is currently undertaking a much-needed Enterprise Resource Planning (ERP) System to increase the effectiveness of financial planning and reporting. The implementation will bring process efficiency to many critical functions and operations of the City. The scope of the implementation includes improvements in accounts payable, general billing, inventory, human resources, payroll, purchase orders, project accounting and grants accounting. These improvements will bring value to the community, residents and employees.

Financial and strategic planning are of paramount importance to the City of Deerfield Beach. For fiscal year 2023, the City focused efforts on identifying its core values and key priorities and subsequently adopted a revised Strategic Plan. This plan covers the 2023 to 2028 period and emphasized key priorities of customer care; improved quality of life; sustainability; financial accountability; and modernization of city processes and infrastructure.

## **Services**

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

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

## **Reporting Entity**

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

Blended component units, although legally separate entities are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the

Community Redevelopment Agency (CRA) is reported as a special revenue fund of the primary government.

### **Accounting and Internal Controls**

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

### **Budgetary Controls**

The annual operating budget and Five-Year Capital Improvement Plan (CIP) serves as the foundation for the City's financial planning and control. All departments are required to submit expenditure requests and revenue projections, as applicable, for appropriation to the City Manager. The City Manager uses these requests and projections as the starting point for developing a proposed balanced budget. The City Manager then presents the proposed budget to the City Commission on or before the 15<sup>th</sup> of August of each year. The City Commission is required to hold public hearings on the proposed budget and to adopt a final budget by the 30<sup>th</sup> of September of each year. The annual operating budget is prepared and adopted in accordance with Florida Statute Chapter 166.241. The legally adopted budget is prepared by fund (i.e. General Fund), by function (i.e. Public Safety), and department (i.e. Law Enforcement), for current expenditures with separate appropriations established for the annual capital projects, debt service, interfund transfers, intergovernmental expenditures, and other various Enterprise and Special Revenue Funds. Continuous improvement to the budget revenue and expenditure allocations has provided for further alignment with functional areas to improve transparency and to better track full costs for the various functional services the City provides.

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

### **Major Initiatives**

The City was awarded financial relief of approximately \$16.3 million from the American Rescue Plan Act (ARPA) and received its first tranche of \$8.15 million in FY2021. The City Commission approved the City's ARPA plan in November 2021 and the remaining amount (second tranche) was received during FY2022. The City completed the planning phase and began the implementation phase, with the goal of maximizing a return on investment through infrastructure improvements and economic impact. Staff began implementing the various projects and programs funded within the ARPA plan, such as the following:

- West Deerfield Beach Stormwater Improvements
- SE 8<sup>th</sup> Avenue Stormwater Improvements
- Park Improvements and Aquatic Center Upgrades

- Community Grants for Non-Profits
- Advanced Meter Reading Infrastructure Improvements
- Regional Beach Re-Nourishment Project

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

- **1045 SW 11<sup>th</sup> Way.** Since the 1990s, the City owned this parcel of land, intending for it to be developed for commercial use through a lease arrangement with the Florida Atlantic Research and Development Authority. After several failed attempts to bring a viable project to the site, possession of it was returned to the City. The City coordinated the successful November 2022 referendum and public awareness campaign for the sale of the property. The City is currently under contract with a developer to purchase the land for \$6.5 million, with \$7.5 million in community enhancements and the commitment to construct a \$180 million multi-use project.
- **Completion of 5-year Comprehensive Plan Update.** The City's Comprehensive Plan provides the direction and guidance that enables the City to preserve and enhance public services and the protection of natural resources. Approved by the City Commission in November 2022 under Ordinance 2023-025, the updated Plan was subsequently reviewed by both the State Commerce Department and Broward County Planning Council. It became effective in March 2023.
- **Review of Major Affordable Housing Development Project Applications.** Hillsboro Crossing (Tallman Pines Phase I) was approved by the City Commission in October 2022, with a 75-unit mid-rise apartment building dedicated to affordable housing. B'nai B'rith was approved by the City Commission in January 2023, with an additional mid-rise building containing 62 units for senior housing.
- **Construction of the new Braithwaite Center for Active Aging.** Under construction during FY2023, the new 22,000 square foot center will provide a structured and comprehensive array of programs and services geared to our senior population that improve their independence, community engagement, and quality of life. It also operates and administers an Alzheimer's and Multicultural Day Care Center and a preschool. It is the only intergenerational campus in Broward County.
- **Johnny Tigner Center.** The original Johnny Tigner Center was demolished, making way for a newly constructed community center to meet the needs of our growing community. The new two-story community center totals 14,000 square feet and will be located in the same vicinity of the demolished building, adjacent to the Leo Robb Gymnasium. It will incorporate a canopy structure to bridge the two buildings. This is a multi-year project. The design-build contract was initiated in FY2022, and work continued in FY2023.
- **Construction of Playgrounds.** Playground improvements in FY2023 included the following locations: Oveta McKeithen Recreation Complex (construction began in June 2023); Crystal Heights (permitted in August 2023); and Constitution Park (construction began in January 2023 and was completed in March 2023).
- **Aquatic Center Renovations.** A major repair and renovation project to address the gutter system, improve water circulation and filtration, and add a bulkhead to the pool to expand its use continued through 2023. Additional improvements to include shade canopies are scheduled to be completed in Summer 2024. This project was jointly funded by the School Board of Broward County.
- **West Deerfield Community Center.** Renovation of the community center is scheduled to be completed in Spring 2024, The renovations will enhance community space and parks and recreational programming in the western portion of the City and provide offices for Code Compliance, Parking Authority, and Park Rangers.

- **Citywide Median Improvements.** A median improvement plan for the major Florida Department of Transportation corridors within the City was approved by the City Commission and FDOT. This project will not only improve the appearance of the medians, but the replacement plantings will also consist of more native materials, less grass, and ultimately a significant savings of water. The work is scheduled to begin in June 2024.
- **Lifeguard Towers.** The replacement of nine (9) lifeguard towers along the Deerfield Beach coastline and the construction of one (1) additional tower on the North Beach will increase tower security, and improve visibility for our lifeguards. These new towers replace the existing towers that are approximately 25 years old, and have outlived their useful life. Initiated in June 2022, this is a multi-year construction project. Work continued through FY2023.
- **International Fishing Pier Improvements.** Although a structural assessment of the pier was proactively planned in 2023, Hurricane Nicole accelerated that need when damaging surf destroyed the T-portion of the pier. The needed repairs provided the City with an opportunity to enhance the City's crowning jewel on the beach with additional amenities for sightseers and anglers alike. This \$4.5 million project is scheduled to begin in June 2024 and take approximately 14 months to complete.
- **West Deerfield Beach Stormwater Improvements.** One of the worst residential flood areas in the City is within the Deer Run community. This project will provide additional underground storage and infiltration to Deer Run to reduce the severity and duration of flooding until the area is able to drain to the existing trunk line. Design was initiated in FY2023 for completion in FY2024.
- **SE 8<sup>th</sup> Avenue Stormwater Improvements.** The goal of this effort is to develop a cost effective and feasible engineering solution to address flooding in the SE 8<sup>th</sup> Avenue neighborhood. Construction began in May 2024 and is anticipated to be complete in 1 year.
- **Pioneer Park Dock, Rail, and Piling Replacements.** This project will obtain structural evaluation, assessment of dock system and development of construction plans to remediate or reconstruct the dock and Pier 5. (The remainder of the piles and decking for Piers 1, 2, 3 & 4 were reconstructed in FY2022). Design was initiated in FY2023 for completion in FY2024.
- **Advanced Metering Infrastructure (AMI) Improvements.** This technology will allow remote access to collect consumption information and troubleshoot meters. It will save the City the expense of monthly trips to each physical location to read a meter. In addition, billing will be more accurate and customers will have real-time access to their water consumption. The construction contract was awarded in FY2023.
- **Regional Beach Renourishment Project.** In compliance with a settlement agreement between the City of Deerfield Beach and Town of Hillsboro Beach, the City designed, permitted, and completed a joint renourishment project. The significance of this project is (1) the construction methodology used in which a pipeline pumped sand from the Boca ebb shoal to the renourishment areas, (2) the participation of three cities (Boca Raton, Deerfield Beach, and Hillsboro Beach), and (3) the estimated savings of \$3 million compared to truck hauling. Sand placement commenced on April 7, 2023 and was completed on April 24, 2023. The project was completed in May 2023.
- **Community Participation Grants (General Fund).** The City is committed to supporting organizations that contribute to the public welfare of the community. The Community Participation Grant program was established to provide financial resources to local non-profit organizations that assist the City in serving a valid public purpose. In FY2023, grants were awarded to 10 non-profit entities.
- **Public Safety Master Plan.** Recognizing the aging infrastructure of our public safety facilities, in May 2023 the City prepared an RFP for approved consultancy services to develop a public safety master plan. The plan will assist the city in determining the future needs of the facilities that will support police, fire, ocean rescue, code compliance and public safety administration for the foreseeable future and will offer recommendations on the right size, type and location of the needed facilities.

## Long Range Financial Planning

The City maintained its credit rating of “AA” for its General Obligation Refunding Bonds, Series 2012B-2. The City’s credit rating for its debt secured by its covenant-to-budget and appropriate non-ad valorem revenue was recently upgraded from “AA-” to “AA” by Standard & Poor’s Global Ratings. The City’s credit profile for its covenant-to-budget and appropriate debt from Fitch Ratings remained the same at “AA-.” The methodology that the rating agencies use combines both qualitative and quantitative measures. Though each vary slightly, the major categories consist of the Economy, Institutional Framework, Financial Performance, Liquidity, and Leverage. Some of the comments by the rating agencies indicate a stable outlook with strong management, budget flexibility, and performance. Maintaining a good credit rating helps keep the cost of borrowing low which can be a significant factor in the amount of debt which can be used to finance major capital projects.

At the close of fiscal year 2023, the City’s General Fund unassigned fund balance was \$28 million, which is approximately \$11.2 million below the closing balance for fiscal year 2022 of \$39.2 million. This balance includes approximately \$5 million of the \$10 million revenue replacement funding from the ARPA. The ARPA replacement funding has been approved by the Commission to be used for several public safety and infrastructure projects. Excess unassigned fund balance above the policy limits can be used to fund capital projects or other one-time needs approved by Commission such as various infrastructure improvement projects, or unanticipated revenue shortfalls stemming from major natural disasters. The City also maintains an Emergency Reserve fund balance of \$5 million, this is a 1.5 million increased approved during FY2023 budget adoption by the City Commission. The emergency reserve fund sets aside funds for the immediate response to events such as hurricanes. The City also maintains a self-insurance reserve fund balance of approximately \$7.5 million for any possible future claims. These measures are intended to buffer unforeseen emergent and/or economic challenges.

The City’s Capital Improvement Plan (CIP) document is updated and adopted on an annual basis. The CIP prioritizes major capital projects and identifies revenue sources available to finance the improvements. For Fiscal Years 2024–2028, the City Commission adopted a CIP budget of approximately \$144.5 million. The CIP includes anticipated funding from various available fund balances and debt financing instruments in FY2024 and forward.

As part of the Fiscal Year 2024 Budget development, the City continued its strategy of preparing estimates of its future budgetary needs to support capital investments, operational costs, and fund balance reserves for its major enterprise funds. Master Plans and rate sufficiency studies for the Utility, Stormwater, and Solid Waste Funds were completed in Fiscal Year 2022. The City Commission approved the funding strategies and long-term rate adjustments. The increases have been staggered over the next four Years 2023 to 2026 to minimize the financial impact on residents. Rate adjustments for Fiscal 2023 equaled 5% for water and 9.23 % for wastewater.

The Utility Fund rate adjustments will allow the City to address capital improvements necessary to improve aging infrastructure and meet future water quality regulations and standards. The Stormwater Fund rate adjustments will provide the needed funding to address our flood-prone areas. The Solid Fund rate adjustments were to help address the negative net position of the Fund that was also an audit observation in the Fiscal 2021 ACFR and an Auditor General operational audit finding. We anticipated the Solid Waste negative balance going positive in Fiscal 2024; however, we are pleased to report that Solid Waste will post a positive fund balance for Fiscal 2023. This is one year earlier than anticipated. The primary reason for this is the reclass of 54% the Siemens Capital Lease debt back to the governmental fund to reflect the burden of the payment more accurately to the departments that benefitted from the infrastructure improvements.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Deerfield Beach for its comprehensive annual financial report for the fiscal year ending September 30, 2022. This was the 43<sup>rd</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual financial report. This report satisfied both GAAP and applicable legal requirements.

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

Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for the FY2024 annual, the 28<sup>th</sup> consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Thank you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. This report could not have been prepared without the dedicated service of all of the employees of the Department of Financial Services as well as the support of the other City departments. Special thanks also to the City Commission, for their continued guidance and support in our efforts towards fiscal stewardship.

Respectfully submitted,



David Santucci  
City Manager



Marcia Fennell  
Interim Chief Financial Officer

# CITY OF DEERFIELD BEACH, FLORIDA

## LIST OF PRINCIPAL OFFICIALS

SEPTEMBER 30, 2023

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### Elected Officials

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Mayor	Bill Ganz
Vice Mayor	Bernie Parness
Commissioner	Ben Preston
Commissioner	Michael Hudak
Commissioner	Todd Drosky

### Appointed Officials

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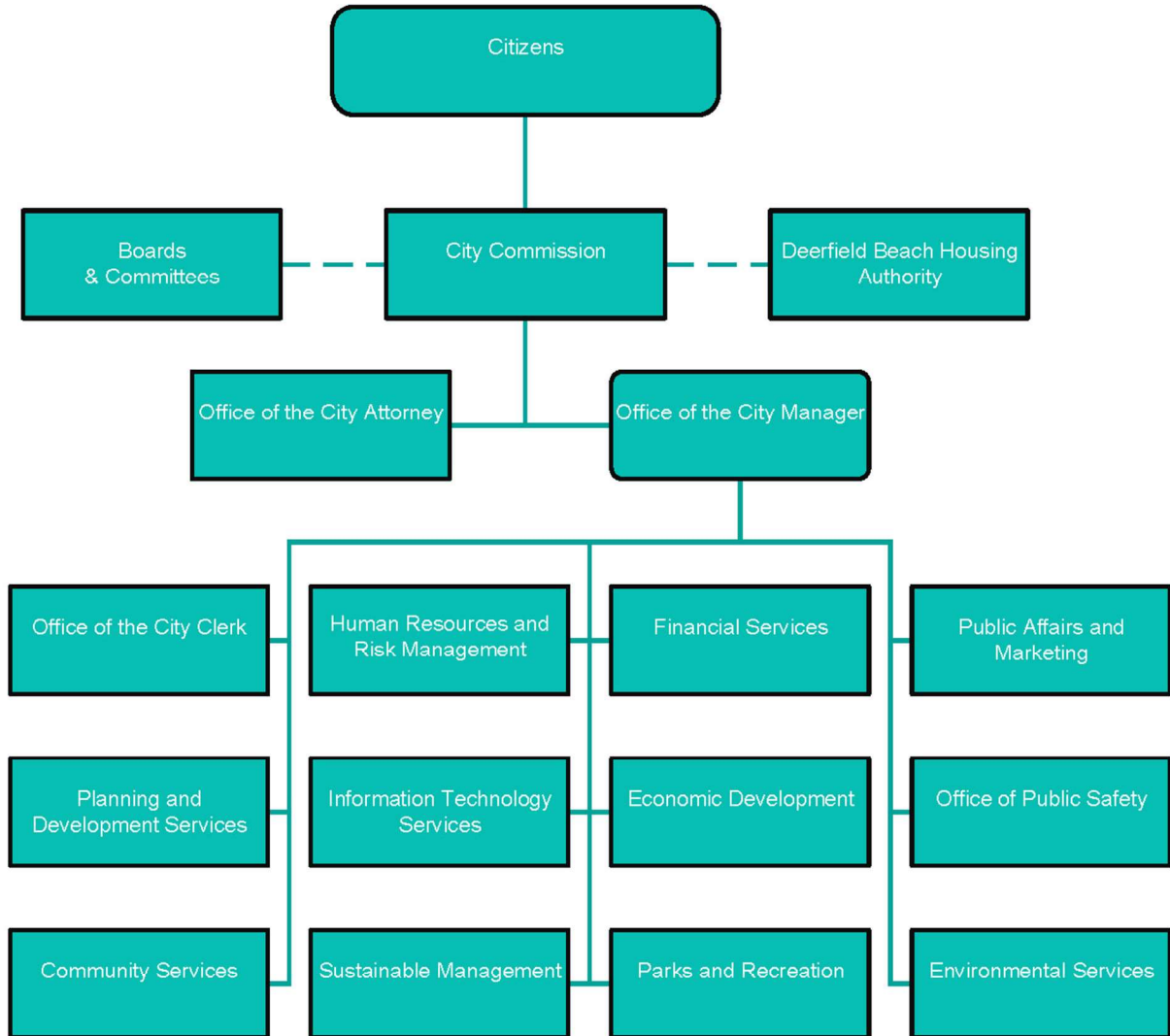
City Manager	David Santucci
Deputy City Manager	Horace McHugh
City Attorney	Weiss Serota Helfman Cole & Berman Anthony Soroka
City Clerk	Heather Montemayor
Acting Director of Community Development	Jonathan Salas
Chief Financial Officer	Stephanie Tinsley
Director of Human Resources and Risk Management	Jacqueline Lindsay
Chief Information Officer	Ronald McKenzie
Director of Parks & Recreation	Greg Warner
Director of Environmental Services	Priscilla Cygielnik
Director of Planning & Development Services	Eric Power
Director of Sustainable Management	Chad Grecsek
Director of Public Affairs & Marketing	Rebecca Medina-Stewart
Director Economic Development	Kristin Mory
Fire Chief	Samantha Whitehorne
Director of Public Safety	Rodney Brimlow
Police Chief	Adam Hofstein

# CITY OF DEERFIELD BEACH, FLORIDA

## ORGANIZATION CHART

SEPTEMBER 30, 2023

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Deerfield Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

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# **FINANCIAL STATEMENTS**

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**INDEPENDENT AUDITORS' REPORT**

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Pension Trust Funds, component units of the City, which represent 90%, 91% and 68%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds, is based solely on the reports of the other auditors.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, the schedules of changes in the City's net pension liability and related ratios, the schedules of City contributions, schedule of City's proportionate share of net pension liability, schedule of changes in the City's total OPEB liability and related ratios, and budgetary comparison schedules for the general fund and major special revenue funds on pages 105 through 116 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund 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 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 June 5, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Marcum LLP*

Fort Lauderdale, FL  
June 5, 2024

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the report is intended to give readers a narrative overview to facilitate both a short and long-term analysis of the financial activities of the City for the fiscal year ended September 30, 2023. This Management's Discussion and Analysis is based on currently known facts, decisions and conditions that existed as of the date of the independent auditors' report. The information presented is in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34) as amended. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - viii of this report.

### **FINANCIAL HIGHLIGHTS**

- The total assets on the Government-wide basis of the City at September 30, 2023 increased \$23.1 million from \$340.1 million to \$363.2 million, or 6.8% from the prior year.
- The City's total liabilities on a Government-wide basis increased by \$34.9 million, from \$169.8 million to \$204.7 million from the prior year.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$181.2 million (net position). Of this amount, \$91.3 million was from governmental activities and \$79.7 million was from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$96.3 million, a decrease of \$8.2 million, in comparison with the amount reported for the prior fiscal year. Of this amount, \$2.7 million was non-spendable, \$38.1 million was restricted, \$27.4 million was assigned, and \$28 million was unassigned and therefore available for spending at the City's discretion.
- At the end of the fiscal year, unassigned fund balance in the General Fund was \$28 million, or 21.3% of total General Fund expenditures and transfers. The City has a reserve policy of maintaining an amount in reserves that is at least 10% and 5% of total General Fund expenditures and transfers for unassigned and assigned emergency reserves respectively.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, economic environment, public safety, human services, physical environment, transportation, and culture and recreation. The business-type activities of the City include water and sewer, stormwater utility, and solid waste services.

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

The government-wide financial statements can be found on pages 17 - 18 of this report.

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

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

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

The City maintains governmental funds for various sources of revenues. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City as a whole. These financial statements report four major funds: General Fund, American Rescue Plan Fund, Community Redevelopment Agency Fund, and the General Construction Fund. Data from the nonmajor governmental funds are combined into a single,

aggregated presentation. Individual fund information for each of these nonmajor governmental funds is provided in the form of combining statements that are found on pages 117-122 of this report.

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

The basic governmental fund financial statements can be found on pages 19-22 of this report.

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

The basic proprietary fund financial statements can be found on pages 23 - 27 of this report.

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

The basic fiduciary fund financial statements can be found on pages 28 - 29 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 104 of this report and should be read in conjunction with the City's financial statements.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees, and budgetary comparisons for the General Fund and the CRA (special revenue) Fund. RSI can be found on pages 105 - 116 of this report.

The combining and individual fund statement and schedules referred to earlier in connection with nonmajor funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 117 - 126 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$181.2 million at the close of fiscal year 2023.

The largest portion of the City’s net position of \$141 million, or 78% of total net position, reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, utility plants and infrastructure), less any related debt and deferred inflows/outflows used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following analysis summarizes the net position as September 30, 2023 and 2022:

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 111,152,789	\$ 118,154,380	\$ 44,675,425	\$ 42,991,783	\$ 155,828,214	\$ 161,146,163
Capital assets, net	131,080,567	108,519,911	76,358,308	70,467,157	207,438,875	178,987,068
<b>Total Assets</b>	<u>242,233,356</u>	<u>226,674,291</u>	<u>121,033,733</u>	<u>113,458,940</u>	<u>363,267,089</u>	<u>340,133,231</u>
<b>Deferred Outflows of Resources</b>	<u>31,144,538</u>	<u>15,828,572</u>	<u>3,432,967</u>	<u>1,264,828</u>	<u>34,577,505</u>	<u>17,093,400</u>
Other liabilities	14,221,106	12,408,860	4,233,358	3,127,035	18,454,464	15,535,895
Noncurrent liabilities	<u>160,206,146</u>	<u>123,410,493</u>	<u>26,013,590</u>	<u>30,847,865</u>	<u>186,219,736</u>	<u>154,258,358</u>
<b>Total Liabilities</b>	<u>174,427,252</u>	<u>135,819,353</u>	<u>30,246,948</u>	<u>33,974,900</u>	<u>204,674,200</u>	<u>169,794,253</u>
<b>Deferred Inflows of Resources</b>	<u>7,669,723</u>	<u>27,018,659</u>	<u>4,310,301</u>	<u>7,239,067</u>	<u>11,980,024</u>	<u>34,257,726</u>
<b>Net Position</b>						
Net investment in capital assets	83,595,759	71,037,127	57,410,980	51,222,386	141,006,739	122,259,513
Restricted	40,935,934	50,832,847	1,139,000	3,461,863	42,074,934	54,294,710
Unrestricted	<u>(33,251,074)</u>	<u>(42,205,123)</u>	<u>31,359,471</u>	<u>18,825,552</u>	<u>(1,891,603)</u>	<u>(23,379,571)</u>
<b>Total Net Position</b>	<u>\$ 91,280,619</u>	<u>\$ 79,664,851</u>	<u>\$ 89,909,451</u>	<u>\$ 73,509,801</u>	<u>\$ 181,190,070</u>	<u>\$ 153,174,652</u>

An additional portion of the City’s net position, \$42 million or approximately 23.2%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a deficit of \$1.9 million, continues to be impacted by the implementation of GASB Statement No. 75 which had a significant negative impact on the City's unrestricted net position for the governmental activities but is recovering.

The net position of business-type activities increased by \$16.4 million to \$89.9 million in 2023. This increase was primarily due to an increase in sale revenue in the Water and Sewer Utility and Solid Waste Funds. Rate increases were implemented for the Water and Sewer Utility Fund. The Solid Waste Fund had increased sales in their commercial operations. The increase was also due to the transfer in from the governmental funds for its portion of the Siemens debt projects.

The City’s current and other assets decreased by \$5.3 million from \$161.1 million to \$155.8 million. The decrease was primarily due to the use of ARPA and other funds for the approved/budget capital projects which is noted by the increase in capital assets during the 2023 fiscal year.

Current liabilities increased from \$15.5 million to \$18.5 million. This increase was primarily attributable to a increase in accounts and retainage payable for the construction projects in FY2023.

Noncurrent liabilities increased by \$31.9 million from \$154.3 million to \$186.2 million in FY2023. A significant portion of this increase is from the net pension liability which increased by \$40.3 million in FY2023 due to overall market conditions noted during the measurement period of September 30, 2022.

The following analysis summarizes the changes in net position for the years ended September 30, 2023 and 2022:

	Summary of Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 43,859,955	\$ 40,048,377	\$ 51,801,302	\$ 46,361,499	\$ 95,661,257	\$ 86,409,876
Operating grants and contributions	3,588,365	13,209,259	--	244,265	3,588,365	13,453,524
Capital grants and contributions	3,283,371	742,236	--	--	3,283,371	742,236
<b>General Revenues</b>						
Taxes	92,232,410	82,377,211	--	--	92,232,410	82,377,211
Miscellaneous revenues	1,053,603	884,584	2,400	112,400	1,056,003	996,984
Intergovernmental	5,218,707	4,123,235	--	--	5,218,707	4,123,235
Unrestricted investment earnings	5,195,012	502,924	1,536,835	784	6,731,847	503,708
<b>Total Revenues</b>	<u>154,431,423</u>	<u>141,887,826</u>	<u>53,340,537</u>	<u>46,718,948</u>	<u>207,771,960</u>	<u>188,606,774</u>
<b>Expenses</b>						
General government	14,581,001	10,834,495	--	--	14,581,001	10,834,495
Economic environment	2,332,248	1,936,041	--	--	2,332,248	1,936,041
Public safety	86,478,909	60,843,134	--	--	86,478,909	60,843,134
Human services	2,468,427	2,002,868	--	--	2,468,427	2,002,868
Physical environment	10,411,636	9,250,580	--	--	10,411,636	9,250,580
Transportation	4,877,296	4,589,488	--	--	4,877,296	4,589,488
Culture and recreation	8,856,305	7,338,876	--	--	8,856,305	7,338,876
Interest on long-term debt	3,626,064	3,453,832	--	--	3,626,064	3,453,832
Water and sewer	--	--	27,810,182	25,448,187	27,810,182	25,448,187
Solid waste	--	--	17,179,486	15,982,566	17,179,486	15,982,566
Stormwater utility	--	--	1,134,988	1,246,404	1,134,988	1,246,404
<b>Total Expenses</b>	<u>133,631,886</u>	<u>100,249,314</u>	<u>46,124,656</u>	<u>42,677,157</u>	<u>179,756,542</u>	<u>142,926,471</u>
<b>Increase (Decrease) in Net Position Before Transfers</b>	<u>20,799,537</u>	<u>41,638,512</u>	<u>7,215,881</u>	<u>4,041,791</u>	<u>28,015,418</u>	<u>45,680,303</u>
<b>Transfers</b>	<u>(9,183,769)</u>	<u>88,252</u>	<u>9,183,769</u>	<u>(88,252)</u>	<u>--</u>	<u>--</u>
<b>Change in Net Position</b>	<u>11,615,768</u>	<u>41,726,764</u>	<u>16,399,650</u>	<u>3,953,539</u>	<u>28,015,418</u>	<u>45,680,303</u>
<b>Net Position - Beginning of Year</b>	<u>79,664,851</u>	<u>37,938,087</u>	<u>73,509,801</u>	<u>69,556,262</u>	<u>153,174,652</u>	<u>107,494,349</u>
<b>Net Position - Ending of Year</b>	<u>\$ 91,280,619</u>	<u>\$ 79,664,851</u>	<u>\$ 89,909,451</u>	<u>\$ 73,509,801</u>	<u>\$ 181,190,070</u>	<u>\$ 153,174,652</u>

**Governmental Activities:** Governmental activities increased the City's net position by \$11.6 million. This increase is a result of the following.

Taxes increased by \$9.8 million from \$82.3 million to \$92.2 million. The revenue category Taxes is made up of Property, Utility, Sales and Use, Franchise, Alcoholic beverages and Mobile home taxes.

Charges for Services increased by \$3.8 million from \$40 million in FY2022 to \$43.8 million due to increase in the total receipts for occupational business taxes and building permits.

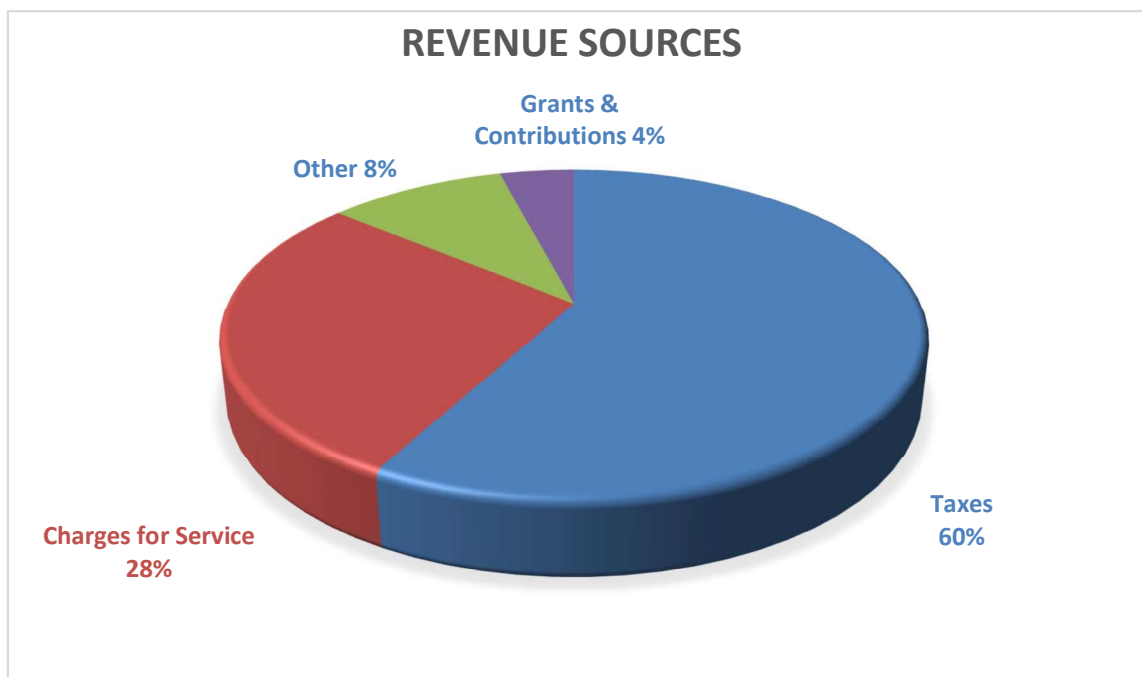
Investment earnings increased \$4.7 million from \$0.5 million to \$5.2 million in FY2023 due to the overall market activity.

Operating Grants and Contributions decreased \$9.6 million from \$13.2 million to \$3.6 million in FY2023 as the majority of ARPA funds were spent in prior year.

There was a \$26 million increase in public safety expenses from FY2022 to FY2023. A significant portion of this increase is from the net pension liability which increased by \$35 million in FY2023 due to overall market conditions noted during the measurement period of September 30, 2022.

When analyzed by source, revenues for FY2023 were as follows: 60% is generated from taxes, 28% is from charges for services, operating and capital grants/contributions comprise 4%, intergovernmental, investment earnings and miscellaneous revenues make up the remaining 8%.

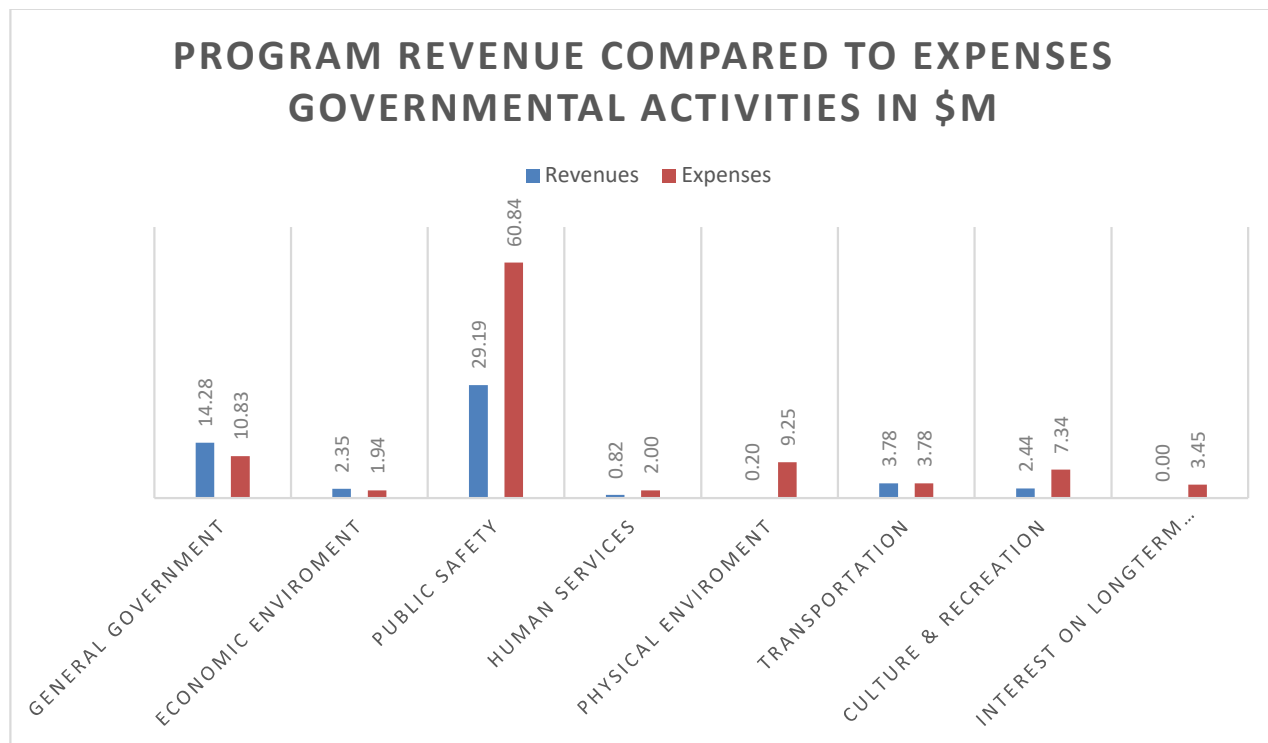
### Program and General Revenues by Source – Governmental Activities



The City’s expenses cover a broad range of services, with approximately 65% of governmental activity expenses related to public safety (fire/rescue and police protection). Public safety expenses constitute the largest component of total expenses due to the service level requirements. The public Safety Function consists of the Office of Public Safety which oversees the Broward Sheriff Office (BSO) contracts related to Law Enforcement, Fire and Rescue Services, Emergency Management Services, Parking Authority, School Crossing Guards, and Ocean Rescue Services.

When compared with the previous year, expenses increased in governmental funds for FY2023. A significant portion of these increases were as a direct result of the change in the net pension liabilities and related deferred outflows/inflows for the year. The City also had increases in general government and economic environment expenses. Physical Environment which comprises public works and facilities, as well as Culture and Recreation had increases. These increases were affected by higher prices of operational supplies as well as a return to hosting outdoor activities by the Parks and Recreation Department.

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



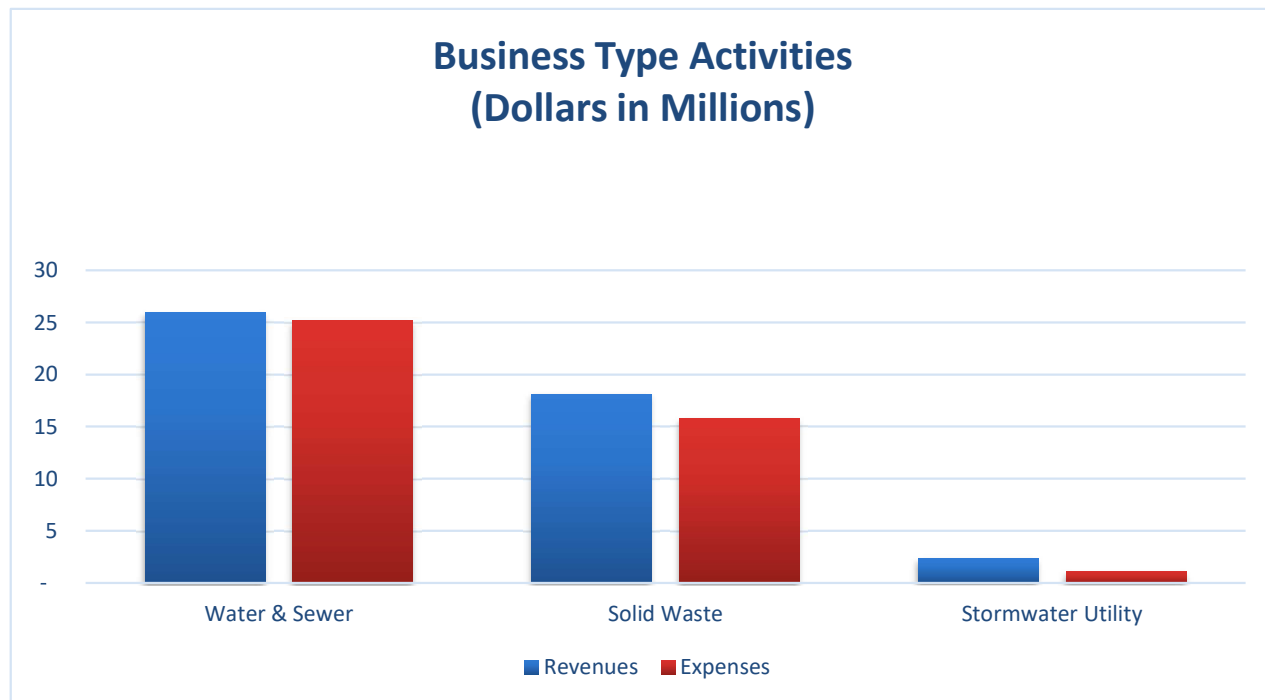
**Business-type Activities:** Business-type activities are presented in detail in the proprietary fund statements. These funds represent the Water and Sewer Utility, Solid Waste, and Storm Water Utility Funds. Together these funds show an overall increase in revenues of \$6.6 million when compared to fiscal year 2023.

The Water and Sewer Utility Fund net position increased by \$2.3 million. This was an improvement over fiscal year 2022 and is a result of the rate increased by the Water and Sewer Utility Fund implemented in June of 2022, as well as increased residential and commercial development and redevelopment.

The Solid Waste Fund had an increase of \$12.6 million. Most of the increase came from increased revenues from bulk and commercial debris removal along with a reduction in staffing cost as well as a transfer in from governmental funds for their portion of the Siemens debt projects.

The Stormwater Fund had a net operating income of \$1.1 million which was very similar to the income for Fiscal Year 2022. There were no major changes to this fund during the fiscal period.

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



### Financial Analysis of the City’s Funds

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

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

As of the end of the fiscal year, the City’s governmental funds reported combined ending fund balances of \$96.3 million, an decrease of \$8.2 million from the prior year’s ending balances of \$104.5 million. Approximately 29%, \$28 million of the combined fund balances constitute *unassigned fund balance* that is available to meet the City’s current and future needs. The remainder of fund balance is *nonspendable, restricted, committed and assigned* to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$28 million, while total fund balance was \$56.2 million. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.3% of total General Fund expenditures and transfers, while total fund balance represents approximately 43% of that same amount.

The total fund balance of the City’s General Fund increased by \$1.3 million during the fiscal year. Key factors in this increase were an overall increase in most revenue sources for this year over fiscal year 2022. The biggest increases were in property taxes of \$4.6 million and investment earnings of \$3.1 million due to the overall market conditions in FY2023.

The General Construction Fund captures cost for two major projects that are debt funded. The Center for Active Aging and the Tigner Community Center. The fund balance for this fund decreased due this year due to the implementation of several construction projects which increased the capital outlay for this fund from \$7.9 million in FY2022 to \$20.2 million in FY2023.

The Community Redevelopment Agency Fund accounts for revenues collected from and expenditures incurred within the community redevelopment area which borders Federal Highway to the west and State Road A1A to the east. At the end of the fiscal year, the restricted and total fund balance in this fund amounted to \$6.0 million.

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

Unrestricted net position of the Water and Sewer Utility Fund at the end of the fiscal year amounted to \$26.6 million. The Solid Waste Fund had an unrestricted net position of \$0.8 million at the end of the fiscal year. The Stormwater Utility Fund had an unrestricted net position of \$3.9 million at the end of the fiscal year.

### Capital Assets and Debt Administration

**Capital Assets.** The City’s capital assets for its governmental and business-type activities as of September 30, 2023, amounted to \$207 million (net of accumulated depreciation). These capital assets include land, buildings, improvements other than building (such as improvements to parks), equipment, utility plants in service and infrastructure (roads, highways, bridges, etc.). The total increase in the City’s capital assets for the current fiscal year was 15.9%, (12.6)% for governmental activities and (3.3)% for business-type activities) due to increases in equipment and construction in process. The following table summarizes the City’s capital assets.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 18,363,026	\$ 18,028,619	\$ 50,531	\$ 50,531	\$ 18,413,557	\$ 18,079,150
Buildings	20,449,629	21,448,643	402,631	418,110	20,852,260	21,866,753
Improvements other than buildings	18,342,159	10,766,995	40,927,602	43,173,549	59,269,761	53,940,544
Equipment	6,308,625	6,142,978	7,236,231	5,553,345	13,544,856	11,696,323
Software subscriptions	447,719	--	94,730	--	542,449	--
Utility plants in service	--	--	17,206,752	18,066,137	17,206,752	18,066,137
Infrastructure	27,135,884	28,183,679	--	--	27,135,884	28,183,679
Construction in progress	<u>40,033,525</u>	<u>23,948,997</u>	<u>10,439,831</u>	<u>3,205,485</u>	<u>50,473,356</u>	<u>27,154,482</u>
<b>Total</b>	<u>\$ 131,080,567</u>	<u>\$ 108,519,911</u>	<u>\$ 76,358,308</u>	<u>\$ 70,467,157</u>	<u>\$ 207,438,875</u>	<u>\$ 178,987,068</u>

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

- Construction of six new lifeguard stations budgeted at \$931,993
- Safe Routes to School -Deerfield Beach Elementary \$610,177
- SE 13<sup>th</sup> Avenue bridge repair budgeted at \$368,000
- Automatic Metering Infrastructure project with a budget of \$2,486,828
- ERP Implementation at \$4,000,000
- International Fishing Pier Structural Repair and Rehabilitation \$4,500,000
- Floridan Well Rehabilitation Project \$1,075,005

Additional information on the City of Deerfield Beach’s capital assets can be found in Note 3 on pages 64 - 66 of this report.

**Long-term Debt.** At year-end, the City had \$9.6 million in general obligation bonds outstanding. The City also had \$44.6 million in outstanding covenant bonds (for which the City must “covenant” and appropriate funds necessary to pay the annual debt service), but which are primarily backed by revenue sources other than voted-debt ad valorem taxes. The business-type activities had \$6.8 million outstanding in revenue bonds and \$2.0 million in loans payable. The City had \$8.7 million in capital leases outstanding at the end of the fiscal year.

The City maintained its credit rating of “AA” for its General Obligation Refunding Bonds, Series 2012B-2. The City’s credit rating for its debt secured by its covenant-to-budget and appropriate non-ad valorem revenue was recently upgraded from “AA-“ to “AA” by Standard & Poor’s Global Ratings. The City’s credit profile for its covenant-to-budget and appropriate debt from Fitch Ratings remained the same at “AA-.”

	<b>Outstanding Debt</b>					
	<b>(Bonds, Loans, and Leases Payable)</b>					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds						
(backed by the City)	\$ 9,623,143	\$ 10,699,375	\$ --	\$ --	\$ 9,623,143	\$ 10,699,375
Revenue bonds	--	--	6,750,503	7,757,479	6,750,503	7,757,479
Covenant bonds	44,590,000	46,090,000	--	--	44,590,000	46,090,000
Add/(subtract) premium/ (discount)	5,942,293	6,037,768	--	--	5,942,293	6,037,768
Leases	4,757,546	6,040,764	3,978,546	4,429,723	8,736,092	10,470,487
Obligations under SBITA's	418,834	603,265	106,522	142,030	525,356	745,295
Loan payable	--	--	1,920,506	2,398,223	1,920,506	2,398,223
<b>Total</b>	<u>\$ 65,331,816</u>	<u>\$ 69,471,172</u>	<u>\$ 12,756,077</u>	<u>\$ 14,727,455</u>	<u>\$ 78,087,893</u>	<u>\$ 84,198,627</u>

The City’s general obligation debt per capita, excluding enterprise fund debt, was \$110 at the end of fiscal year 2023. The City’s outstanding net general obligation debt was 0.06% of the City’s assessed property value. The City's debt policy requires that its net general obligation bonded debt not exceed two (2) percent of the assessed valuation of taxable property within the City, unless otherwise directed by the City Commission. Net reduction is due to the pay down of principal debt service obligations.

Additional information on the City’s long-term debt can be found in Note 3 on pages 72 - 77 of this report.

## **Economic Factors and Next Fiscal Year's Budget and Rates**

Some of the economic factors affecting the City of Deerfield Beach are similar to those being experienced nationally, such as low unemployment rate (3.1% at the end of the fiscal year), high inflation, and housing shortages. The low unemployment rate has challenged the City with filling vacant positions. To help with recruitment and retention a pay and class study was conducted and implemented in 2023 increasing most salaries to be competitive with similar positions in the surrounding markets. However, the outlooks for the state of Florida sees the unemployment rate hovering around 3 % thus a continuing challenge for hiring. In spite the number of vacant positions the city has been able to maintain its service levels and meet all statutory deadlines.

High inflation saw an increase in shipping and product cost citywide. Some projects had to have increased to initial budgeted amounts to attract contractors. Despite rising cost the City of Deerfield kept its millage rate at 6.0018 for the new budget year. While the rate was unchanged, due to the rise in property values an increase of 10% is anticipated to be received to the FY2024 revenues from ad-valorem taxes. The FY2024 budget also anticipates increases in interest on investments due to the trending market conditions. Enterprise fund revenues continues to increase primarily due to rates increases approved by the City Commission. The Water Services rate was increased 5% and 8 % for Sewer. Solid waste residential services also had a 6% increased with commercial haulage increased by 16%

Expenditures towards housing assistance in fiscal 2023 amounted to \$684,000.54 and \$3,995,847 is included in the FY2024 budget. The City is using this mechanism to assist families with home ownership within Deerfield Beach. However due to high interest rates and low inventory the City anticipates housing to be a continuing challenge. These actions by city leadership are all intended to keep the city of Deerfield Beach at a high service level with improved efficiencies expected from the implementation of the new ERP system in FY2025.

These economic factors were considered along with some of the goals of the City's 2023-2028 Strategic plan in developing the 2024 budget. In a survey conducted by the City, residents identified as priorities, improvements to quality of life, economic redevelopment, improved facilities and infrastructures. Thus, the fiscal year budget included \$20,340,378 of planned capital outlays for various projects in each of these areas.

Below is a list of some of the projects the City completed during the 2023 fiscal year.

- Deerfield Beach Middle School Aquatic Center Repairs and Renovations.
- Reverend Ford Linear Park Jean Michel Basquiat Public Art Installation and Exercise Station.
- Traffic Calming located in 18 locations citywide.
- Upgrades to the Ovieta McKeithen Recreational Complex, Crystal Heights and Constitution Park.
- South Beach Pier and Kirk Cottrell Pavilion restrooms and showers.

The City maintained a positive fund balance in the General Fund of \$56,184,223. This is a two percent increase over fiscal year 2022. The FY2024 budget proposes to utilize \$14.7 million or 26% of fund balance to fund several of the capital projects adopted in the five-year Capital Budget.

### **Requests for Information**

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

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF DEERFIELD BEACH, FLORIDA**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 12,662,663	\$ 2,744,523	\$ 15,407,186
Investments	70,755,133	24,032,799	94,787,932
Receivables, net of allowances	4,212,921	4,392,267	8,605,188
Lease receivable	77,488	--	77,488
Internal balances	(10,177,211)	10,177,211	--
Due from other governments	2,149,665	--	2,149,665
Inventories	96,831	272,016	368,847
Prepaid items	567,821	1,186,798	1,754,619
Restricted assets:			
Cash and cash equivalents	822,904	1,869,811	2,692,715
Investments	29,984,574	--	29,984,574
Capital assets:			
Non-depreciable	58,396,551	10,490,362	68,886,913
Capital assets, net of accumulated depreciation/amortization	72,684,016	65,867,946	138,551,962
<b>Total Assets</b>	<b>242,233,356</b>	<b>121,033,733</b>	<b>363,267,089</b>
<b>Deferred Outflows of Resources</b>			
Pensions	29,582,102	2,442,814	32,024,916
OPEB	1,562,436	990,153	2,552,589
<b>Total Deferred Outflows of Resources</b>	<b>31,144,538</b>	<b>3,432,967</b>	<b>34,577,505</b>
<b>Liabilities</b>			
Accounts payable	7,381,392	3,021,771	10,403,163
Accrued payroll	776,628	228,049	1,004,677
Accrued interest payable	1,384,981	254,206	1,639,187
Due to other governments	40,154	--	40,154
Unearned revenue	4,613,462	--	4,613,462
Customer deposits	24,789	729,332	754,121
Non-current liabilities:			
Due within one year:			
Compensated absences payable	1,246,017	944,284	2,190,301
Insurance claims payable	687,652	--	687,652
Bonds, loans and leases payable	2,909,756	1,731,982	4,641,738
Obligations under SBITAs	182,058	45,694	227,752
Due in more than one year:			
Compensated absences payable	--	191,072	191,072
Insurance claims payable	6,504,943	--	6,504,943
Bonds, loans and leases payable	62,003,226	10,917,573	72,920,799
Obligations under SBITAs	236,776	60,828	297,604
Total OPEB liability	15,130,270	9,588,414	24,718,684
Net pension liability	71,305,448	2,533,743	73,839,191
<b>Total Liabilities</b>	<b>174,427,552</b>	<b>30,246,948</b>	<b>204,674,500</b>
<b>Deferred Inflows of Resources</b>			
Pensions	570,986	--	570,986
OPEB	6,801,542	4,310,301	11,111,843
Lease	73,512	--	73,512
Deferred amount on bond resources	223,683	--	223,683
<b>Total Deferred Inflows of Resources</b>	<b>7,669,723</b>	<b>4,310,301</b>	<b>11,980,024</b>
<b>Net Position</b>			
Net investment in capital assets	83,595,759	57,410,980	141,006,739
Restricted net position:			
Debt service	4,264,726	1,139,000	5,403,726
Perpetual care	1,993,452	--	1,993,452
Economic environment	8,306,848	--	8,306,848
Public safety	3,139,634	--	3,139,634
Human services	6,788,968	--	6,788,968
Physical environment	5,989,476	--	5,989,476
Transportation	3,982,385	--	3,982,385
Parks and recreation	6,470,445	--	6,470,445
Unrestricted	(33,251,074)	31,359,471	(1,891,603)
<b>Total Net Position</b>	<b>\$ 91,280,619</b>	<b>\$ 89,909,451</b>	<b>\$ 181,190,070</b>

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

# CITY OF DEERFIELD BEACH, FLORIDA

## STATEMENT OF ACTIVITIES

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Program Revenues					Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>						
General government	\$ 14,581,001	\$ 14,979,619	\$ 843,662	\$ 46,582	\$ 1,288,862	\$ 1,288,862
Economic environment	2,332,248	1,183,717	713,591	715,919	280,979	280,979
Public safety	86,478,909	22,382,850	318,180	--	(63,777,879)	(63,777,879)
Human services	2,468,427	--	1,662,320	64,714	(741,393)	(741,393)
Physical environment	10,411,636	103,691	--	2,456,156	(7,851,789)	(7,851,789)
Transportation	4,877,296	3,159,373	--	--	(1,717,923)	(1,717,923)
Culture and recreation	8,856,305	2,050,705	50,612	--	(6,754,988)	(6,754,988)
Interest on long-term debt	3,626,064	--	--	--	(3,626,064)	(3,626,064)
<b>Total Governmental Activities</b>	<b>133,631,886</b>	<b>43,859,955</b>	<b>3,588,365</b>	<b>3,283,371</b>	<b>(82,900,195)</b>	<b>(82,900,195)</b>
<b>Business-type Activities</b>						
Water and sewer	27,810,182	27,764,740	--	--	--	(45,442)
Solid waste	17,179,486	21,772,780	--	--	--	4,593,294
Stormwater utility	1,134,988	2,263,782	--	--	--	1,128,794
<b>Total Business-type Activities</b>	<b>46,124,656</b>	<b>51,801,302</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5,676,646</b>
<b>Total</b>	<b>\$ 179,756,542</b>	<b>\$ 95,661,257</b>	<b>\$ 3,588,365</b>	<b>\$ 3,283,371</b>	<b>(82,900,195)</b>	<b>(77,223,549)</b>
		<b>General Revenues and Transfers</b>				
		General property taxes			54,162,476	54,162,476
		Incremental property taxes			5,144,174	5,144,174
		Utility taxes			10,855,884	10,855,884
		Sales and use taxes			11,466,098	11,466,098
		Franchise taxes			10,408,321	10,408,321
		Alcoholic beverage/mobile home license taxes			88,495	88,495
		Impact fees			106,962	106,962
		Intergovernmental			5,218,707	5,218,707
		Unrestricted investment earnings			5,195,012	6,731,847
		Miscellaneous revenues			1,053,603	1,056,003
		Transfers			(9,183,769)	--
		<b>Total General Revenues and Transfers</b>			<b>94,515,963</b>	<b>105,238,967</b>
		<b>Change in Net Position</b>			<b>11,615,768</b>	<b>28,015,418</b>
		<b>Net Position - Beginning</b>			<b>79,664,851</b>	<b>153,174,652</b>
		<b>Net Position - Ending</b>			<b>\$ 91,280,619</b>	<b>\$ 181,190,070</b>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2023**

	General Fund	American Rescue Plan Fund	Community Redevelopment Agency	General Construction Fund	Nonmajor Governmental Funds	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 155,752	\$ --	\$ 3,442,050	\$ 824,235	\$ 8,240,626	\$ 12,662,663
Investments	67,761,014	--	2,735,552	--	258,567	70,755,133
Restricted cash and cash equivalents	--	18,869	--	--	804,035	822,904
Restricted investments	--	4,648,638	--	19,108,194	6,227,742	29,984,574
Receivables, net:						
Accounts	3,823,130	--	--	--	251,127	4,074,257
Assessments	842	--	--	--	--	842
Interest	65,626	--	5,853	50,728	15,615	137,822
Lease	77,488	--	--	--	--	77,488
Due from other funds	110,000	--	--	--	3,605,000	3,715,000
Due from other governments	1,360,154	--	--	--	789,511	2,149,665
Inventories	96,831	--	--	--	--	96,831
Prepaid items	567,821	--	--	--	--	567,821
<b>Total Assets</b>	<b>\$ 74,018,658</b>	<b>\$ 4,667,507</b>	<b>\$ 6,183,455</b>	<b>\$ 19,983,157</b>	<b>\$ 20,192,223</b>	<b>\$ 125,045,000</b>
<b>Liabilities</b>						
Accounts payable	\$ 3,432,420	\$ 41,975	\$ 175,476	\$ 2,481,037	\$ 1,956,096	\$ 8,087,004
Accrued payroll	759,374	--	5,839	--	11,415	776,628
Due to other funds	12,477,211	110,000	--	500,000	805,000	13,892,211
Unearned revenue	435,631	4,152,831	--	--	25,000	4,613,462
Due to other governments	4,345	--	--	--	35,809	40,154
Customer deposits	24,789	--	--	--	--	24,789
<b>Total Liabilities</b>	<b>17,133,770</b>	<b>4,304,806</b>	<b>181,315</b>	<b>2,981,037</b>	<b>2,833,320</b>	<b>27,434,248</b>
<b>Deferred Inflows of Resources</b>						
Lease	73,512	--	--	--	--	73,512
Unavailable revenues	627,153	--	--	--	598,675	1,225,828
<b>Total Deferred Inflows of Resources</b>	<b>700,665</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>598,675</b>	<b>1,299,340</b>
<b>Fund Balances</b>						
Nonspendable	664,652	--	--	--	1,993,452	2,658,104
Restricted	--	362,701	6,002,140	17,002,120	14,766,776	38,133,737
Assigned	27,471,443	--	--	--	--	27,471,443
Unassigned	28,048,128	--	--	--	--	28,048,128
<b>Total Fund Balances</b>	<b>56,184,223</b>	<b>362,701</b>	<b>6,002,140</b>	<b>17,002,120</b>	<b>16,760,228</b>	<b>96,311,412</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 74,018,658</b>	<b>\$ 4,667,507</b>	<b>\$ 6,183,455</b>	<b>\$ 19,983,157</b>	<b>\$ 20,192,223</b>	<b>\$ 125,045,000</b>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**SEPTEMBER 30, 2023**

<b>Fund Balances, Total Governmental Funds</b>		\$ 96,311,412
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 238,061,758	
Accumulated depreciation/amortization	<u>(106,981,191)</u>	131,080,567
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Interest payable	(1,384,981)	
Bonds, loans and leases payable	(64,912,982)	
Insurance claims payable	(6,486,983)	
Obligations under SBITAs	(418,834)	
Compensated absences payable	(1,246,017)	
Total OPEB liabilities	(15,130,270)	
Net pension liabilities	<u>(71,305,448)</u>	(160,885,515)
Deferred outflows and inflows of resources related to pensions and OPEB are recorded in the statement of net position.		
Deferred outflows related to pensions	29,582,102	
Deferred inflows related to pensions	<u>(570,986)</u>	29,011,116
Deferred outflows from OPEB	1,562,436	
Deferred inflows related to OPEB	<u>(6,801,542)</u>	(5,239,106)
Revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. They are, however, recognized in the governmental activities.		1,225,828
Bond premiums and discounts, gains, and losses related to the issuance of long-term debt are charged to "Other Financing Sources and Uses" when debt is issued in the governmental funds. These items, however, are capitalized and amortized over the life of the bonds in the government-wide financial statements.		<u>(223,683)</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 91,280,619</u></u>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	American Rescue Plan Fund	Community Development Agency Fund	General Construction Fund	Nonmajor Governmental Funds	Total
<b>Revenues</b>						
Property taxes	\$ 54,315,729	\$ --	\$ 5,144,174	\$ --	\$ --	\$ 59,459,903
Sales and use taxes	9,010,101	--	--	--	--	9,010,101
Fire assessment fees	16,555,348	--	--	--	--	16,555,348
Franchise taxes	10,408,321	--	--	--	--	10,408,321
Utility taxes	10,855,884	--	--	--	--	10,855,884
Local option gas tax	--	--	--	--	2,455,997	2,455,997
Alcoholic beverage/mobile home license taxes	88,495	--	--	--	--	88,495
Local business taxes/permits	763,043	--	--	--	5,563,915	6,326,958
Intergovernmental	4,236,482	1,240,903	--	586,268	3,291,872	9,355,525
Charges for services	11,027,043	--	--	--	63,384	11,090,427
Fines and forfeitures	1,333,763	--	--	--	473,797	1,807,560
Impact fees	--	--	--	--	106,962	106,962
Investment earnings	3,337,995	351,233	119,688	1,174,105	180,991	5,164,012
Miscellaneous:						
Cemetery plot sales	--	--	--	--	102,808	102,808
Donations/contributions	638,436	--	--	1,790,001	85,014	2,513,451
Administrative fees	8,079,662	--	--	--	437,720	8,517,382
Other	513,075	--	--	--	252,467	765,542
<b>Total Revenues</b>	<b>131,163,377</b>	<b>1,592,136</b>	<b>5,263,862</b>	<b>3,550,374</b>	<b>13,014,927</b>	<b>154,584,676</b>
<b>Expenditures</b>						
Current:						
General government	18,480,496	--	--	--	--	18,480,496
Economic environment	511,981	103,769	921,672	--	779,748	2,317,170
Public safety	74,012,986	--	43,930	--	5,388,609	79,445,525
Human services	2,363,805	--	--	--	25,000	2,388,805
Physical environment	9,665,814	--	--	--	18,834	9,684,648
Transportation	810,533	--	--	--	2,116,864	2,927,397
Culture and recreation	6,858,409	--	263,815	--	80,860	7,203,084
Capital outlay	1,684,920	2,428	3,428,248	20,263,685	3,575,024	28,954,305
Debt service:						
Principal retirement	--	--	920,000	--	2,939,450	3,859,450
Interest and fiscal charges	--	--	174,321	--	3,680,619	3,854,940
<b>Total Expenditures</b>	<b>114,388,944</b>	<b>106,197</b>	<b>5,751,986</b>	<b>20,263,685</b>	<b>18,605,008</b>	<b>159,115,820</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>16,774,433</b>	<b>1,485,939</b>	<b>(488,124)</b>	<b>(16,713,311)</b>	<b>(5,590,081)</b>	<b>(4,531,144)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	977,482	--	--	6,773,147	7,017,365	14,767,994
Transfers out	(17,073,575)	(1,197,555)	--	--	(800,910)	(19,072,040)
Initiation of SBITAs	603,265	--	--	--	--	603,265
<b>Total Other Financing Sources (Uses)</b>	<b>(15,492,828)</b>	<b>(1,197,555)</b>	<b>--</b>	<b>6,773,147</b>	<b>6,216,455</b>	<b>(3,700,781)</b>
<b>Net Change in Fund Balances</b>	<b>1,281,605</b>	<b>288,384</b>	<b>(488,124)</b>	<b>(9,940,164)</b>	<b>626,374</b>	<b>(8,231,925)</b>
<b>Fund Balances - Beginning</b>	<b>54,902,618</b>	<b>74,317</b>	<b>6,490,264</b>	<b>26,942,284</b>	<b>16,133,854</b>	<b>104,543,337</b>
<b>Fund Balances - Ending</b>	<b>\$ 56,184,223</b>	<b>\$ 362,701</b>	<b>\$ 6,002,140</b>	<b>\$ 17,002,120</b>	<b>\$ 16,760,228</b>	<b>\$ 96,311,412</b>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ (8,231,925)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported in depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.

Capital outlay, including SBITAs	\$ 28,147,435	
Governmental depreciation	<u>(5,586,779)</u>	22,560,656

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(153,253)
--	--	-----------

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the funds.

Insurance claims and benefits expense	1,970,705	
Other postemployment benefit expense	3,100,642	
Pension expense	<u>(6,379,816)</u>	(1,308,469)

Assignment of enterprise type related debt to governmental type related debt		(4,879,722)
--	--	-------------

In the statement of activities, certain operating expenses - compensated absences (sick and vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually used (paid).

Compensated absences		(41,011)
----------------------	--	----------

The issuance of long-term debt (e.g., bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Long-term debt principal repayments	4,043,881	
Initiation of SBITAs	(603,265)	
Bond premium	<u>40,670</u>	3,481,286

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest expense reported in the statement of activities is the result of accrued interest on bonds, leases and loans payable.

	<u>188,206</u>
--	----------------

<b>Change in Net Position of Governmental Activities</b>	<u>\$ 11,615,768</u>
--	----------------------

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

**SEPTEMBER 30, 2023**

	Water and Sewer Utility Fund	Solid Waste Fund	Non-Major Stormwater Utility Fund	Total Proprietary Funds
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,194,741	\$ 515,931	\$ 1,033,851	\$ 2,744,523
Investments	22,705,891	1,326,908	--	24,032,799
Restricted cash and cash equivalents:				
Customer deposits	725,813	4,998	--	730,811
Revolving loan covenant accounts	1,139,000	--	--	1,139,000
Receivables, net of allowances:				
Accounts	2,703,888	1,077,140	161,337	3,942,365
Delinquent assessments	107,271	--	--	107,271
Interest	342,631	--	--	342,631
Due from other funds	1,027,211	6,000,000	3,150,000	10,177,211
Inventories	272,016	--	--	272,016
Prepaid items	1,186,798	--	--	1,186,798
<b>Total Current Assets</b>	<b>31,405,260</b>	<b>8,924,977</b>	<b>4,345,188</b>	<b>44,675,425</b>
<b>Noncurrent Assets</b>				
Capital assets:				
Land	50,531	--	--	50,531
Construction in progress	6,786,423	3,205,485	447,923	10,439,831
Buildings	2,266,147	--	--	2,266,147
Utility plants in service	46,533,886	--	--	46,533,886
Improvements other than buildings	95,497,975	113,696	1,630,912	97,242,583
Equipment	11,385,529	16,279,904	193,223	27,858,656
Intangibles (SBITAs)	81,160	40,580	20,290	142,030
Less: accumulated depreciation/amortization	(95,766,025)	(12,157,917)	(251,414)	(108,175,356)
<b>Total Noncurrent Assets</b>	<b>66,835,626</b>	<b>7,481,748</b>	<b>2,040,934</b>	<b>76,358,308</b>
<b>Total Assets</b>	<b>98,240,886</b>	<b>16,406,725</b>	<b>6,386,122</b>	<b>121,033,733</b>
<b>Deferred Outflows of Resources</b>				
Pension	1,738,157	704,657	--	2,442,814
OPEB	501,645	465,469	23,039	990,153
<b>Total Deferred Outflows of Resources</b>	<b>2,239,802</b>	<b>1,170,126</b>	<b>23,039</b>	<b>3,432,967</b>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)**

**SEPTEMBER 30, 2023**

	Water and Sewer Utility Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 1,643,528	\$ 1,309,763	\$ 68,480	\$ 3,021,771
Accrued payroll	122,169	99,439	6,441	228,049
Customer deposits	725,814	3,518	--	729,332
Compensated absences payable	486,578	395,811	61,895	944,284
Accrued interest payable	244,712	9,494	--	254,206
Leases payable	68,997	135,611	--	204,608
Obligations under SBITAs	40,621	--	5,073	45,694
Bonds payable	1,038,985	--	--	1,038,985
Loans payable	488,389	--	--	488,389
<b>Total Current Liabilities</b>	<b>4,859,793</b>	<b>1,953,636</b>	<b>141,889</b>	<b>6,955,318</b>
<b>Noncurrent Liabilities</b>				
Compensation absences payable	--	171,367	19,705	191,072
Total OPEB liability	4,857,814	4,507,495	223,105	9,588,414
Net pension liability	1,802,857	730,886	--	2,533,743
Leases payable	766,440	3,007,498	--	3,773,938
Obligations under SBITAs	20,249	30,435	10,144	60,828
Bonds payable	5,711,518	--	--	5,711,518
Loans payable	1,432,117	--	--	1,432,117
<b>Total Noncurrent Liabilities</b>	<b>14,590,995</b>	<b>8,447,681</b>	<b>252,954</b>	<b>23,291,630</b>
<b>Total Liabilities</b>	<b>19,450,788</b>	<b>10,401,317</b>	<b>394,843</b>	<b>30,246,948</b>
<b>Deferred Inflows of Resources</b>				
OPEB	2,183,744	2,026,264	100,293	4,310,301
<b>Total Deferred Inflows of Resources</b>	<b>2,183,744</b>	<b>2,026,264</b>	<b>100,293</b>	<b>4,310,301</b>
<b>Net Position</b>				
Net investment in capital assets	51,119,174	4,308,204	1,983,602	57,410,980
Restricted for debt service	1,139,000	--	--	1,139,000
Unrestricted	26,587,982	841,066	3,930,423	31,359,471
<b>Total Net Position</b>	<b>\$ 78,846,156</b>	<b>\$ 5,149,270</b>	<b>\$ 5,914,025</b>	<b>\$ 89,909,451</b>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Water and Sewer Utility Fund	Solid Waste Fund	Stormwater Utility	Total Proprietary Funds
<b>Operating Revenues</b>				
Charges for sales and services:				
Water sales pledged as security for revolving loans	\$ 16,923,778	\$ --	\$ --	\$ 16,923,778
Sewer charges pledged as security for revolving loans	10,127,288	--	--	10,127,288
Solid waste charges	--	21,731,040	--	21,731,040
Stormwater fees	--	--	2,263,782	2,263,782
Engineering fees	363,615	--	--	363,615
Miscellaneous	350,059	41,740	--	391,799
<b>Total Operating Revenues</b>	<b>27,764,740</b>	<b>21,772,780</b>	<b>2,263,782</b>	<b>51,801,302</b>
<b>Operating Expenses</b>				
Personal services	4,783,328	4,265,423	385,061	9,433,812
Contractual services	1,497,422	612,845	74,028	2,184,295
Electricity	1,047,768	--	--	1,047,768
Insurance	1,663,760	1,100,684	--	2,764,444
Fixed charges	52,007	17,089	127,047	196,143
County wastewater charge	6,632,729	--	--	6,632,729
County raw water charge	38,174	--	--	38,174
Disposal fees	--	4,530,107	--	4,530,107
General administrative charge	4,745,979	3,240,912	282,067	8,268,958
Commodities	3,056,189	2,345,801	172,233	5,574,223
Depreciation and amortization	4,019,101	992,916	94,552	5,106,569
<b>Total Operating Expenses</b>	<b>27,536,457</b>	<b>17,105,777</b>	<b>1,134,988</b>	<b>45,777,222</b>
<b>Operating Income</b>	<b>228,283</b>	<b>4,667,003</b>	<b>1,128,794</b>	<b>6,024,080</b>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	1,398,908	137,927	--	1,536,835
Interest charges	(273,725)	(73,709)	--	(347,434)
Gain from sale of assets	--	2,400	--	2,400
<b>Total Nonoperating Revenues (Expenses)</b>	<b>1,125,183</b>	<b>66,618</b>	<b>--</b>	<b>1,191,801</b>
<b>Income Before Transfers</b>	<b>1,353,466</b>	<b>4,733,621</b>	<b>1,128,794</b>	<b>7,215,881</b>
Transfers in	1,763,420	7,885,434	423,861	10,072,715
Transfers out	(856,358)	(32,588)	--	(888,946)
<b>Change in Net Position</b>	<b>2,260,528</b>	<b>12,586,467</b>	<b>1,552,655</b>	<b>16,399,650</b>
<b>Net Position - Beginning</b>	<b>76,585,628</b>	<b>(7,437,197)</b>	<b>4,361,370</b>	<b>73,509,801</b>
<b>Net Position - Ending</b>	<b>\$ 78,846,156</b>	<b>\$ 5,149,270</b>	<b>\$ 5,914,025</b>	<b>\$ 89,909,451</b>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Water and Sewer Utility Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
<b>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 28,327,200	\$ 22,671,892	\$ 2,241,610	\$ 53,240,702
Payments from (to) other funds	(896,036)	(8,984,663)	(1,599,174)	(11,479,873)
Payments to suppliers	(22,121,028)	(11,416,974)	(731,134)	(34,269,136)
Payments to employees	(5,685,817)	(5,103,801)	(421,937)	(11,211,555)
<b>Net Cash Used In Operating Activities</b>	<u>(375,681)</u>	<u>(2,833,546)</u>	<u>(510,635)</u>	<u>(3,719,862)</u>
<b>Cash Flows from Noncapital Financing Activity</b>				
Transfers from other funds	1,763,420	2,170,154	423,861	4,357,435
Transfers to other funds	(20,799)	(32,588)	--	(53,387)
<b>Net Cash Provided by Noncapital Financing Activity</b>	<u>1,742,621</u>	<u>2,137,566</u>	<u>423,861</u>	<u>4,304,048</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of capital assets	(9,140,767)	(1,102,897)	(612,026)	(10,855,690)
Repayment of lease	(315,566)	(135,611)	--	(451,177)
Repayment of loans	(1,484,694)	--	--	(1,484,694)
Repayment of subscriptions	(20,290)	(10,145)	(5,073)	(35,508)
Interest expense	(161,423)	(83,634)	--	(245,057)
Proceeds from retirement of assets	--	2,400	--	2,400
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(11,122,740)</u>	<u>(1,329,887)</u>	<u>(617,099)</u>	<u>(13,069,726)</u>
<b>Cash Flows from Investing Activity</b>				
Investment income	1,398,908	137,927	--	1,536,835
Sale of investments	8,763,563	--	--	8,763,563
Purchase of investments	--	(62,329)	--	(62,329)
<b>Net Cash Provided by Investing Activities</b>	<u>10,162,471</u>	<u>75,598</u>	<u>--</u>	<u>10,238,069</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	406,671	(1,950,269)	(703,873)	(2,247,471)
<b>Cash, Restricted Cash and Cash Equivalents - Beginning</b>	<u>2,652,883</u>	<u>2,471,198</u>	<u>1,737,724</u>	<u>6,861,805</u>
<b>Cash, Restricted Cash and Cash Equivalents - Ending</b>	<u>\$ 3,059,554</u>	<u>\$ 520,929</u>	<u>\$ 1,033,851</u>	<u>\$ 4,614,334</u>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Water and Sewer Utility	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
<b>Cash and Cash Equivalents</b>	\$ 1,194,741	\$ 515,931	\$ 1,033,851	\$ 2,744,523
<b>Cash and Cash Equivalents - Restricted</b>	<u>1,864,813</u>	<u>4,998</u>	<u>--</u>	<u>1,869,811</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 3,059,554</u>	<u>\$ 520,929</u>	<u>\$ 1,033,851</u>	<u>\$ 4,614,334</u>
<b>Reconciliation Data of Changes in Net Position to Operating Activities Operating Income</b>	\$ 228,283	\$ 4,667,003	\$ 1,128,794	\$ 6,024,080
<b>Adjustments to Reconcile Operating Income to Net Cash Used In Operating Activities</b>				
Depreciation and amortization expense	4,019,101	992,916	94,552	5,106,569
Changes in assets, liabilities and deferred inflows/ outflows:				
(Increase) decrease in:				
Accounts receivable, net of allowance	434,499	899,453	(22,172)	1,311,780
Inventories	(51,549)	--	--	(51,549)
Due from other funds	(896,036)	(6,000,000)	(1,468,000)	(8,364,036)
Prepays	(16,562)	--	--	(16,562)
Deferred outflows pension	(1,266,362)	(523,198)	--	(1,789,560)
Net pension asset/liability	1,018,240	391,630	--	1,409,870
Deferred outflows OPEB	(191,801)	(177,969)	(8,809)	(378,579)
Increase (Decrease) in:				
Accounts payable	487,124	430,464	(75,759)	841,829
Deposits payable	127,961	(341)	--	127,620
Salaries and benefits available	18,039	15,317	1,141	34,497
Compensated absences payable	13,369	44,982	7,703	66,054
Due to other funds	(3,806,013)	(2,984,663)	(131,174)	(6,921,850)
Net pension liability	1,802,857	730,886	--	2,533,743
Deferred inflows pension	(1,493,122)	(574,277)	--	(2,067,399)
Total OPEB liability	(367,311)	(340,822)	(16,869)	(725,002)
Deferred inflows OPEB	<u>(436,398)</u>	<u>(404,927)</u>	<u>(20,042)</u>	<u>(861,367)</u>
<b>Total Adjustments</b>	<u>(603,964)</u>	<u>(7,500,549)</u>	<u>(1,639,429)</u>	<u>(9,743,942)</u>
<b>Net Cash Used In Operating Activities</b>	<u>\$ (375,681)</u>	<u>\$ (2,833,546)</u>	<u>\$ (510,635)</u>	<u>\$ (3,719,862)</u>

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

# CITY OF DEERFIELD BEACH, FLORIDA

## STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

SEPTEMBER 30, 2023

	Pension Trust Funds
<b>Assets</b>	
Investments:	
Money market funds	\$ 5,518,326
Fixed income mutual funds	17,141,969
U.S. government and agency securities	26,501,057
Equity securities	128,178,651
Corporate bonds	8,540,497
Real estate funds	36,126,091
Self directed DROP accounts	2,389,907
Private credit funds	5,556,035
Hedge funds	<u>2,069,900</u>
Total investments	<u>232,022,433</u>
Receivables:	
Interest and dividends	297,079
Due from participants	51,797
Contributions receivable (State)	410,164
Pending trades	<u>81,443</u>
Total receivables	<u>840,483</u>
<b>Total Assets</b>	<u>232,862,916</u>
<b>Liabilities</b>	
Accounts payable	151,319
Accounts payable - purchase of investments	<u>11,556</u>
<b>Total Liabilities</b>	<u>162,875</u>
<b>Deferred Inflow</b>	<u>118,015</u>
<b>Net Position Restricted for Pension Benefits</b>	
<b>Total Net Position Restricted for Pension Benefits</b>	<u>\$ 232,582,026</u>

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

# CITY OF DEERFIELD BEACH, FLORIDA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Pension Trust Funds
<b>Additions</b>	
Contributions:	
Employer	\$ 10,042,448
Plan members	686,111
Chapter	2,121,500
Total contributions	<u>12,850,059</u>
<b>Investment Earnings</b>	
Interest and dividend revenue	6,730,443
Net appreciation in the fair value of investments	<u>13,464,128</u>
Total investment gains	20,194,571
Less: investment expense	<u>(1,052,829)</u>
Net investment earnings	<u>19,141,742</u>
Miscellaneous	<u>2,692</u>
<b>Total Additions</b>	<u>31,994,493</u>
<b>Deductions</b>	
Benefit payments	18,882,150
DROP distributions	1,535,359
Share account distributions	829,120
Administrative expenses	<u>404,031</u>
<b>Total Deductions</b>	<u>21,650,660</u>
<b>Change in Net Position</b>	10,343,833
<b>Net Position Restricted for Pension Benefits -</b>	
Beginning of Year	<u>222,238,193</u>
End of Year	<u>\$ 232,582,026</u>

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

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**NOTES TO FINANCIAL STATEMENTS**

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# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

#### *A. FINANCIAL REPORTING ENTITY*

The City of Deerfield Beach is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the state. Originally incorporated in June 1925, the Town of Deerfield was formed under the provisions of Chapter 10462, Special Acts of the 1925 Legislature. In June 1951, Chapter 27503, laws of the State of Florida, created a new charter abolishing the Town and changing its name to City of Deerfield Beach. Today, the City is approximately 16.3 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 78,573, residents, the City operates water, sewer, stormwater, and solid waste enterprises. The City does not provide educational or hospital facilities. Those services are provided by the School Board of Broward County and the Broward Health North District, respectively.

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *A. FINANCIAL REPORTING ENTITY (CONTINUED)*

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

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

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

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

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

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

#### *D. NEW ACCOUNTING PRONOUNCEMENTS ADOPTED*

GASB Statement No. 91, Conduit Debt Obligations, establishes guidance regarding reporting of conduit debt obligations. The adoption of GASB No. 91 did not have an impact on the City's financial statements.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *D. NEW ACCOUNTING PRONOUNCEMENTS ADOPTED (CONTINUED)*

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, establishes guidance regarding reporting of these type of arrangements. The adoption of GASB No. 94 did not have an impact on the City's financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, establishes guidance regarding the accounting and reporting for subscription-based information technology arrangements. The City adopted GASB Statement No. 96 as of October 1, 2022.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022. The requirements related to leases, PPPs, and SBITAs and will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The adoption of GASB No. 99 did not have an impact on the City's financial statements.

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

##### *1. Deposits and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition. The City has established an investment policy in accordance with Section 218.415, Florida Statutes that allows the City to invest in relatively low-risk securities, such as the State Treasurer's Investment Pool, and U.S. government and agencies securities. In accordance with the requirements of the GASB, all investments of the City have been reported at fair value except money market funds and the State Treasurer's Investment Pool which its reported value is the same as the value of the pool shares and is recorded at amortized cost. Resources of all funds, with the exception of the pension trust funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized gains and losses on

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *1. Deposits and Investments (continued)*

investments. Net appreciation (depreciation) in the fair value of investments is comprised of unrealized gains and losses on investments. Investment earnings on pooled investments are allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with investments on the balance sheet at year-end. In addition, the pension trust funds are authorized to invest in corporate bonds, stocks, money market funds, mortgages and notes.

##### *2. Receivables and Payables*

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

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

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *3. Inventories and Prepaid Items*

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

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

##### *4. Restricted Assets*

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

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

##### *5. Capital Assets*

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***5. Capital Assets (continued)***

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

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

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

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

***6. Subscription-Based Information Technology Arrangements***

The City has recorded subscription-based information technology arrangement (“SBITA”) assets and liabilities as a result of implementing GASB Statement No. 96. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *7. Deferred Outflows/Inflows of Resources*

The statements of net position and fund financial statements require the inclusion of a separate section for deferred outflows of resources. A deferred outflow of resources represents a consumption of net assets that applies to future periods.

The statements of net position and fund financial statements, also include a separate section for deferred inflows of resources, which represent an acquisition of net assets that applies to future periods that will be recognized as revenue (or serve as a reduction of expenses) in a future period.

The City reports within its government-wide statement of net position as deferred outflows amounts related to pensions during fiscal year 2023 into the pension plans as a result of the net pension liability and total OPEB liability associated with the plans measured as of September 30, 2022. The amounts paid during fiscal year 2023 to the pension plan will be reflected within the City's pension expense and related liability when the net pension liability is measured for the next fiscal year.

The City reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its OPEB and pension plans. The amounts will be amortized over a five year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable, and deferred amount on a bond refunding which is being amortized over the remaining life of the debt.

Also, in the governmental fund financial statements the City reported deferred inflows for amounts not recorded within the period of availability.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *8. Compensated Absences*

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

##### *9. Long-term Obligations*

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *10. Fund Equity/Net Position*

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

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

***10. Fund Equity/Net Position (continued)***

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

The following table shows the City's fund balance classification for the governmental funds as of September 30, 2023.

	Governmental Funds					Total Governmental Funds
	General Fund	American Rescue Plan Fund	Community Redevelopment Agency Fund	General Construction Fund	Nonmajor Governmental Funds	
<b>Nonspendable</b>						
Inventory	\$ 96,831	\$ --	\$ --	\$ --	\$ --	\$ 96,831
Prepays	567,821	--	--	--	--	567,821
Perpetual care and cemetery operation	--	--	--	--	1,993,452	1,993,452
<b>Restricted</b>						
Community Redevelopment programs	--	--	6,002,140	--	--	6,002,140
Debt service	--	--	--	--	4,264,726	4,264,726
General construction projects	--	362,701	--	9,584,267	--	9,946,968
Road improvement projects	--	--	--	1,968,002	1,863,444	3,831,446
Grants and special programs	--	--	--	--	1,207,927	1,207,927
Beautification and landscape projects	--	--	--	--	612,298	612,298
Public safety programs	--	--	--	--	3,139,634	3,139,634
Recreational programs/projects	--	--	--	5,449,851	2,335,521	7,785,372
Restricted for building permits	--	--	--	--	1,343,226	1,343,226
Restricted for self insurance	--	--	--	--	--	--
<b>Assigned to</b>						
Assigned emergency reserve	5,000,000	--	--	--	--	5,000,000
Assigned for self insurance	7,448,132	--	--	--	--	7,448,132
Subsequent year's budget	14,789,051	--	--	--	--	14,789,051
Tom O-Shanter project	234,260	--	--	--	--	234,260
<b>Unassigned</b>						
General fund operations	28,048,128	--	--	--	--	28,048,128
	<u>\$ 56,184,223</u>	<u>\$ 362,701</u>	<u>\$ 6,002,140</u>	<u>\$ 17,002,120</u>	<u>\$ 16,760,228</u>	<u>\$ 96,311,412</u>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

##### *10. Fund Equity/Net Position (continued)*

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

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

The government-wide statement of net position reports \$49,523,066 of restricted net position.

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

##### *11. Estimates*

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

##### *12. Property Taxes*

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS

#### *DEPOSITS AND INVESTMENTS*

##### *Deposits*

The City maintains a common cash and cash equivalents pool for use by all non-fiduciary funds. Deposits of the City, including time deposit accounts, demand deposit accounts and certificates of deposit, are defined as public deposits. Pursuant to the City's policies, all of the City's deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having fair value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in fault. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss. At September 30, 2023, the carrying amount of the City's deposits totaled \$15,407,186.

##### *Investments*

##### **Authorized Investments**

The City's investments are categorized as investments for the City as a whole (hereinafter referred to as "general City investments") and those of its various defined benefit pension plans. The City is authorized by statute and policy to invest public funds (general City investments) in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit that are fully insured and collateralized; high-grade commercial paper, repurchase agreements having a defined termination date and collateralized by U.S. Treasury obligations; and Local Government Surplus Trust Funds, as administered by the Florida State Board of Administration ("SBA"). The City invested funds throughout the year in the Florida PRIME, which is not Securities and Exchange Commission ("SEC") registered, but which qualifies as a fluctuating net asset value ("NAV") pool. The City's investment in the SBA at September 30, 2023 represented less than 1% of the total investment assets of the SBA. The City of Deerfield Beach invests in the pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2023, the City's investment in the SBA was \$56,269,866.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Authorized Investments (continued)**

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investments in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2023, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The Florida Municipal Investment Trust (the "Trust") (as administered by the Florida League of Cities) is an authorized investment under Section 218.415(115), Florida Statutes, for units of local government in Florida. The operation and administration of the Trust is the responsibility of a Board of Trustees, who are selected from the ranks of elected officials of governmental entities participating in the Trust. The fair value of the City's position in the Trust at September 30, 2023 is the same as the value of the pool share, \$2,947,998.

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

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***DEPOSITS AND INVESTMENTS (CONTINUED)***

***Investments (continued)***

**Authorized Investments (continued)**

As of September 30, 2023, the City and the City’s pension plans had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida PRIME	\$ --	\$ 56,269,866	\$ 56,269,866
Investment in Florida Municipal Investment Trust	--	2,947,998	2,947,998
Money market funds	5,518,326	33,009,677	38,528,003
Fixed income mutual funds	17,141,969	--	17,141,969
U.S. government and agency securities	26,501,057	32,544,965	59,046,022
Equity securities	128,178,651	--	128,178,651
Corporate bonds	8,540,497	--	8,540,497
Real estate funds	36,126,091	--	36,126,091
Self directed DROP accounts	2,389,907	--	2,389,907
Private credit funds	5,556,035	--	5,556,035
Hedge funds	<u>2,069,900</u>	<u>--</u>	<u>2,069,900</u>
<b>Total</b>	<b><u>\$ 232,022,433</u></b>	<b><u>\$ 124,772,506</u></b>	<b><u>\$ 356,794,939</u></b>

**Interest Rate Risk**

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***DEPOSITS AND INVESTMENTS (CONTINUED)***

***Investments (continued)***

**Interest Rate Risk (continued)**

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

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

Investment Type	Value	Maturities (in Years)	
		Less Than 1 Year	1-5 Years
<b>City General Investments</b>			
FL PRIME	\$ 56,269,866	\$ 56,269,866	\$ --
FL Municipal Investment Trust	2,947,998	--	2,947,998
Money market funds	33,009,677	33,009,677	--
U.S. government and agency securities	<u>32,544,965</u>	<u>2,691,981</u>	<u>29,852,984</u>
<b>Total</b>	<u>\$ 124,772,506</u>	<u>\$ 91,971,524</u>	<u>\$ 32,800,982</u>

Investment Type	Value	Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 years
<b>Pension Trust Funds</b>					
Mutual funds	\$ 17,141,969	\$ 1,590,110	\$ 10,478,471	\$ 3,684,242	\$ 1,389,146
U.S. treasuries	13,079,864	1,540,535	3,043,083	5,223,905	3,272,341
U.S. agencies	13,421,193	17,074	999,151	1,051,518	11,353,450
Corporate bonds	<u>8,540,497</u>	<u>715,800</u>	<u>3,793,289</u>	<u>3,356,731</u>	<u>674,677</u>
<b>Total</b>	<u>\$ 52,183,523</u>	<u>\$ 3,863,519</u>	<u>\$ 18,313,994</u>	<u>\$ 13,316,396</u>	<u>\$ 16,689,614</u>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Credit Risk**

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***DEPOSITS AND INVESTMENTS (CONTINUED)***

***Investments (continued)***

**Credit Risk (continued)**

The following table discloses credit ratings by investment type, at September 30, 2023, as applicable:

	Quality Credit Rating Moody's	Fair Value
	Aaa	\$ 35,750,157
	Aa1	6,759,864
	Aa2	699,972
	Aa3	71,264
	A	889,479
	A+	594,150
	A-	1,471,243
	A1	591,751
	A2	979,481
	A3	803,563
	AAA	715,924
	AA	218,880
	AA+	10,802,790
	AA-	160,195
	Baa1	366,714
	Baa2	2,758,804
	Ba2	2,257,870
	BBB+	848,774
	BBB	1,211,184
	BB	1,748,268
	Below B	426,352
	Not rated	74,284,385
<b>Total Credit Risk Securities</b>		144,411,064
U.S. treasuries and agency securities explicitly guaranteed		32,544,965
<b>Total Fixed Income/Credit Risk Securities</b>		\$ 176,956,029
<b>Total Fixed Income/Credit Risk Securities - City</b>		\$ 124,772,506
<b>Total Fixed Income Securities - Pension Trust Funds</b>		52,183,523
		\$ 176,956,029

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Concentration of Credit Risk**

The City limits its investments in any one issuer to no more than 5% of total investments, except for investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments, which are excluded from this requirement. There were no individual investments that represented 5% or more of the City's total investments at September 30, 2023. The three pension plans limit their exposure by limiting their investments in any one issuer to no more than 5% of plan net position other than those issued by the U.S. government or its agencies. None of the plans had holdings that exceeded the 5% limit.

#### **Custodial Credit Risk**

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

#### **Fair Value Hierarchy**

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Fair Value Hierarchy (continued)**

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

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

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

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

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

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

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Fair Value Hierarchy (continued)**

#### **Deerfield Beach Municipal Firefighters' Pension Trust Fund (continued)**

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

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Fair Value Hierarchy (continued)**

#### **Deerfield Beach Municipal Firefighters’ Pension Trust Fund (continued)**

	*Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Equity securities:				
Common stocks	\$ 42,425,386	\$ 42,425,386	\$ --	\$ --
Mutual funds	31,727,557	31,727,557	--	--
Total debt securities	74,152,943	74,152,943	--	--
Debt securities:				
Corporate bonds	2,170,108	--	2,170,108	--
U.S. treasury securities	5,882,779	5,882,779	--	--
U.S. agency securities	6,632,321	--	6,632,321	--
Fixed income mutual funds	15,158,279	15,158,279	--	--
Total debt securities	29,843,487	21,041,058	--	--
Self directed DROP accounts	2,389,907	--	2,389,907	--
<b>Total Investments by Fair Value Level</b>	106,386,337	\$ 95,194,001	\$ 11,192,336	\$ --
<b>Investments Measured at Net Asset Value (NAV)</b>				
Real estate funds	25,487,345			
Private credit funds	5,556,035			
Hedge fund	587,162			
Total investments measured at NAV	31,630,542			
Money market funds (exempt)	3,466,884			
<b>Total Investments</b>	\$ 141,483,763			

\* Investment type descriptions mirror audited fire plan financial statements.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Fair Value Hierarchy (continued)**

#### **Deerfield Beach Municipal Firefighters’ Pension Trust Fund (continued)**

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

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund <sup>(1)</sup>	\$ 12,173,579	\$ --	Quarterly	90 Days
Real Estate Fund <sup>(2)</sup>	4,141,506	--	Quarterly	10 Days
Real Estate Fund <sup>(3)</sup>	9,172,260	--	N/A	N/A
Hedge Fund <sup>(4)</sup>	587,162	--	Quarterly	90 Days
Private credit Fund <sup>(5)</sup>	5,010,341	--	N/A	N/A
Private credit Fund <sup>(5)</sup>	545,694	1,493,914	N/A	N/A
<b>Total Investments Measured at NAV</b>	<b>\$ 31,630,542</b>	<b>\$ 1,493,914</b>		

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Fair Value Hierarchy (continued)**

#### **Deerfield Beach Municipal Firefighters’ Pension Trust Fund (continued)**

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

#### **Deerfield Beach Municipal Police Officers’ Retirement Trust Fund**

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

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***DEPOSITS AND INVESTMENTS (CONTINUED)***

***Investments (continued)***

**Fair Value Hierarchy (continued)**

**Deerfield Beach Municipal Police Officers’ Retirement Trust Fund (continued)**

	*Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Equity securities:				
Equity mutual funds	\$ 27,717,325	\$ 27,717,325	\$ --	\$ --
Debt securities:				
U.S. treasury securities	2,257,164	1,275,611	981,553	--
U.S. agency securities	3,443,728	--	3,443,728	--
Fixed income mutual funds	1,983,690	1,983,690	--	--
Corporate bonds	531,460	--	531,460	--
Total debt securities	8,216,042	3,259,301	4,956,741	--
<b>Total Investments by Fair Value Level</b>	<u>35,933,367</u>	<u>\$ 30,976,626</u>	<u>\$ 4,956,741</u>	<u>\$ --</u>
<b>Investments Measured at Net Asset Value (NAV)</b>				
Real estate funds	5,970,777			
<b>Total Investments Measured at NAV</b>	<u>5,970,777</u>			
Money market funds (exempt)	1,056,820			
<b>Total Investments</b>	<u>\$ 42,960,964</u>			

\* Investment type descriptions mirror audited police plan financial statements.

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***DEPOSITS AND INVESTMENTS (CONTINUED)***

***Investments (continued)***

**Fair Value Hierarchy (continued)**

**Deerfield Beach Municipal Police Officers’ Retirement Trust Fund (continued)**

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund <sup>(1)</sup>	\$ 1,541,706	\$ --	Quarterly	10 Days
Real Estate Fund <sup>(2)</sup>	4,429,071	--	Quarterly	90 Days
<b>Total Investments Measured at NAV</b>	<b>\$ 5,970,777</b>	<b>\$ --</b>		

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Fair Value Hierarchy (continued)**

#### **Deerfield Beach Municipal Nonuniformed Employees' Retirement Plan**

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

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

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

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

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***DEPOSITS AND INVESTMENTS (CONTINUED)***

***Investments (continued)***

**Fair Value Hierarchy (continued)**

**Deerfield Beach Municipal Nonuniformed Employees’ Retirement Plan (continued)**

	*Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Equity securities:				
Common stocks	\$ 26,308,383	\$ 26,308,383	\$ --	\$ --
Debt securities:				
U.S. treasury securities	4,939,921	4,192,955	746,966	--
U.S. agency securities	2,169,457	--	2,169,457	--
Municipal bonds	1,175,687	--	1,175,687	--
Corporate bonds	5,838,929	--	5,838,929	--
Total debt securities	14,123,994	4,192,955	9,931,039	--
<b>Total Investments by Fair Value Level</b>	<b>40,432,377</b>	<b>\$ 30,501,338</b>	<b>\$ 9,931,039</b>	<b>\$ --</b>
<b>Investments Measured at Net Asset Value (NAV)</b>				
Real estate funds	4,667,969			
Hedge fund	1,482,738			
<b>Total Investments Measured at NAV</b>	<b>6,150,707</b>			
Money market funds (exempt)	994,622			
<b>Total Investments</b>	<b>\$ 47,577,706</b>			

\* Investment type descriptions mirror audited Nonuniformed plan financial statements.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *DEPOSITS AND INVESTMENTS (CONTINUED)*

#### *Investments (continued)*

#### **Fair Value Hierarchy (continued)**

#### **Deerfield Beach Municipal Nonuniformed Employees’ Retirement Plan**

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund <sup>(1)</sup>	\$ 4,667,969	\$ --	Quarterly	45 Days
Hedge Fund <sup>(2)</sup>	1,482,738	--	Daily	1-2 Days
<b>Total Investments Measured at NAV</b>	<b>\$ 6,150,707</b>	<b>\$ --</b>		

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***RECEIVABLES AND PAYABLES***

The City reports the General, Community Redevelopment Agency (“CRA”), General Construction, Water and Sewer, Stormwater Utility and Solid Waste Funds as major funds. Receivables at September 30, 2023 were as follows:

Governmental Activities	General Fund	CRA Fund	General Construction	Nonmajor Governmental Funds	Total
<b>Receivables</b>					
Accounts receivable	\$ 3,823,130	\$ --	\$ --	\$ 251,127	\$ 4,074,257
Assessments	842	--	--	--	842
Interest	65,626	5,853	50,728	15,615	137,822
Lease	<u>77,488</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>77,488</u>
<b>Total</b>	<u>\$ 3,967,086</u>	<u>\$ 5,853</u>	<u>\$ 50,728</u>	<u>\$ 266,742</u>	<u>\$ 4,290,409</u>
Business-type Activities		Water and Sewer Utility	Solid Waste	Stormwater Utility	Total
<b>Receivables</b>					
Accounts		\$ 3,498,225	\$ 1,299,998	\$ 192,959	\$ 4,991,182
Delinquent assessments		107,271	--	--	107,271
Interest		<u>342,631</u>	<u>--</u>	<u>--</u>	<u>342,631</u>
<b>Gross Receivables</b>		3,948,127	1,299,998	192,959	5,441,084
Less: allowance for uncollectibles		<u>(794,337)</u>	<u>(222,858)</u>	<u>(31,622)</u>	<u>(1,048,817)</u>
<b>Total</b>		<u>\$ 3,153,790</u>	<u>\$ 1,077,140</u>	<u>\$ 161,337</u>	<u>\$ 4,392,267</u>

Receivables of the Water and Sewer and Solid Waste Utility Funds are reported net of uncollectible amounts, and are as follows:

Uncollectible related to water sales	\$ 575,904
Uncollectible related to sewer charges	218,433
Uncollectible related to solid waste charges	222,858
Uncollectible related to stormwater charges	<u>31,622</u>
<b>Total Uncollectible for the Current Fiscal Year</b>	<u>\$ 1,048,817</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***RECEIVABLES AND PAYABLES (CONTINUED)***

Accounts payable at September 30, 2023 were as follows:

	Vendors	Retainage	Total Payables
<b>Governmental Activities</b>			
General Fund	\$ 3,420,280	\$ 12,140	\$ 3,432,420
Community Redevelopment Agency Fund	155,274	20,202	175,476
American Rescue Plan Fund	41,975	--	41,975
General Construction Fund	1,475,876	1,005,161	2,481,037
Nonmajor Governmental Funds	<u>1,956,096</u>	<u>--</u>	<u>1,956,096</u>
<b>Total Governmental Activities</b>	<u><u>\$7,049,501</u></u>	<u><u>\$ 1,037,503</u></u>	<u><u>\$8,087,004</u></u>
<b>Business-type Activities</b>			
Water and Sewer Utility Fund	\$ 1,601,049	\$ 42,479	\$ 1,643,528
Solid Waste Fund	1,309,763	--	1,309,763
Stormwater Utility Fund	<u>26,365</u>	<u>42,115</u>	<u>68,480</u>
<b>Total Business-type Activities</b>	<u><u>\$ 2,937,177</u></u>	<u><u>\$ 84,594</u></u>	<u><u>\$ 3,021,771</u></u>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

#### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

##### *CAPITAL ASSETS*

The following is a summary of capital asset activity for the year ended September 30, 2023:

	Beginning Balances*	Increase	Decrease	Ending Balances
<b>Governmental Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 18,028,619	\$ 334,407	\$ --	\$ 18,363,026
Construction in progress	23,948,997	16,084,528	--	40,033,525
<b>Total Capital Assets Not Being Depreciated</b>	<u>41,977,616</u>	<u>16,418,935</u>	<u>--</u>	<u>58,396,551</u>
<b>Capital Assets Being Depreciated/Amortized</b>				
Buildings	40,786,018	--	--	40,786,018
Improvements other than buildings	16,357,801	8,337,531	--	24,695,332
Software subscriptions	630,265	--	--	630,265
Equipment	24,612,078	1,400,409	361,500	25,650,987
Infrastructure	86,542,310	1,360,295	--	87,902,605
<b>Total Capital Assets Being Depreciated/Amortized</b>	<u>168,298,207</u>	<u>11,098,235</u>	<u>361,500</u>	<u>179,665,207</u>
<b>Less: Accumulated Depreciation/Amortization for</b>				
Buildings	19,337,375	999,014	--	20,336,389
Improvements other than buildings	5,590,806	762,367	--	6,353,173
Software subscriptions	--	182,546	--	182,546
Equipment	18,469,100	1,234,762	361,500	19,342,362
Infrastructure	58,358,631	2,408,090	--	60,766,721
<b>Total Accumulated Depreciation/Amortization</b>	<u>101,755,912</u>	<u>5,586,779</u>	<u>361,500</u>	<u>106,981,191</u>
<b>Total Capital Assets Being Depreciated/Amortized, Net</b>	<u>66,542,295</u>	<u>5,511,456</u>	<u>--</u>	<u>72,684,016</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 108,519,911</u>	<u>\$ 21,930,391</u>	<u>\$ --</u>	<u>\$ 131,080,567</u>

\*Revised for GASB Statement No. 96, Subscription-Based Information Technology Arrangements

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

#### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

##### *CAPITAL ASSETS (CONTINUED)*

	Beginning Balances*	Increase	Decrease	Ending Balances
<b>Business-type Activities</b>				
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 50,531	\$ --	\$ --	\$ 50,531
Construction in progress	3,205,485	7,234,346	--	10,439,831
<b>Total Capital Assets Not Being Depreciated</b>	<u>3,256,016</u>	<u>7,234,346</u>	<u>--</u>	<u>10,490,362</u>
<b>Capital Assets Being Depreciated/Amortized</b>				
Buildings	2,266,147	--	--	2,266,147
Utility plants in service	46,054,250	479,636	--	46,533,886
Improvements other than buildings	97,236,545	6,038	--	97,242,583
Software subscriptions	142,030	--	--	142,030
Equipment	24,722,985	3,135,671	--	27,858,656
<b>Total Capital Assets Being Depreciated/Amortized</b>	<u>170,279,927</u>	<u>3,621,345</u>	<u>--</u>	<u>174,043,302</u>
<b>Less: Accumulated Depreciation/Amortization for</b>				
Buildings	1,848,037	15,479	--	1,863,516
Utility plants in service	27,988,113	1,339,021	--	29,327,134
Improvements other than buildings	54,062,996	2,251,985	--	56,314,981
Software subscriptions	--	47,300	--	47,300
Equipment	19,169,640	1,452,785	--	20,622,425
<b>Total Accumulated Depreciation/Amortization</b>	<u>103,068,786</u>	<u>5,106,570</u>	<u>--</u>	<u>108,175,356</u>
<b>Total Capital Assets Being Depreciated/Amortized, Net</b>	<u>67,211,141</u>	<u>(1,485,225)</u>	<u>--</u>	<u>65,867,946</u>
<b>Business-type Activities Capital Assets, Net</b>	<u>\$ 70,467,157</u>	<u>\$ 5,749,121</u>	<u>\$ --</u>	<u>\$ 76,358,308</u>

\*Revised for GASB Statement No. 96, Subscription-Based Information Technology Arrangements

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***CAPITAL ASSETS (CONTINUED)***

Depreciation expense was charged to functions/programs as follows:

**Governmental Activities**

General government	\$ 340,129
Public safety	821,842
Human services	79,622
Physical environment	726,988
Transportation	1,949,899
Culture and recreation	1,653,221
Economic environment	<u>15,078</u>

**Total Depreciation/Amortization Expense -**

**Governmental Activities** \$ 5,586,779

**Business-type Activities**

Water and sewer	\$ 4,019,102
Solid waste	992,916
Stormwater	<u>94,552</u>

**Total Depreciation/Amortization Expense -**

**Business-type Activities** \$ 5,106,570

***SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS***

The City has recorded several multi-year subscription-based information technology arrangements (“SBITAs”) as a result of implementing GASB Statement No. 96. The City has discounted the future minimum payments using its incremental borrowing rate. The SBITAs are amortized on a straight-line basis over the shorter of the life of the assets or the related agreement and with a value of \$25,000.

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)***

The classes and amounts of SBITAs as of September 30, 2023 were as follows:

*Governmental Activities:*

	Asset Balances	Accumulated Amortization
Software	\$ 630,265	\$ (182,546)

*Business-Type Activities:*

	Asset Balances	Accumulated Amortization
Software	\$ 142,030	\$ (47,300)

Future minimum payments and present value of payments as of September 30, 2023:

	Governmental Activities Debt		
	Principal	Interest	Total
Fiscal Year Ending September 30,			
2024	\$ 182,058	\$ 23,824	\$ 205,882
2025	139,138	6,586	145,724
2026	71,645	2,746	74,391
2027	25,993	345	26,338
<b>Total</b>	<b>\$ 418,834</b>	<b>\$ 33,501</b>	<b>\$ 452,335</b>

	Business-Type Activities Debt		
	Principal	Interest	Total
Fiscal Year Ending September 30,			
2024	\$ 45,694	\$ 3,237	\$ 48,931
2025	35,507	2,192	37,699
2026	25,321	1,113	26,434
<b>Total</b>	<b>\$ 106,522</b>	<b>\$ 6,542</b>	<b>\$ 113,064</b>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *ENCUMBRANCES*

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2023, were as follows:

<b>Major Funds</b>	
General Fund	\$ 458,981
Community Redevelopment Agency	2,411,431
General Construction Fund	<u>9,359,719</u>
<b>Total Major Funds</b>	12,230,131
<b>Nonmajor Governmental Funds</b>	<u>11,028,046</u>
<b>Total Encumbrances</b>	<u><u>\$23,258,177</u></u>

#### *CONSTRUCTION COMMITMENTS*

The City has outstanding commitments for construction and acquisition of property, plant and equipment. The following is a summary of the most significant of these commitments at September 30, 2023:

<u>Project</u>	<u>Amounts Outstanding</u>
Center for Active Aging Redevelopment	\$ 2,476,286
City Hall Renovations	500,000
Johnny L. Tigner Building	8,113,143
S-Curve Streetscape Improvements	2,100,140
Other Projects	<u>759,132</u>
<b>Total Commitments</b>	<u><u>\$13,948,701</u></u>

#### *UNAVAILABLE REVENUES*

Unavailable revenue in the General Fund includes \$627,153 for local business taxes (formerly referred to as occupational licenses) relating to fiscal year 2023.

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***UNAVAILABLE REVENUES (CONTINUED)***

The Miscellaneous Grants and CDBG nonmajor special revenue funds had unavailable revenue of \$598,675 related to funds received that had not been spent for their specified purpose.

***INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS***

The interfund balances below represent short-term loans to cover temporary negative balances in each fund’s equity in pooled cash at year-end. The composition of interfund balances at September 30, 2023 was as follows:

**Due To/Due From**

	Due to				Total
	General Fund	American Rescue Fund	General Construction Fund	Nonmajor Governmental Funds	
<b>Due From</b>					
General Fund	\$ --	\$ 110,000	\$ --	\$ --	\$ 110,000
Nonmajor Government Funds	2,300,000	--	500,000	805,000	3,605,000
Stormwater Utility Fund	3,150,000	--	--	--	3,150,000
Solid Waste Fund	6,000,000	--	--	--	6,000,000
Water and Sewer Fund	<u>1,027,211</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,027,211</u>
<b>Total</b>	<u>\$ 12,477,211</u>	<u>\$ 110,000</u>	<u>\$ 500,000</u>	<u>\$ 805,000</u>	<u>\$ 13,892,211</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)***

**Interfund Transfers**

	Transfers In						Total
	General Fund	General Construction Fund	Nonmajor Governmental	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	
<b>Transfers Out</b>							
General Fund	\$ --	\$ 6,511,770	\$ 6,623,158	\$ 1,763,420	\$ 2,170,154	\$ 5,073	\$ 17,073,575
American Rescue Plan Fund	778,767	--	--	--	--	418,788	1,197,555
Nonmajor Governmental Funds	157,115	261,376	382,419	--	--	--	800,910
Water and Sewer Utility Fund	20,800	--	--	--	835,558	--	856,358
Solid Waste Fund	20,800	--	11,788	--	--	--	32,588
<b>Total</b>	<u>\$ 977,482</u>	<u>\$ 6,773,146</u>	<u>\$ 7,017,365</u>	<u>\$ 1,763,420</u>	<u>\$ 3,005,712</u>	<u>\$ 423,861</u>	<u>\$ 19,960,986</u>

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

***FINANCING LEASES***

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)**

***LEASES (CONTINUED)***

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

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2023, were as follows:

	Governmental Activities	Business- type Activities	Total
Fiscal Year Ending September 30			
2024	\$ 437,864	\$ 336,418	\$ 774,282
2025	392,242	330,714	722,956
2026	427,971	360,838	788,809
2027	464,724	391,827	856,551
2028	476,114	401,429	877,543
2029-2033	2,564,216	2,161,988	4,726,204
2034-2035	<u>791,710</u>	<u>667,521</u>	<u>1,459,231</u>
Total minimum lease payments	5,554,841	4,650,735	10,205,576
Less: amount representing interest	<u>(797,295)</u>	<u>(672,189)</u>	<u>(1,469,484)</u>
<b>Present Value of Future Minimum</b>			
<b>Lease Payments</b>	<u>\$ 4,757,546</u>	<u>\$ 3,978,546</u>	<u>\$ 8,736,092</u>

As of September 30, 2023, the equipment held under financing leases for governmental activities and business-type activities totaled \$3,188,960 and \$865,730, respectively. Accumulated depreciation for equipment held under financing leases was \$1,777,966 and \$627,092 for governmental and business type activities, respectively, as of September 30, 2023.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *LONG-TERM DEBT*

##### *Governmental Activities Debt*

*General Obligation Bonds, Series 2000* – The original amount of this issue was divided into two series: Series “A,” for which \$9,978,847 in bonds were issued, and Series “B,” for which \$2,820,183 in bonds were issued. The proceeds of these bonds were used to finance the construction of a public safety complex, a public works facility, parks improvements, right-of-way improvements and expansion of the senior services facilities. The combined outstanding bonds of the issue, \$1,373,143, have interest rates that range from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1<sup>st</sup> and October 1st with the final maturity date being October 1, 2024.

*General Obligation Bonds, Series 2012B-2* – The original amount of this issue was \$14,770,000. The proceeds of these bonds were used to refund previously issued debt, namely Florida Municipal Loan Council Revenue Bonds, Series 2000B; Series 2003A and Series 2003B. The interest rates on these bonds range from 2% to 5%. The principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2028. The principal and interest of this issue will be payable from and secured by the City’s ad valorem taxes. For the current year, principal and interest of \$973,300 was paid. Ad valorem taxes amounted to \$54,315,729. The outstanding balance for this issue at year end amounted to \$8,250,000.

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

*Covenant Bonds, Series 2012B-1* – The original amount of this issue was \$20,090,000. The proceeds of this bond issue were to repay previously issued debt as well as to finance the construction of parks and right of way improvements, in addition to citywide street improvements. The interest rates on these bonds range from 2.00% to 4.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2032. The remaining outstanding bonds of this issue total \$9,210,000 with total interest payable of \$1,106,866 over the remainder of the term of the bonds. For the current year, principal and interest of \$1,563,694 was paid.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *LONG-TERM DEBT (CONTINUED)*

##### *Governmental Activities Debt (continued)*

*Covenant Bonds, Series 2018* – The original amount of this issue was \$36,155,000. The proceeds of this bond issue were to repay previously issued debt, Series 2006 Covenant Bonds, as well as to finance the renovation and construction of City facilities, parks and citywide street improvements. The interest rates on these bonds range from 2.44% to 5.25%. Principal is due annually on December 1st and interest is payable semi-annually on June 1<sup>st</sup> and December 1st, with the final maturity date being December 1, 2042. The remaining outstanding bonds of this issue total \$35,380,000 with total interest payable of \$22,952,937 over the remainder of the term of the bonds. For the current year, principal and interest of \$2,040,075 was paid.

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

##### *Business-type Activities Debt*

*Loans Payable* – The City has entered into two loan agreements with the State of Florida Department of Environmental Protection. The primary purpose of these loans is to construct water and wastewater facilities. As of September 30, 2009, the City borrowed \$8,662,208, with interest rates ranging from 2.27% to 3.57%. As of September 30, 2021, the outstanding principal amount of these loans totaled \$2,865,506. Principal and interest payments on the two Florida Water Pollution Control Construction loans are due on April 15 and October 15 of each year. At September 30, 2023, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were \$285,348, and \$1,635,158, respectively. Revenues of the Water and Sewer Utility Fund have been pledged as security for repayment of these loans. Total principal and interest paid during the current year totaled \$528,306.

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *LONG-TERM DEBT (CONTINUED)*

##### *Business-type Activities Debt (continued)*

*Bank of America Revenue and Refunding Note, Series 2018* – On June 13, 2018, the City entered into a loan agreement with Bank of America in the amount of \$11,397,243. The proceeds of this bond issue were used to refund the Florida Municipal Loan Council Revenue Bonds, Series 2008A. The reacquisition price exceeded the net carrying amount of the old debt by \$85,603. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce the total debt service payments over the next 10 years by \$1,068,336 and resulted in an economic gain of \$914,540. The interest rate on the new debt is 3.07%. Principal is due annually on October 1st and interest is payable semiannually on April 1st and October 1st, with the final maturity date being October 1, 2028. As of September 30, 2023, the principal balance outstanding was \$6,750,503. The principal and interest paid during the current year totaled \$1,229,673.

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *LONG-TERM DEBT (CONTINUED)*

#### *Changes in Long-Term Debt*

The following is a summary of changes in long-term liabilities for the year ended September 30, 2023:

	Beginning Balance *	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 10,699,375	\$ --	\$ 1,076,232	\$ 9,623,143	\$ 1,067,961
Covenant bonds	46,090,000	--	1,500,000	44,590,000	1,560,000
Plus: Deferred amounts for premiums/discounts	6,037,768	--	95,475	5,942,293	--
Total bonds payable	<u>62,827,143</u>	--	<u>2,671,707</u>	<u>60,155,436</u>	<u>2,627,961</u>
Financing Leases	6,040,764	--	1,283,218	4,757,546	281,795
Obligations under SBITA's	603,265	--	184,431	418,834	182,058
Compensated absences	1,205,006	1,644,271	1,603,260	1,246,017	1,246,017
Claims and judgments	<u>8,457,688</u>	<u>2,995,128</u>	<u>4,220,221</u>	<u>7,232,595</u>	<u>687,652</u>
<b>Total Governmental Activities</b>					
<b>Long-Term Liability</b>	<u>\$ 79,133,866</u>	<u>\$ 4,639,399</u>	<u>\$ 9,962,837</u>	<u>\$ 73,810,428</u>	<u>\$ 5,025,483</u>
<b>Business-type Activities</b>					
Bonds payable	\$ 7,757,479	\$ --	\$ 1,006,976	6,750,503	1,038,985
Loans payable	2,398,223	--	477,717	1,920,506	488,389
Financing Leases	4,429,723	--	451,177	3,978,546	204,608
Obligations under SBITAs	142,030	--	35,508	106,522	45,694
Compensated absences	<u>1,069,302</u>	<u>948,767</u>	<u>882,713</u>	<u>1,135,356</u>	<u>944,284</u>
<b>Total Business-type Activities</b>	<u>\$ 15,796,757</u>	<u>\$ 948,767</u>	<u>\$ 2,854,091</u>	<u>\$ 13,891,433</u>	<u>\$ 2,721,960</u>

\*Revised for GASB Statement No. 96. Subscription-Based Information Technology Arrangements

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

#### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

##### *LONG-TERM DEBT (CONTINUED)*

##### *Summary of Annual Debt Service Requirements*

The annual debt service requirements to maturity for debt outstanding as of September 30, 2023 are as follows:

Fiscal Year Ending September 30,	Governmental Activities Debt					
	General Obligation Bonds			Covenant Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,067,961	\$ 1,424,252	\$ 2,492,213	\$ 1,560,000	\$ 2,051,394	\$ 3,611,394
2025	1,088,285	1,406,415	2,494,700	1,615,000	2,000,044	3,615,044
2026	1,510,182	989,318	2,499,500	1,670,000	1,945,169	3,615,169
2027	1,106,715	1,390,034	2,496,751	1,725,000	1,888,394	3,613,394
2028	2,390,000	109,650	2,499,650	1,785,000	1,828,628	3,613,628
2029-2033	2,460,000	36,900	2,496,900	10,205,000	7,861,988	18,066,988
2034-2038	--	--	--	12,990,000	5,074,125	18,064,125
2039-2042	--	--	--	13,040,000	1,410,062	14,450,062
<b>Total</b>	<u>\$ 9,623,143</u>	<u>\$ 5,356,569</u>	<u>\$ 14,979,714</u>	<u>\$ 44,590,000</u>	<u>\$ 24,059,804</u>	<u>\$ 68,649,804</u>

Fiscal Year Ending September 30,	Business-Type Activities Debt					
	Revolving Loans			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 488,389	\$ 39,916	\$ 528,305	\$ 1,038,985	\$ 191,292	\$ 1,230,277
2025	499,298	29,008	528,306	1,071,243	158,900	1,230,143
2026	510,455	17,851	528,306	1,106,124	125,477	1,231,601
2027	422,364	7,012	429,376	1,141,347	90,978	1,232,325
2028	--	--	--	1,177,715	55,381	1,233,096
2029-2030	--	--	--	1,215,089	18,652	1,233,741
<b>Total</b>	<u>\$ 1,920,506</u>	<u>\$ 93,787</u>	<u>\$ 2,014,293</u>	<u>\$ 6,750,503</u>	<u>\$ 640,680</u>	<u>\$ 7,391,183</u>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 3 – DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### *LONG-TERM DEBT (CONTINUED)*

##### *Pollution Remediation*

The City accepted approximately 44.65 acres of donated land in October 2011 from a private donor. The City plans to redevelop the land (Tam O'Shanter project) and eventually use it for community facilities and recreation, as well as open space. The land has been found to contain contamination from toxic substances. According to studies conducted to determine the extent of the pollution and the expected costs of remediation estimated costs may range between \$150,000 and \$4,000,000 depending on the prospective use of the land. The donor has contributed \$250,000 towards the future costs of clean-up. No remediation efforts had begun as of September 30, 2023. The remediation outlays are considered necessary to prepare the asset for its intended use, and will be capitalized as part of the newly developed asset as expenditures are incurred, and therefore no expenditure and liability have been accrued at this time.

### NOTE 4 – OTHER INFORMATION

#### *RESTRICTED ASSETS*

The amounts shown below are those assets restricted by sources external to the City. Ordinances and bond covenants pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts as of September 30, 2023:

##### **Governmental Activities**

American Rescue Plan proceeds	\$ 4,667,507
Cemetery Trust Fund	1,287,352
General Construction Fund	19,108,194
Forfeiture	804,035
General Obligation Debt Service	<u>4,940,390</u>
<b>Total Governmental Activities Restricted Assets</b>	<b><u>\$ 30,807,478</u></b>

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***RESTRICTED ASSETS (CONTINUED)***

	Water and Sewer Fund	Solid Waste Fund	Total
<b>Business-type Activities</b>			
Customer deposits	\$ 725,813	\$ 4,998	\$ 730,811
Revolving loan covenant accounts	1,139,000	--	1,139,000
<b>Total Business-type Activities</b>			
<b>Restricted Assets</b>	\$ 1,864,813	\$ 4,998	\$ 1,869,811

***RISK MANAGEMENT***

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***RISK MANAGEMENT (CONTINUED)***

At September 30, 2023, the amount of these liabilities was \$7,232,595. Changes in the reported liability since October 1, 2022 resulted from the following:

	Claims Payable October 1	Current Year's Claims and Changes in Estimates	Claims Payments	Liability September 30
<b>Fiscal Year Ended September 30,</b>				
2022	\$ 9,421,320	\$ 2,483,824	\$ (3,447,456)	\$ 8,457,688
2023	\$ 8,457,688	\$ 2,955,128	\$ (4,220,221)	\$ 7,192,595

***CONTINGENT LIABILITIES***

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

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

***DEFINED BENEFIT PENSION PLANS***

***Plan Description***

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 4 – OTHER INFORMATION (CONTINUED)

#### *DEFINED BENEFIT PENSION PLANS (CONTINUED)*

##### *Plan Description (continued)*

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

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

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***DEFINED BENEFIT PENSION PLANS (CONTINUED)***

***Funding Policy***

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

The Fire Pension Fund, as well as the Police Pension Fund, is partially funded by contributions from the State of Florida. The state’s contribution to the pension funds consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City limits. For fiscal year 2023, the state contributed \$1,164,334 and \$957,166 to the Fire Pension and Police Pension Funds, respectively. On-behalf payments of fringe benefits and salaries for the City’s employees were recognized as revenues and expenditures during the period.

Information regarding fiscal year 2023 participant data for the three pension plans is as follows:

	Fire	Police	Non-Uniformed	Total
Plan membership as of actuarial valuation date	10/1/2023	10/1/2023	10/1/2023	
Inactive plan members and beneficiaries currently receiving benefits	150	66	110	326
Inactive plan members entitled but not yet receiving benefits	--	--	--	--
Active plan members	<u>46</u>	<u>--</u>	<u>1</u>	<u>47</u>
<b>Total Members</b>	<u>196</u>	<u>66</u>	<u>111</u>	<u>373</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***DEFINED BENEFIT PENSION PLANS (CONTINUED)***

***Funding Policy (continued)***

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

***Net Pension Liability***

The component as of the net pension liability as of September 30, 2022 (measurement date) were as follows:

	Fire	Police	Non-Uniformed	Total
Total pension liability	\$ 178,960,147	\$ 63,944,075	\$ 52,327,722	\$ 295,231,944
Less plan fiduciary net position*	<u>(134,183,987)</u>	<u>(41,030,064)</u>	<u>(47,016,589)</u>	<u>(222,230,640)</u>
<b>City's Net Pension Liability</b>	<u>\$ 44,776,160</u>	<u>\$ 22,914,011</u>	<u>\$ 5,311,133</u>	<u>\$ 73,001,304</u>
 Plan fiduciary net position as a percentage of the total pension liability	 74.98%	 64.17%	 89.85%	

\* The Police Plan fiduciary net position above does not agree to the Police Plan fiduciary net position presented in the statement of fiduciary net position as of September 30, 2022. The difference of \$7,553 was caused by an adjustment that was made after the actuary finalized their report.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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### NOTE 4 – OTHER INFORMATION (CONTINUED)

#### *DEFINED BENEFIT PENSION PLANS (CONTINUED)*

##### *Net Pension Liability*

	Fire	Police	Non-Uniformed
Total pension liability - beginning	\$ 175,098,914	\$ 63,249,682	\$ 54,313,153
Changes for the year:			
Service cost	3,146,556	--	26,230
Interest	12,534,352	4,101,990	3,105,737
Difference between expected and actual experience	(2,126,574)	(1,228,809)	36,806
Change in benefit terms	--	2,483,835	--
Change of assumptions	509,219	--	--
Share plan allocation	--	589,327	--
Benefit payments	(10,202,320)	(5,251,950)	(5,154,204)
Net change in total pension liability	3,861,233	694,393	(1,985,431)
Total pension liability - ending (a)	178,960,147	63,944,075	52,327,722
Plan fiduciary net position - beginning	156,391,448	49,275,282	56,819,589
Contributions - employer	6,875,949	2,309,274	1,161,341
Contributions - State of Florida	565,496	794,778	--
Contributions - employee	730,591	--	8,500
Net investment loss	(19,959,952)	(6,002,203)	(5,718,971)
Benefit payments	(10,202,320)	(5,251,950)	(5,154,204)
Administrative expenses	(217,225)	(95,117)	(99,666)
Net change in plan fiduciary position - ending (b)	(22,207,461)	(8,245,218)	(9,803,000)
Plan fiduciary net position - ending (b)	134,183,987	41,030,064	47,016,589
<b>Net Pension Liability (a-b)</b>	<b>\$ 44,776,160</b>	<b>\$ 22,914,011</b>	<b>\$ 5,311,133</b>
Plan fiduciary net position as a percentage of total pension liability	74.98%	64.17%	89.85%

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***SIGNIFICANT ACTUARIAL ASSUMPTIONS***

The total pension liability was determined by an actuarial valuation as of October 1, 2021.

	Fire Pension	Police Pension	Non-Uniformed
Inflation	2.49%	N/A	2.00%
Salary increases	5.2% to 11%	N/A	6.00% per year
Investment rate of return	7.25%	6.50%	6.00%
Mortality	RP-2000 fully generational with scale BB	RP-2000 Table with no RP-2000 Disabled Table for disabled lives projection Disables Lives: RP-2000 disabled males and females	RP-2000 Mortality tables, fully generational with scale BB
Retirement Age	N/A	N/A	Age 64 with 10 years of service or age 55 with 25 years of service

***PENSION DISCOUNT RATE***

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***PENSION DISCOUNT RATE***

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

Net Pension Liability	Fire Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
Percent	6.25%	7.25%	8.25%
Net pension liability	\$63,342,906	\$44,776,160	\$29,290,592
	Police Pension Plan		
Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Percent	5.50%	6.50%	7.50%
Net pension liability	\$29,931,370	\$22,914,011	\$17,036,061
	Non-Uniformed Pension Plan		
Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
Percent	5.00%	6.00%	7.00%
Net pension liability	\$ 9,667,310	\$ 5,311,133	\$ 1,540,734

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***DEFINED BENEFITS PENSION PLANS***

***Investments – Long-Term Expected Rate of Return***

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

Asset Class	Long-Term Expected Real Rate of Return
<b>Fire</b>	
Domestic equity	7.07%
International equity	3.11%
Bonds	2.00%
Convertibles	6.35%
Private real estate	6.38%
Private credit	1.91%
Infrastructure	5.60%
Cash	-0.11%

Asset Class	Long-Term Expected Real Rate of Return
<b>Police</b>	
Domestic equity	10.00%
International equity	11.00%
Domestic bonds	5.00%
International bonds	6.00%
Real estate	7.00%

Asset Class	Long-Term Expected Real Rate of Return
<b>Non-Uniformed</b>	
Large cap value equity	6.84%
Large cap growth equity	7.04%
Small cap core equity	7.14%
International equity	5.94%
Hedge fund	4.19%
Private real estate	5.54%

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***DEFINED BENEFITS PENSION PLANS***

***Asset Allocation***

The tables below indicate the fund investment policy targets, and actual asset allocations as of September 30, 2023:

Asset Class	Investment Policy
<b>Fire</b>	
Fixed income	12-60%
International equity	10-25%
Large-cap core value	3-13%
Large-cap growth	3-13%
Mid cap core	5-9%
Small cap value	3-7%
Convertibles	6-11%
Infrastructure	2-7%
Real estate	0-22%
Cash and cash equivalents	0-2%

Asset Class	Actual Allocation
<b>Fire</b>	
Fixed income	12.40%
International equity	21.40%
Large-cap core value	7.40%
Large-cap growth	13.00%
Mid cap core	6.30%
Small cap value	4.70%
Convertibles	7.90%
Infrastructure	0.00%
Real estate	22.66%
Cash and cash equivalents	4.24%

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***DEFINED BENEFITS PENSION PLANS (CONTINUED)***

***Asset Allocation (continued)***

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

Asset Class	Actual Allocation
<b>Police</b>	
Domestic equity	44.00%
International equity	13.00%
Fixed income	21.00%
Real estate fund	21.00%
Cash and cash equivalents	1.00%

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

Asset Class	Actual Allocation
<b>Non-Uniformed</b>	
Domestic equity	43.10%
International equity	8.90%
Fixed income	27.40%
Hedge funds	5.90%
Real estate fund	11.80%
Cash and cash equivalents	2.90%

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 4 – OTHER INFORMATION (CONTINUED)**

***DEFINED BENEFITS PENSION PLANS (CONTINUED)***

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

*Pension expense and deferred outflows and deferred inflows of resources related to pensions:* The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows (Inflows)		
	Police	Fire	Non-Uniformed
Contributions subsequent to the measurement date	\$3,276,971	\$ 8,030,201	\$ 856,776
Difference between expected and actual experience	--	(490,748)	--
Change in assumptions	--	117,512	--
Difference between expected and actual earnings on investments	<u>3,317,722</u>	<u>11,973,875</u>	<u>4,263,755</u>
<b>Total Deferred Outflows (Inflows)</b>	<b><u>\$6,594,693</u></b>	<b><u>\$ 19,630,840</u></b>	<b><u>\$ 5,120,531</u></b>

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

Fiscal Year Ending September 30,	Police	Fire	Non-Uniformed
2024	\$ 876,788	\$ 2,132,436	\$ 1,099,149
2025	421,228	1,379,864	809,868
2026	193,266	1,841,691	553,513
2027	<u>1,826,440</u>	<u>6,246,648</u>	<u>1,801,225</u>
<b>Total</b>	<b><u>\$3,317,722</u></b>	<b><u>\$ 11,600,639</u></b>	<b><u>\$ 4,263,755</u></b>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 4 – OTHER INFORMATION (CONTINUED)

#### *DEFINED CONTRIBUTION PLAN*

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

The City contributed 8% of salaries to the plan on a bi-weekly basis, for a contribution for the year ended September 30, 2023 of \$2,017,827. The plan requires a 4% match of all participants. Plan participants become fully vested in the plan after five years of service. Total member contributions for the fiscal year totaled \$1,008,914.

#### *DEFERRED COMPENSATION PLAN*

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 4 – OTHER INFORMATION (CONTINUED)

#### *COMMUNITY REDEVELOPMENT AGENCY*

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds for the fiscal year ended September 30, 2023:

	<u>Deposits</u>	<u>Withdrawals</u>
<b>Source of Deposits</b>		
Tax incremental revenues	\$ 5,144,174	\$ --
Investment income	119,688	--
<b>Purpose of Withdrawals</b>		
Debt service - principal and interest	--	1,094,321
Other contractual	--	113,222
Administrative and overhead	--	852,380
Economic development	--	3,692,063
<b>Total</b>	<u>\$ 5,263,862</u>	<u>\$ 5,751,986</u>

### NOTE 5 – COST SHARING DEFINED BENEFIT PLANS

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

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

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

([http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)).

#### ***PLAN DESCRIPTION***

##### ***FRS Pension Plan***

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

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

#### *PLAN DESCRIPTION (CONTINUED)*

##### *FRS Pension Plan (continued)*

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

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

##### *HIS Plan*

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

#### *BENEFITS PROVIDED*

##### *FRS Pension Plan*

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

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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#### NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

##### *PLAN DESCRIPTION (CONTINUED)*

##### *FRS Pension Plan (continued)*

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

Elected Officers' Class: 3.00%

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

##### *HIS Plan*

For the fiscal year ended September 30, 2023 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.

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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### NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

#### *CONTRIBUTIONS*

##### *FRS Pension Plan*

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. For the fiscal year ended September 30, 2023, the contribution rate for Elected Officers' Class was 49.7%.

The City's contributions for FRS totaled \$92,375 and employee contributions totaled \$12,632 for the fiscal year ended September 30, 2023.

##### *HIS Plan*

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution was 1.66 percent. The City contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

At September 30, 2023, the City reported liabilities of \$765,151 for its proportionate share of the FRS net pension liability and \$72,736 for the HIS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 for FRS and July 1, 2022 for HIS. The City's proportionate share of the net pension liability was based on the City's fiscal year 2023 contributions relative to the fiscal year 2023 contributions of all participating members.

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)**

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$71,924. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

Description	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 71,841	\$ 1,065	\$ 72,906
Change of assumptions	49,879	1,912	51,791
Net difference between projected and actual earnings on plan investments	31,955	38	31,993
Changes in proportion and differences between City contributions and proportionate share of contributions	4,203	1,406	5,609
City contributions subsequent to measurement date	24,840	965	25,805
<b>Total Deferred Outflows of Resources</b>	<b>\$ 182,718</b>	<b>\$ 5,386</b>	<b>\$ 188,104</b>

Description	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ --	\$ 171	\$ 171
Change of assumptions	--	6,303	6,303
Changes in proportion and differences between City contributions and proportionate share of contributions	67,917	5,847	73,764
<b>Total Deferred Inflows of Resources</b>	<b>\$ 67,917</b>	<b>\$ 12,321</b>	<b>\$ 80,238</b>

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)**

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

The deferred outflows of resources related to pensions, totaling \$25,805, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Employer Share of Deferred Outflows/Deferred Inflows		
	FRS	HIS	Total
	2024	\$ 864	\$ (1,407)
2025	(30,094)	(1,288)	(31,382)
2026	110,650	(1,579)	109,071
2027	6,647	(1,899)	4,748
2028	1,894	(1,411)	483
Thereafter	--	(316)	(316)
<b>Total</b>	<b>\$ 89,961</b>	<b>\$ (7,900)</b>	<b>\$ 82,061</b>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

#### NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)

##### *ACTUARIAL ASSUMPTIONS*

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

Mortality Table Experience Study Actuarial Cost Method	Generational RP-2000 with projection scale BB tables 7/1/13 - 6/30/18 Individual Entry Age Normal	
	FRS	HIS
Investment rate of return	6.70%	3.65%
Projected salary increases	3.25%	3.25%
Inflation	2.40%	2.40%

##### *LONG-TERM EXPECTED RATE OF RETURN*

##### *FRS Pension Plan*

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
<b>Total</b>	<b><u>100.0%</u></b>			
<b>Assumed Inflation-Mean</b>			2.4%	1.4%

*Note: As outlined in the Plan's investment policy*

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)**

***DISCOUNT RATE OF RETURN***

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

The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.65% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following table presents the sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City’s proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2023.

	City's Proportionate Share of the Net Pension Liability		
	1% Decrease	Current Discount Rate	1% Increase
Pension Plan	5.70%	6.70%	7.70%
FRS	\$ 1,307,034	\$ 765,151	\$ 311,801
	1% Decrease	Current Discount Rate	1% Increase
Pension Plan	2.65%	3.65%	4.65%
HIS	\$ 82,980	\$ 72,736	\$ 64,244

***PENSION PLAN FIDUCIARY NET POSITION***

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 5 – COST SHARING DEFINED BENEFIT PLANS (CONTINUED)**

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

For the year ended September 30, 2023, the City recognized a reduction in pension expense of \$284,147 as a result of GASB Statement No. 68. Deferred outflows and inflows of resources and net pension liability related to pensions are as follows:

	Non--				
	Uniformed	Police	Fire	FRS/HIS	Total
	Pension	Pension	Pension	Pension	Total
Deferred outflows	\$ 5,120,531	\$ 6,594,693	\$ 20,121,588	\$ 188,104	\$ 32,024,916
Deferred inflows	--	--	490,748	80,238	570,986
Net pension liability	5,311,133	22,914,011	44,776,160	837,887	73,839,191
Pension expense (income)	96,350	71,924	(524,345)	71,924	(284,147)

**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS**

***PLAN DESCRIPTION***

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

*PLAN DESCRIPTION (CONTINUED)*

*Benefit Description and Funding Policy*

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

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

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

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

*Employees Covered by benefit terms.* As of September 30, 2023, the following employees were covered by the benefit terms:

Inactive plan members, or beneficiaries currently receiving benefits	174
Inactive plan members entitle to but not yet receiving benefits	--
Active plan members	<u>363</u>
<b>Total</b>	<u><b>537</b></u>

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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#### NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

##### *SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY*

The City's Total OPEB Liability (“TOL”) was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2022. As of September 30, 2023, the reported TOL of \$24,718,864, represents 104.19% of the covered payroll. The components of TOL are as follows:

<b>Balance at September 30, 2022</b>	<u>\$26,587,723</u>
<b>Changes for the Year</b>	
Service cost	1,378,401
Interest	668,297
Differences between expected and actual experience	(4,196,384)
Changes in assumptions or other inputs	1,214,654
Benefit payments	<u>(934,007)</u>
<b>Net Changes</b>	<u>(1,869,039)</u>
<b>Balance at September 30, 2023</b>	<u>\$24,718,684</u>
<b>Covered Employee Payroll</b>	<u>\$23,723,535</u>
<b>City's Total OPEB liability as a % of Covered Payroll</b>	104.19%

##### *DISCOUNT RATE AND SENSITIVITY DISCLOSURES*

###### *Discount Rate*

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

A discount rate of 4.77% was used to measure the September 30, 2023 Total OPEB Liability. A discount rate of 4.77% was used for the beginning of the measurement period. These rates are based on the Fidelity 20-Year Municipal GO AA Index - daily rate closest or equal to but not later than the respective measurement dates.

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***DISCOUNT RATE AND SENSITIVITY DISCLOSURES (CONTINUED)***

***Discount Rate (continued)***

Sensitivity of the Total OPEB Liability to the Discount Rate Assumption

The chart below represents the total OPEB liability of the City, calculated using the 4.77% discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.77%) or 1-percentage point higher (5.77%) than the current rate.

Pension Plan	Measurement Date: September 30, 2022		
	1% Decrease	Current Discount Rate	1% Increase
Discount rate	3.77%	4.77%	5.77%
Total OPEB Liability	\$ 28,306,791	\$ 24,718,684	\$ 21,823,152

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

The chart below represents the total OPEB liability of the City, calculated using the 4.0% to 7.5%, as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower (3.0% to 6.5%) or 1-percentage point higher (5.0% to 8.5%) than the current rate.

Pension Plan	Current Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
Discount rate	3.0% to 6.5%	4.0% to 7.5%	5.0% to 8.5%
Total OPEB Liability	\$ 22,079,991	\$ 24,718,684	\$ 27,997,930

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***ACTUARIAL ASSUMPTIONS AND OTHER INPUTS***

The Total OPEB Liability was determined based on several actuarial assumptions using the Actuarial Cost Method. Total OPEB liability was calculated by an actuarial valuation as of September 30, 2022, with a measurement date of September 30, 2022, using the following assumptions, applied to all prior periods included in the measurement:

Measurement date	September 30, 2022
Actuarial valuation date	September 30, 2022
Inflation	2.50%
Salary increases	6.00%
Discount rate	4.77%
Projected salary increases	6.00%
Healthcare cost trend rates	4.00% - 7.5% based on the Getzen Model
Retirees' share of benefit-related costs	Retirees pay various portions of full blended premium for individual coverage

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

Mortality rates – All mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2021. Rates are based on those outlined in Milliman's July 1, 2023 Florida Retirement System valuation report with appropriate adjustments made based on plan demographics.

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

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

For the fiscal year ended September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ --	\$ 8,974,760
Changes of assumptions	1,360,019	2,137,083
Employer contributions subsequent to measurement date	<u>1,192,570</u>	<u>--</u>
<b>Total</b>	<b><u>\$2,552,589</u></b>	<b><u>\$ 11,111,843</u></b>

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

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

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

	<u>Amount</u>
Fiscal Year Ending September 30	
2024	\$ (5,922,320)
2025	(2,020,502)
2026	(815,092)
2027	(496,955)
2028	<u>(496,955)</u>
<b>Total</b>	<b><u>\$ (9,751,824)</u></b>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF DEERFIELD BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 54,550,956	\$ 54,550,956	\$ 54,315,729	\$ (235,227)
Sales taxes & LOGT	6,660,000	6,660,000	9,010,101	2,350,101
Fire assessment fees	16,694,930	16,694,930	16,555,348	(139,582)
Franchise fees	9,515,000	9,515,000	10,408,321	893,321
Utility tax	8,894,000	8,894,000	10,855,884	1,961,884
Licenses and permits	850,000	890,000	851,538	(38,462)
Intergovernmental	2,940,000	2,900,000	4,236,482	1,336,482
Charges for services	9,747,515	9,385,015	11,027,043	1,642,028
Fines and forfeitures	1,400,000	1,400,000	1,333,763	(66,237)
Investment earnings	780,000	780,000	3,337,995	2,557,995
Miscellaneous:				
Donations/contributions	2,635,841	1,302,380	638,436	(663,944)
Administrative fees	8,079,662	8,079,662	8,079,662	--
Other	2,206,800	1,426,800	1,116,340	(310,460)
<b>Total Revenues</b>	<u>124,954,704</u>	<u>122,478,743</u>	<u>131,766,642</u>	<u>9,287,899</u>
<b>Expenditures</b>				
Departmental:				
City commission	409,082	460,982	452,180	8,802
City manager	853,400	782,480	742,485	39,995
City clerk	846,286	826,286	774,104	52,182
City attorney	575,000	575,000	483,475	91,525
Central services	--	--	--	--
Parks and recreation	16,232,044	17,113,313	15,816,455	1,296,858
Office of Public Safety	75,079,442	75,234,820	74,791,562	443,258
Human resources	1,012,209	1,012,209	922,172	90,037
Environmental services	5,358,926	5,725,841	5,694,210	31,631
Financial services	2,284,809	3,623,726	3,525,107	98,619
Planning and development services	1,615,372	1,408,772	1,223,478	185,294
Information technology services	3,661,952	3,126,552	2,668,741	457,811
Sustainable management	991,583	917,259	783,672	133,587
Community services	3,557,402	3,356,840	2,363,805	993,035
Community development	--	--	--	--
Economic development	736,871	736,871	511,981	224,890
Public affairs and marketing	688,395	688,395	607,933	80,462
Ocean rescue	315,341	--	--	--
Transportation	762,074	747,992	608,176	139,816
Other - unclassified	10,681,075	10,681,075	734,488	9,946,587
Capital Outlay	--	1,355,575	1,684,920	(329,345)
<b>Total Expenditures</b>	<u>125,661,263</u>	<u>128,373,988</u>	<u>114,388,944</u>	<u>13,985,044</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	9,330,819	693,656	977,482	283,826
Transfers out	(21,853,874)	(21,853,874)	(17,073,575)	4,780,299
<b>Total Other Financing Sources (Uses)</b>	<u>(12,523,055)</u>	<u>(21,160,218)</u>	<u>(16,096,093)</u>	<u>5,064,125</u>
<b>Net Change in Budgetary Fund Balances</b>	<u>\$ (13,229,614)</u>	<u>\$ (27,055,463)</u>	<u>\$ 1,281,605</u>	<u>\$ 366,980</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 5,012,372	\$ 5,012,372	\$ 5,144,174	\$ 131,802
Charges for services	25,000	25,000	--	(25,000)
Investment earnings	--	--	119,688	119,688
<b>Total Revenues</b>	<u>5,037,372</u>	<u>5,037,372</u>	<u>5,263,862</u>	<u>226,490</u>
<b>Expenditures</b>				
Current:				
Economic environment	1,175,427	1,162,932	921,672	241,260
Public safety	50,000	50,000	43,930	6,070
Culture and recreation	369,000	369,000	263,815	105,185
Capital outlay	9,719,685	9,719,685	3,428,248	6,291,437
Debt Service:				
Principal retirement	920,000	920,000	920,000	--
Interest and fiscal charges	168,994	176,294	174,321	1,973
<b>Total Expenditures</b>	<u>12,403,106</u>	<u>12,397,911</u>	<u>5,751,986</u>	<u>6,645,925</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(7,365,734)</u>	<u>(7,360,539)</u>	<u>(488,124)</u>	<u>(6,872,415)</u>
<b>Other Financing Sources</b>				
Appropriation of prior year's fund balance	<u>7,365,734</u>	<u>7,360,539</u>	--	<u>(7,360,539)</u>
<b>Total Other Financing Sources</b>	<u>7,365,734</u>	<u>7,360,539</u>	--	<u>(7,360,539)</u>
<b>Change in Fund Balance</b>	<u>\$ --</u>	<u>\$ --</u>	<u>(488,124)</u>	<u>\$ 488,124</u>
<b>Fund Balance - Beginning</b>			<u>6,490,264</u>	
<b>Fund Balance - Ending</b>			<u>\$ 6,002,140</u>	

**CITY OF DEERFIELD BEACH, FLORIDA**

**NOTES TO BUDGETARY COMPARISON SCHEDULE**

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

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**NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

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

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

**NOTE 2 – RECONCILIATION OF BUDGET TO ACTUAL**

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

	Total Revenues
Total Revenues per Budget	\$ 131,766,642
Initiation of SBITAs	<u>(603,265)</u>
<b>Total Revenues per GAAP</b>	<b><u>\$ 131,163,377</u></b>

**CITY OF DEERFIELD BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**FIRE PENSION PLAN**  
**LAST NINE FISCAL YEARS**

Measurement Date, September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 3,146,556	\$ 2,792,531	\$ 2,724,692	\$ 3,114,673	\$ 2,845,745	\$ 2,786,085	\$ 2,793,233	\$ 2,745,537	\$ 2,859,229
Interest	12,534,352	12,195,280	11,824,774	11,505,441	10,937,984	10,565,444	10,371,874	10,038,296	9,456,530
Changes of benefit terms	--	--	54,450	--	--	--	48,546	106,820	172,555
Differences between expected and actual experience	(2,126,574)	1,592,301	3,374,966	(1,130,384)	1,865,722	1,046,101	(82,819)	(1,414,007)	846,838
Changes in assumption	509,219	4,549,759	(1,991,954)	509,219	509,219	104,413	140,613	--	1,795,582
Benefit payments, including refunds of employee contributions	(10,202,320)	(12,227,654)	(10,080,776)	(8,601,583)	(9,204,187)	(9,978,487)	(6,795,446)	(7,418,254)	(7,328,455)
Refunds of member contributions	--	--	--	--	(17,570)	(6,856)	--	(47,544)	--
<b>Net Change in Total Pension Liability</b>	3,861,233	8,902,217	5,906,152	5,397,366	6,936,913	4,516,700	6,476,001	4,010,848	7,802,279
<b>Total Pension Liability, Beginning</b>	175,098,914	166,196,697	160,290,545	154,893,179	147,956,266	143,439,566	136,963,565	132,952,717	125,150,438
<b>Total Pension Liability, Ending (a)</b>	\$ 178,960,147	\$ 175,098,914	\$ 166,196,697	\$ 160,290,545	\$ 154,893,179	\$ 147,956,266	\$ 143,439,566	\$ 136,963,565	\$ 132,952,717
<b>Plan Fiduciary Net Position</b>									
Contributions									
Employer and state	\$ 6,875,949	\$ 6,299,087	\$ 6,047,459	\$ 5,988,490	\$ 5,307,928	\$ 5,058,562	\$ 5,060,592	\$ 5,064,382	\$ 5,051,768
State of Florida	565,496	557,148	632,681	649,209	628,008	603,646	667,147	725,199	791,013
Plan member	730,591	757,673	792,533	853,718	901,704	898,299	883,740	868,805	882,792
Net investment income (loss)	(19,959,952)	31,592,893	11,298,087	3,253,915	8,197,285	10,012,955	7,926,978	(3,188,136)	8,931,143
Benefit payments	(10,202,320)	(12,227,654)	(10,080,776)	(8,601,583)	(9,204,187)	(9,978,487)	(6,795,446)	(7,418,254)	(7,328,455)
Refund of member contributions	--	--	--	--	(17,570)	(6,856)	--	(47,544)	--
Administrative expense	(217,225)	(214,337)	(170,150)	(251,339)	(198,994)	(177,535)	(214,739)	(237,672)	(232,032)
<b>Net Change in Plan Fiduciary Net Position</b>	(22,207,461)	26,764,810	8,519,834	1,892,410	5,614,174	6,410,584	7,528,272	(4,233,220)	8,096,229
<b>Plan Fiduciary Net Position, Beginning</b>	156,391,448	129,626,638	121,106,804	119,214,394	113,600,220	107,189,636	99,661,364	103,894,584	95,798,355
<b>Plan Fiduciary Net Position, Ending (b)</b>	\$ 134,183,987	\$ 156,391,448	\$ 129,626,638	\$ 121,106,804	\$ 119,214,394	\$ 113,600,220	\$ 107,189,636	\$ 99,661,364	\$ 103,894,584
<b>City's Net Pension Liability - Ending [(a)-(b)]</b>	\$ 44,776,160	\$ 18,707,466	\$ 36,570,059	\$ 39,183,741	\$ 35,678,785	\$ 34,356,046	\$ 36,249,930	\$ 37,302,201	\$ 29,058,133
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	74.98%	89.30%	78.00%	75.60%	77.00%	76.80%	74.70%	72.80%	78.10%
<b>Covered Payroll</b>	\$ 8,116,062	\$ 8,417,851	\$ 8,806,379	\$ 9,485,800	\$ 8,806,379	\$ 9,485,800	\$ 10,020,449	\$ 9,659,471	\$ 9,687,400
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	551.70%	222.20%	415.30%	413.10%	405.10%	362.20%	361.80%	386.20%	300.00%

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Actual Contribution as a % of Covered Payroll
2014	\$ 5,842,802	\$ 5,842,802	\$ --	\$ 9,687,400	60.31%
2015	5,789,681	5,789,681	--	9,628,949	60.13%
2016	5,727,617	5,727,617	--	9,412,235	60.85%
2017	5,662,208	5,662,208	--	9,659,471	58.62%
2018	5,911,574	5,926,407	(14,833)	10,020,449	59.14%
2019	6,606,969	6,606,969	--	9,485,800	69.65%
2020	6,720,388	6,720,388	--	8,806,379	76.31%
2021	6,856,235	6,856,235	--	8,417,851	81.45%
2022	7,433,097	7,441,445	(8,348)	8,116,062	91.69%
2023	7,484,346	8,083,188	(598,842)	7,513,064	107.59%

Methods and assumptions used to determine rates:

Actuarial valuation date	10/1/2022
Notes	Actuarially determined contribution are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.00%
Salary increases	5.2% to 11%, including inflation
Investment rate of return	7.25%
Mortality	From July 1, 2019, 2020 and 2021 FRS special risk valuation

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

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**POLICE PENSION PLAN**  
**LAST NINE FISCAL YEARS**

Measurement Date, September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Interest	\$ 4,101,990	\$ 4,082,775	\$ 4,019,827	\$ 4,043,732	\$ 3,836,745	\$ 3,410,810	\$ 3,359,275	\$ 3,459,881	\$ 3,367,750
Changes of benefit terms	2,483,835	581,998	1,146,116	3,072,186	--	--	--	2,326,603	--
Share plan allocation	589,327	532,827	537,969	539,589	469,049	451,648	421,602	359,314	338,294
Differences between expected and actual experience	(1,228,809)	(1,623,147)	(667,007)	(1,730,593)	58,615	332,132	223,166	(515,319)	--
Changes in assumption	--	--	1,608,577	726,498	712,839	7,201,737	3,535,687	--	--
Benefit payments, including refunds of employee contributions	(5,251,950)	(5,109,400)	(5,116,472)	(5,069,748)	(4,860,289)	(4,826,660)	(4,838,890)	(4,749,759)	(4,585,732)
<b>Net Change in Total Pension Liability</b>	694,393	(1,534,947)	1,529,010	1,581,664	216,959	6,569,667	2,700,840	880,720	(879,688)
<b>Total Pension Liability, Beginning</b>	63,249,682	64,784,629	63,255,619	61,673,955	61,456,996	54,887,329	52,186,489	51,305,769	52,185,457
<b>Total Pension Liability, Ending (a)</b>	\$ 63,944,075	\$ 63,249,682	\$ 64,784,629	\$ 63,255,619	\$ 61,673,955	\$ 61,456,996	\$ 54,887,329	\$ 52,186,489	\$ 51,305,769
<b>Plan Fiduciary Net Position</b>									
Contributions									
Employer	\$ 2,309,274	\$ 2,335,897	\$ 2,218,557	\$ 2,160,331	\$ 2,149,466	\$ 2,166,053	\$ 1,908,777	\$ 1,944,572	\$ 1,779,355
State	794,778	738,278	743,420	745,040	674,500	657,100	627,053	564,765	543,745
Net investment income (loss)	(6,002,203)	10,739,019	1,478,014	455,951	3,950,827	4,742,331	3,436,195	952,079	3,324,844
Benefit payments, including refunds of employee contributions	(5,251,950)	(5,109,400)	(5,116,472)	(5,069,748)	(4,860,289)	(4,826,660)	(4,838,890)	(4,749,759)	(4,585,732)
Administrative expense	(95,117)	(66,071)	(74,855)	(85,121)	(85,887)	(92,815)	(96,419)	(97,436)	(71,170)
<b>Net Change in Plan Fiduciary Net Position</b>	(8,245,218)	8,637,723	(751,336)	(1,793,547)	1,828,617	2,646,009	1,036,716	(1,385,779)	991,042
<b>Plan Fiduciary Net Position, Beginning</b>	49,275,282	40,637,559	41,388,895	43,182,442	41,353,825	38,707,816	37,671,100	39,056,879	38,065,837
<b>Plan Fiduciary Net Position, Ending (b)</b>	\$ 41,030,064	\$ 49,275,282	\$ 40,637,559	\$ 41,388,895	\$ 43,182,442	\$ 41,353,825	\$ 38,707,816	\$ 37,671,100	\$ 39,056,879
<b>City's Net Pension Liability - Ending [(a)-(b)]</b>	\$ 22,914,011	\$ 13,974,400	\$ 24,147,070	\$ 21,866,724	\$ 18,491,513	\$ 20,103,171	\$ 16,179,513	\$ 14,515,389	\$ 12,248,890
<b>Net Position as a Percentage of the Total Pension Liability</b>	64.17%	77.90%	62.70%	65.40%	70.00%	67.30%	70.50%	72.20%	76.10%
<b>Covered Payroll</b>	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Actual Contribution as a % of Covered Payroll
2014	\$ 1,984,806	\$ 1,984,806	\$ --	N/A	N/A
2015	2,150,023	2,150,023	--	N/A	N/A
2016	2,114,228	2,114,229	(1)	N/A	N/A
2017	2,371,504	2,371,505	(1)	N/A	N/A
2018	2,354,917	2,354,917	--	N/A	N/A
2019	2,365,782	2,365,782	--	N/A	N/A
2020	2,424,008	2,424,008	--	N/A	N/A
2021	2,541,348	2,541,348	--	N/A	N/A
2022	2,514,725	2,514,725	--	N/A	N/A
2023	2,525,254	2,525,256	(2)	N/A	N/A

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

Methods and assumptions used to determine rates:

Actuarial valuation date	10/1/2022
Notes	Actuarially determined contribution are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	The lesser of 20 years and the average future lifetime of the inactive participants
Asset valuation method	Restricted to 80% - 120% of market value, obtained by smoothing three years' past differences between actual investment earnings and assumed investment return, then adding this number on the current market value.
Inflation	N/A
Salary increases	N/A
Investment rate of return	6.50% compounded annually, net of investment related expenses
Retirement age	N/A
Mortality	Healthy Lives: Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H- 2010 for Disabled Retirees.

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

**CITY OF DEERFIELD BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement Date, September 30,									
<b>Total Pension Liability</b>									
Service cost	\$ 26,230	\$ 23,650	\$ 27,504	\$ 70,591	\$ 75,770	\$ 70,710	\$ 66,123	\$ 77,233	\$ 78,741
Interest	3,105,737	3,613,220	3,753,624	4,047,412	4,144,079	4,221,714	4,325,572	4,161,337	4,289,889
Differences between expected and actual experience	36,806	(1,927,274)	(385,909)	(2,011,107)	26,603	348,056	612,743	528,068	--
Changes in assumption	--	2,167,297	--	882,797	--	2,822	3,377,835	1,187,719	--
Benefit payments, including refunds of employee contributions	(5,154,204)	(5,351,359)	(5,560,896)	(5,571,956)	(5,672,502)	(5,842,352)	(5,917,598)	(5,826,053)	(5,786,184)
<b>Net Change in Total Pension Liability</b>	<b>(1,985,431)</b>	<b>(1,474,466)</b>	<b>(2,165,677)</b>	<b>(2,582,263)</b>	<b>(1,426,050)</b>	<b>(1,199,050)</b>	<b>2,464,675</b>	<b>128,304</b>	<b>(1,417,554)</b>
<b>Total Pension Liability, Beginning</b>	<b>54,313,153</b>	<b>55,787,619</b>	<b>57,953,296</b>	<b>60,535,559</b>	<b>61,961,609</b>	<b>63,160,659</b>	<b>60,695,984</b>	<b>60,567,680</b>	<b>61,985,234</b>
<b>Total Pension Liability, Ending (a)</b>	<b>\$ 52,327,722</b>	<b>\$ 54,313,153</b>	<b>\$ 55,787,619</b>	<b>\$ 57,953,296</b>	<b>\$ 60,535,559</b>	<b>\$ 61,961,609</b>	<b>\$ 63,160,659</b>	<b>\$ 60,695,984</b>	<b>\$ 60,567,680</b>
<b>Plan Fiduciary Net Position</b>									
Contributions									
Employer and state	\$ 1,161,341	\$ 1,372,990	\$ 1,412,726	\$ 1,546,408	\$ 1,645,642	\$ 1,595,214	\$ 1,543,620	\$ 1,713,421	\$ 1,721,000
Member	8,500	7,277	7,415	20,200	27,199	28,361	27,643	26,457	33,417
Net investment income (loss)	(5,718,971)	9,216,496	2,224,559	2,195,349	3,924,126	5,041,747	4,169,121	(330,924)	5,519,418
Benefit payments, including refunds of employee contributions	(5,154,204)	(5,351,359)	(5,560,896)	(5,571,956)	(5,672,502)	(5,842,352)	(5,917,598)	(5,826,053)	(5,786,184)
Administrative expense	(99,666)	(103,662)	(95,014)	(103,212)	(96,927)	(96,331)	(102,723)	(101,412)	(93,157)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(9,803,000)</b>	<b>5,141,742</b>	<b>(2,011,210)</b>	<b>(1,913,211)</b>	<b>(172,462)</b>	<b>726,639</b>	<b>(279,937)</b>	<b>(4,518,511)</b>	<b>1,394,494</b>
<b>Plan Fiduciary Net Position, Beginning</b>	<b>56,819,589</b>	<b>51,677,847</b>	<b>53,689,057</b>	<b>55,602,268</b>	<b>55,774,730</b>	<b>55,048,091</b>	<b>55,328,028</b>	<b>59,846,539</b>	<b>58,452,045</b>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<b>\$ 47,016,589</b>	<b>\$ 56,819,589</b>	<b>\$ 51,677,847</b>	<b>\$ 53,689,057</b>	<b>\$ 55,602,268</b>	<b>\$ 55,774,730</b>	<b>\$ 55,048,091</b>	<b>\$ 55,328,028</b>	<b>\$ 59,846,539</b>
<b>City's Net Pension Liability (Asset) - Ending (a)-(b)</b>	<b>\$ 5,311,133</b>	<b>\$ (2,506,436)</b>	<b>\$ 4,109,772</b>	<b>\$ 4,264,239</b>	<b>\$ 4,933,291</b>	<b>\$ 6,186,879</b>	<b>\$ 8,112,568</b>	<b>\$ 5,367,956</b>	<b>\$ 721,141</b>
<b>Net Position as a Percentage of the Total Pension Liability (Asset)</b>	<b>89.85%</b>	<b>104.60%</b>	<b>92.60%</b>	<b>92.60%</b>	<b>91.90%</b>	<b>90.00%</b>	<b>87.20%</b>	<b>91.20%</b>	<b>98.80%</b>
<b>Covered Payroll</b>	<b>\$ 94,443</b>	<b>\$ 80,855</b>	<b>\$ 82,388</b>	<b>\$ 321,771</b>	<b>\$ 302,211</b>	<b>\$ 315,122</b>	<b>\$ 307,142</b>	<b>\$ 412,795</b>	<b>\$ 371,300</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>5623.60%</b>	<b>-3099.90%</b>	<b>4988.30%</b>	<b>1325.20%</b>	<b>1632.40%</b>	<b>1963.30%</b>	<b>2641.30%</b>	<b>1300.40%</b>	<b>194.20%</b>

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Actual Contribution as a % of Covered Payroll
2014	\$ 1,721,000	\$ 1,721,000	\$ --	\$ 371,300	463.51%
2015	1,713,421	1,713,421	--	412,795	415.08%
2016	1,543,620	1,543,620	--	307,142	502.58%
2017	1,595,214	1,595,214	--	315,122	506.22%
2018	1,645,642	1,645,642	--	302,211	544.53%
2019	1,546,408	1,546,408	--	321,771	480.59%
2020	1,412,726	1,412,726	--	82,388	1714.72%
2021	1,372,990	1,372,990	--	80,855	1698.09%
2022	1,161,341	1,161,341	--	94,443	1229.67%
2023	856,776	856,776	--	110,555	774.98%

Methods and assumptions used to determine rates:

Actuarial valuation date	10/1/2022
Notes	Actuarially determined contribution are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry age normal cost, with amortization periods for new bases lowered by one year each year going forward
Amortization method	Level dollar, closed
Remaining amortization period	5 years
Asset valuation method	4-year smoothed market
Inflation	2.00%
Salary increases	6% per year from valuation date to the assumed retirement age
Investment rate of return	6.00%
Retirement age	Age 64 with 10 years of service or age 55 with 25 years of service
Mortality	Healthy pre-retirement mortality rates: PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males.

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

**CITY OF DEERFIELD BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

	Measurement Date September 30,							
	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 12,632	\$ 5,314	\$ 2,894	\$ 2,854	\$ 2,866	\$ 1,491	\$ 1,186	\$ 1,041
HIS contribution in relation to the contractually required contribution	12.632	5.314	2.894	2.854	2.866	1.491	1.186	1.041
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
City's covered payroll*	\$ 169,889	\$ 168,589	\$ 167,028	\$ 171,639	\$ 173,754	\$ 167,347	\$ 162,463	\$ 145,929
HIS contribution as a percentage of covered payroll	7.44%	3.15%	1.73%	1.66%	1.65%	0.89%	0.73%	0.71%

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

**Notes to the Schedule:**

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the Bond Buyer 20-Bond GO Index.

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

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**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

### **DEBT SERVICE FUNDS**

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

**General Obligation Debt Service Fund** – to accumulate monies for payment of Series 2000A, and 2012 Florida Municipal Loan Council Revenue bonds, and Series 2018 Construction Revenue Bonds.

### **CAPITAL GRANTS PROJECTS FUNDS**

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

### **PERMANENT FUNDS**

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2023**

	Special Revenue Funds	General Obligation Debt Service Funds	Capital Grants Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 7,595,055	\$ 63,029	\$ --	\$ 582,542	\$ 8,240,626
Investments	138,992	--	--	119,575	258,567
Restricted cash and cash equivalents	804,035	--	--	--	804,035
Restricted investments	--	4,940,390	--	1,287,352	6,227,742
Receivables, net of allowances:					
Accounts	251,127	--	--	--	251,127
Interest	325	11,307	--	3,983	15,615
Due from other funds	3,605,000	--	--	--	3,605,000
Due from other governments	789,511	--	--	--	789,511
<b>Total Assets</b>	<u>\$ 13,184,045</u>	<u>\$ 5,014,726</u>	<u>\$ --</u>	<u>\$ 1,993,452</u>	<u>\$ 20,192,223</u>
<b>Liabilities</b>					
Accounts payable	\$ 1,956,096	\$ --	\$ --	\$ --	\$ 1,956,096
Accrued payroll	11,415	--	--	--	11,415
Due to other funds	55,000	750,000	--	--	805,000
Due to other governments	35,809	--	--	--	35,809
Unearned revenue	25,000	--	--	--	25,000
<b>Total Liabilities</b>	<u>2,083,320</u>	<u>750,000</u>	<u>--</u>	<u>--</u>	<u>2,833,320</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenues	598,675	--	--	--	598,675
<b>Fund Balances</b>					
Nonspendable	--	--	--	1,993,452	1,993,452
Restricted	10,502,050	4,264,726	--	--	14,766,776
<b>Total Fund Balances (Deficit)</b>	<u>10,502,050</u>	<u>4,264,726</u>	<u>--</u>	<u>1,993,452</u>	<u>16,760,228</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 13,184,045</u>	<u>\$ 5,014,726</u>	<u>\$ --</u>	<u>\$ 1,993,452</u>	<u>\$ 20,192,223</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds	Debt Service Funds	Capital Grants Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>					
Local option gas tax	\$ 2,455,997	\$ --	\$ --	\$ --	\$ 2,455,997
Local business taxes/permits	5,563,915	--	--	--	5,563,915
Intergovernmental	3,291,872	--	--	--	3,291,872
Charges for services	63,384	--	--	--	63,384
Fines and forfeitures	473,797	--	--	--	473,797
Impact fees	106,962	--	--	--	106,962
Investment earnings	6,175	114,307	--	60,509	180,991
Miscellaneous:					
Cemetery plot sales	--	--	--	102,808	102,808
Donations/contributions	85,014	--	--	--	85,014
Administrative fees	437,720	--	--	--	437,720
Other	252,467	--	--	--	252,467
<b>Total Revenues</b>	<u>12,737,303</u>	<u>114,307</u>	<u>--</u>	<u>163,317</u>	<u>13,014,927</u>
<b>Expenditures</b>					
Current:					
Economic environment	779,559	--	--	189	779,748
Public safety	5,388,609	--	--	--	5,388,609
Human services	25,000	--	--	--	25,000
Physical environment	18,834	--	--	--	18,834
Transportation	2,116,864	--	--	--	2,116,864
Culture and recreation	80,860	--	--	--	80,860
Capital outlay	3,575,024	--	--	--	3,575,024
Debt service:					
Principal	--	2,939,450	--	--	2,939,450
Interest and other fiscal charges	--	3,680,619	--	--	3,680,619
<b>Total Expenditures</b>	<u>11,984,750</u>	<u>6,620,069</u>	<u>--</u>	<u>189</u>	<u>18,605,008</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>752,553</u>	<u>(6,505,762)</u>	<u>--</u>	<u>163,128</u>	<u>(5,590,081)</u>
<b>Other Financing Uses</b>					
Transfers in	382,419	6,631,470	3,476	--	7,017,365
Transfers out	(800,910)	--	--	--	(800,910)
<b>Total Other Financing Sources (Uses)</b>	<u>(418,491)</u>	<u>6,631,470</u>	<u>3,476</u>	<u>--</u>	<u>6,216,455</u>
<b>Net Change in Fund Balances</b>	334,062	125,708	3,476	163,128	626,374
<b>Fund Balances - Beginning</b>	<u>10,167,988</u>	<u>4,139,018</u>	<u>(3,476)</u>	<u>1,830,324</u>	<u>16,133,854</u>
<b>Fund Balance - Ending</b>	<u>\$ 10,502,050</u>	<u>\$ 4,264,726</u>	<u>\$ --</u>	<u>\$ 1,993,452</u>	<u>\$ 16,760,228</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS**

**SEPTEMBER 30, 2023**

	Building Permits Fund	Road and Bridge Tax Fund	CDGB Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund
<b>Assets</b>						
Cash and cash equivalents	\$ 587,701	\$ 229,373	\$ 3,983	\$ 1,200,041	\$ 286,771	\$ --
Investments	--	138,992	--	--	--	--
Restricted cash and cash equivalents	--	--	--	--	--	--
Receivables, net of allowances						
Accounts	--	201,666	49,461	--	--	--
Interest	--	325	--	--	--	--
Due from other funds	2,300,000	1,305,000	--	--	--	--
Due from other governments	--	184,204	262,239	--	343,068	--
<b>Total Assets</b>	<b>\$ 2,887,701</b>	<b>\$ 2,059,560</b>	<b>\$ 315,683</b>	<b>\$ 1,200,041</b>	<b>\$ 629,839</b>	<b>\$ --</b>
<b>Liabilities</b>						
Accounts payable	\$ 1,506,762	\$ 186,605	\$ 6,668	\$ 1,000	\$ --	\$ --
Accrued payroll	1,904	9,511	--	--	--	--
Due to other funds	--	--	55,000	--	--	--
Due to other governments	35,809	--	--	--	--	--
Unearned revenue	--	--	--	--	25,000	--
<b>Total Liabilities</b>	<b>1,544,475</b>	<b>196,116</b>	<b>61,668</b>	<b>1,000</b>	<b>25,000</b>	<b>--</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues	--	--	168,887	--	429,788	--
<b>Fund Balances</b>						
Restricted	1,343,226	1,863,444	85,128	1,199,041	175,051	--
<b>Total Fund Balances</b>	<b>1,343,226</b>	<b>1,863,444</b>	<b>85,128</b>	<b>1,199,041</b>	<b>175,051</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 2,887,701</b>	<b>\$ 2,059,560</b>	<b>\$ 315,683</b>	<b>\$ 1,200,041</b>	<b>\$ 629,839</b>	<b>\$ --</b>

**CITY OF DEERFIELD BEACH, FLORIDA**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)**

**SEPTEMBER 30, 2023**

General Trust Fund	Impact Fees Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Law Enforcement Trust Fund	Nuisances Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ 1,347,343	\$ 1,225,574	\$ 1,942,105	\$ 612,298	\$ 88,643	\$ --	\$ 71,223	\$ 7,595,055
--	--	--	--	--	--	--	138,992
--	--	--	--	--	804,035	--	804,035
--	--	--	--	--	--	--	251,127
--	--	--	--	--	--	--	325
--	--	--	--	--	--	--	3,605,000
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>789,511</u>
<u>\$ 1,347,343</u>	<u>\$ 1,225,574</u>	<u>\$ 1,942,105</u>	<u>\$ 612,298</u>	<u>\$ 88,643</u>	<u>\$ 804,035</u>	<u>\$ 71,223</u>	<u>\$ 13,184,045</u>
\$ 7,432	\$ 246,138	\$ --	\$ --	\$ 1,000	\$ --	\$ 491	\$ 1,956,096
--	--	--	--	--	--	--	11,415
--	--	--	--	--	--	--	55,000
--	--	--	--	--	--	--	35,809
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>25,000</u>
<u>7,432</u>	<u>246,138</u>	<u>--</u>	<u>--</u>	<u>1,000</u>	<u>--</u>	<u>491</u>	<u>2,083,320</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>598,675</u>
<u>1,339,911</u>	<u>979,436</u>	<u>1,942,105</u>	<u>612,298</u>	<u>87,643</u>	<u>804,035</u>	<u>70,732</u>	<u>10,502,050</u>
<u>1,339,911</u>	<u>979,436</u>	<u>1,942,105</u>	<u>612,298</u>	<u>87,643</u>	<u>804,035</u>	<u>70,732</u>	<u>10,502,050</u>
<u>\$ 1,347,343</u>	<u>\$ 1,225,574</u>	<u>\$ 1,942,105</u>	<u>\$ 612,298</u>	<u>\$ 88,643</u>	<u>\$ 804,035</u>	<u>\$ 71,223</u>	<u>\$ 13,184,045</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Building Permits Fund	Road and Bridge Tax Fund	CDGB Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund
<b>Revenues</b>						
Local option gas tax	\$ --	\$ 2,455,997	\$ --	\$ --	\$ --	\$ --
Local business taxes/permits	5,563,915	--	--	--	--	--
Intergovernmental	--	1,133,717	622,908	1,133,423	401,824	--
Charges for services	--	--	--	--	--	--
Fines and forfeitures	--	--	--	--	--	--
Impact fees	--	--	--	--	--	--
Investment earnings	--	6,175	--	--	--	--
Miscellaneous:						
Donations/contributions	--	--	--	--	3,402	--
Administrative fees	--	437,720	--	--	--	--
Other	--	252,467	--	--	--	--
<b>Total Revenues</b>	<u>5,563,915</u>	<u>4,286,076</u>	<u>622,908</u>	<u>1,133,423</u>	<u>405,226</u>	<u>--</u>
<b>Expenditures</b>						
Current:						
Economic environment	--	--	237,226	317,988	224,345	--
Public safety	5,283,267	--	--	--	--	--
Human services	--	--	25,000	--	--	--
Physical environment	--	--	--	--	--	--
Transportation	--	2,116,864	--	--	--	--
Culture and recreation	--	--	--	--	--	--
Capital outlay	--	2,954,663	175,000	--	--	--
<b>Total Expenditures</b>	<u>5,283,267</u>	<u>5,071,527</u>	<u>437,226</u>	<u>317,988</u>	<u>224,345</u>	<u>--</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>280,648</u>	<u>(785,451)</u>	<u>185,682</u>	<u>815,435</u>	<u>180,881</u>	<u>--</u>
<b>Other Financing Uses</b>						
Transfers in	--	382,419	--	--	--	--
Transfers out	--	--	(59,347)	(15,000)	(394,361)	(82,768)
<b>Total Other Financing Sources (Uses)</b>	<u>--</u>	<u>382,419</u>	<u>(59,347)</u>	<u>(15,000)</u>	<u>(394,361)</u>	<u>(82,768)</u>
<b>Net Change in Fund Balances</b>	280,648	(403,032)	126,335	800,435	(213,480)	(82,768)
<b>Fund Balances - Beginning</b>	<u>1,062,578</u>	<u>2,266,476</u>	<u>(41,207)</u>	<u>398,606</u>	<u>388,531</u>	<u>82,768</u>
<b>Fund Balance - Ending</b>	<u>\$ 1,343,226</u>	<u>\$ 1,863,444</u>	<u>\$ 85,128</u>	<u>\$ 1,199,041</u>	<u>\$ 175,051</u>	<u>\$ --</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

General Trust Fund	Impact Fees Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Law Enforcement Trust Fund	Nuisances Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,455,997
--	--	--	--	--	--	--	5,563,915
--	--	--	--	--	--	--	3,291,872
22,399	--	--	40,985	--	--	--	63,384
--	--	389,362	--	--	53,123	31,312	473,797
--	106,962	--	--	--	--	--	106,962
--	--	--	--	--	--	--	6,175
50,612	--	--	15,000	16,000	--	--	85,014
--	--	--	--	--	--	--	437,720
--	--	--	--	--	--	--	252,467
<u>73,011</u>	<u>106,962</u>	<u>389,362</u>	<u>55,985</u>	<u>16,000</u>	<u>53,123</u>	<u>31,312</u>	<u>12,737,303</u>
--	--	--	--	--	--	--	779,559
46,698	--	--	--	6,535	--	52,109	5,388,609
--	--	--	--	--	--	--	25,000
--	--	--	18,834	--	--	--	18,834
--	--	--	--	--	--	--	2,116,864
80,860	--	--	--	--	--	--	80,860
--	421,501	--	--	--	23,860	--	3,575,024
<u>127,558</u>	<u>421,501</u>	<u>--</u>	<u>18,834</u>	<u>6,535</u>	<u>23,860</u>	<u>52,109</u>	<u>11,984,750</u>
<u>(54,547)</u>	<u>(314,539)</u>	<u>389,362</u>	<u>37,151</u>	<u>9,465</u>	<u>29,263</u>	<u>(20,797)</u>	<u>752,553</u>
--	--	--	--	--	--	--	382,419
--	(249,434)	--	--	--	--	--	(800,910)
--	(249,434)	--	--	--	--	--	(418,491)
(54,547)	(563,973)	389,362	37,151	9,465	29,263	(20,797)	334,062
<u>1,394,458</u>	<u>1,543,409</u>	<u>1,552,743</u>	<u>575,147</u>	<u>78,178</u>	<u>774,772</u>	<u>91,529</u>	<u>10,167,988</u>
<u>\$ 1,339,911</u>	<u>\$ 979,436</u>	<u>\$ 1,942,105</u>	<u>\$ 612,298</u>	<u>\$ 87,643</u>	<u>\$ 804,035</u>	<u>\$ 70,732</u>	<u>\$ 10,502,050</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local option gas tax	\$ 1,147,356	\$ 1,147,356	\$ 1,516,079	\$ 368,723
Transit surtax	6,020,000	6,020,000	939,918	(5,080,082)
Intergovernmental	490,990	490,990	1,133,717	642,727
Investment earnings	--	--	6,175	6,175
Miscellaneous	--	--	252,467	252,467
Administrative fees	437,720	437,720	437,720	--
<b>Total Revenues</b>	<u>8,096,066</u>	<u>8,096,066</u>	<u>4,286,076</u>	<u>(3,809,990)</u>
<b>Expenditures</b>				
Current:				
Transportation	2,108,694	2,108,694	2,116,864	(8,170)
Capital outlay	15,720,688	15,720,688	2,954,663	12,766,025
<b>Total Expenditures</b>	<u>17,829,382</u>	<u>17,829,382</u>	<u>5,071,527</u>	<u>12,757,855</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(9,733,316)</u>	<u>(9,733,316)</u>	<u>(785,451)</u>	<u>(8,947,865)</u>
<b>Other Financing Sources</b>				
Debt proceeds	6,020,000	6,020,000	--	6,020,000
Transfers in	382,419	382,419	382,419	--
<b>Total Other Financing Sources</b>	<u>6,402,419</u>	<u>6,402,419</u>	<u>382,419</u>	<u>6,020,000</u>
Appropriation of Prior Year Fund Balance	3,330,897	3,330,897	--	(3,330,897)
<b>Net Change in Fund Balances</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (403,032)</u>	<u>\$ (403,032)</u>

**CITY OF DEERFIELD BEACH, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 1,931,830	\$ 1,931,830	\$ 622,908	\$ (1,308,922)
<b>Total Revenues</b>	<u>1,931,830</u>	<u>1,931,830</u>	<u>622,908</u>	<u>(1,308,922)</u>
<b>Expenditures</b>				
Current:				
Economic environment	1,306,830	1,306,830	237,226	1,069,604
Human services	25,000	25,000	25,000	--
Capital outlay	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>--</u>
<b>Total Expenditures</b>	<u>1,506,830</u>	<u>1,506,830</u>	<u>437,226</u>	<u>1,069,604</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>425,000</u>	<u>425,000</u>	<u>185,682</u>	<u>239,318</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(425,000)</u>	<u>(425,000)</u>	<u>(59,347)</u>	<u>365,653</u>
<b>Net Change in Fund Balances</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 126,335</u>	<u>\$ 126,335</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

**SEPTEMBER 30, 2023**

	Firefighters' Pension Fund	Police Pension Fund	Non- Uniform Pension	Total Pension Trust Funds
<b>Assets</b>				
Investments:				
Money market funds	\$ 3,466,884	\$ 1,056,820	\$ 994,622	\$ 5,518,326
Fixed income mutual funds	15,158,279	1,983,690	--	17,141,969
U.S. government and agency securities	12,515,100	5,700,892	8,285,065	26,501,057
Equity securities	74,152,943	27,717,325	26,308,383	128,178,651
Corporate bonds	2,170,108	531,460	5,838,929	8,540,497
Real estate funds	25,487,345	5,970,777	4,667,969	36,126,091
Self directed DROP accounts	2,389,907	--	--	2,389,907
Private credit funds	5,556,035	--	--	5,556,035
Hedge funds	587,162	--	1,482,738	2,069,900
<b>Total investments</b>	<u>141,483,763</u>	<u>42,960,964</u>	<u>47,577,706</u>	<u>232,022,433</u>
Receivables:				
Interest and dividends	129,796	34,373	132,910	297,079
Due from participants	20,156	30,304	1,337	51,797
Contributions receivable (State)	410,164	--	--	410,164
Pending trades	71,791	--	9,652	81,443
<b>Total receivables</b>	<u>631,907</u>	<u>64,677</u>	<u>143,899</u>	<u>840,483</u>
<b>Total Assets</b>	<u>142,115,670</u>	<u>43,025,641</u>	<u>47,721,605</u>	<u>232,862,916</u>
<b>Liabilities</b>				
Accounts payable	52,592	28,114	70,613	151,319
Accounts payable - purchase of investments	--	354	11,202	11,556
<b>Total Liabilities</b>	<u>52,592</u>	<u>28,468</u>	<u>81,815</u>	<u>162,875</u>
<b>Deferred Inflow</b>	<u>52,982</u>	<u>--</u>	<u>65,033</u>	<u>118,015</u>
<b>Net Position Restricted for Pension Benefits</b>				
<b>Total Net Position Restricted for Pension Benefits</b>	<u>\$ 142,010,096</u>	<u>\$ 42,997,173</u>	<u>\$ 47,574,757</u>	<u>\$ 232,582,026</u>

**CITY OF DEERFIELD BEACH, FLORIDA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Firefighters' Pension Fund	Police Pension Fund	Non- Uniform Pension	Total Pension Trust Funds
<b>Additions</b>				
Contributions:				
Employer	\$ 6,865,867	\$ 2,319,805	\$ 856,776	\$ 10,042,448
Plan members	676,161	--	9,950	686,111
Chapter	1,164,334	957,166	--	2,121,500
Total contributions	<u>8,706,362</u>	<u>3,276,971</u>	<u>866,726</u>	<u>12,850,059</u>
Investment earnings:				
Interest and dividend revenue	3,803,792	1,663,735	1,262,916	6,730,443
Net appreciation in the fair value of investments	<u>7,005,012</u>	<u>2,646,130</u>	<u>3,812,986</u>	<u>13,464,128</u>
Total investment gains	10,808,804	4,309,865	5,075,902	20,194,571
Less: investment expense	<u>(620,014)</u>	<u>(164,968)</u>	<u>(267,847)</u>	<u>(1,052,829)</u>
Net investment income	<u>10,188,790</u>	<u>4,144,897</u>	<u>4,808,055</u>	<u>19,141,742</u>
Miscellaneous	<u>--</u>	<u>--</u>	<u>2,692</u>	<u>2,692</u>
<b>Total Additions</b>	<u>18,895,152</u>	<u>7,421,868</u>	<u>5,677,473</u>	<u>31,994,493</u>
<b>Deductions</b>				
Benefit payments	9,236,630	4,625,873	5,019,647	18,882,150
DROP distributions	1,535,359	--	--	1,535,359
Share account distributions	77,405	751,715	--	829,120
Administrative expenses	<u>219,649</u>	<u>84,724</u>	<u>99,658</u>	<u>404,031</u>
<b>Total Deductions</b>	<u>11,069,043</u>	<u>5,462,312</u>	<u>5,119,305</u>	<u>21,650,660</u>
<b>Change in Net Position</b>	7,826,109	1,959,556	558,168	10,343,833
<b>Net Position Restricted for Pension</b>				
<b>Benefits -</b>				
<b>Beginning of Year</b>	<u>134,183,987</u>	<u>41,037,617</u>	<u>47,016,589</u>	<u>222,238,193</u>
<b>End of Year</b>	<u>\$ 142,010,096</u>	<u>\$ 42,997,173</u>	<u>\$ 47,574,757</u>	<u>\$ 232,582,026</u>

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**STATISTICAL SECTION**

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# STATISTICAL SECTION

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## **STATISTICAL SECTION (UNAUDITED)**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NET POSITION BY COMPONENT**

**LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 83,595,759	\$ 71,037,127	\$ 65,038,801	\$ 63,275,945	\$ 65,413,462	\$ 66,878,760	\$ 68,098,733	\$ 64,215,625	\$ 61,201,885	\$ 57,468,114
Restricted	40,935,934	50,832,847	18,174,938	21,765,881	21,139,007	80,502,274	10,712,284	9,614,790	7,853,503	9,663,870
Unrestricted (deficit)	(33,251,074)	(42,205,123)	(45,275,652)	(56,699,883)	(60,647,204)	(143,581,097)	(33,718,932)	(28,967,707)	(31,131,872)	(615,504)
<b>Total Governmental Activities Net Position</b>	<b>\$ 91,280,619</b>	<b>\$ 79,664,851</b>	<b>\$ 37,938,087</b>	<b>\$ 28,341,943</b>	<b>\$ 25,905,265</b>	<b>\$ 3,799,937</b>	<b>\$ 45,092,085</b>	<b>\$ 44,862,708</b>	<b>\$ 37,923,516</b>	<b>\$ 66,516,480</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 57,410,980	\$ 51,222,386	\$ 49,443,126	\$ 58,857,747	\$ 34,510,573	\$ 52,967,087	\$ 51,774,904	\$ 56,362,887	\$ 52,525,476	\$ 50,924,663
Restricted	1,139,000	3,461,863	1,193,510	1,178,354	--	1,839,167	1,834,565	1,834,718	1,760,856	743,838
Unrestricted	31,359,471	18,825,552	18,919,626	18,593,835	8,326,003	8,011,660	29,117,078	26,713,892	31,535,603	33,335,797
<b>Total Business-type Activities Net Position</b>	<b>\$ 89,909,451</b>	<b>\$ 73,509,801</b>	<b>\$ 69,556,262</b>	<b>\$ 78,629,936</b>	<b>\$ 42,836,576</b>	<b>\$ 62,817,914</b>	<b>\$ 82,726,547</b>	<b>\$ 84,911,497</b>	<b>\$ 85,821,935</b>	<b>\$ 85,004,298</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 141,006,739	\$ 122,259,513	\$ 114,481,927	\$ 122,133,692	\$ 42,931,897	\$ 119,845,847	\$ 119,873,637	\$ 120,578,512	\$ 113,727,361	\$ 108,392,777
Restricted	42,074,934	54,294,710	19,368,448	22,944,235	173,140	82,341,441	12,546,849	11,449,508	9,614,359	10,407,708
Unrestricted	(1,891,603)	(23,379,571)	(26,356,026)	(38,106,048)	14,026,546	(135,569,437)	(4,601,854)	(2,253,815)	403,731	32,720,293
<b>Total Primary Government Net Position</b>	<b>\$ 181,190,070</b>	<b>\$ 153,174,652</b>	<b>\$ 107,494,349</b>	<b>\$ 106,971,879</b>	<b>\$ 57,131,583</b>	<b>\$ 66,617,851</b>	<b>\$ 127,818,632</b>	<b>\$ 129,774,205</b>	<b>\$ 123,745,451</b>	<b>\$ 151,520,778</b>

**CITY OF DEERFIELD BEACH, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 14,581,001	\$ 10,834,495	\$ 14,174,978	\$ 13,200,897	\$ 10,139,309	\$ 13,858,877	\$ 18,833,091	\$ 15,971,447	\$ 14,043,751	\$ 12,353,311
Economic environment	2,332,248	1,936,041	4,293,606	3,006,189	1,831,573	3,255,195	2,421,264	2,770,154	1,746,288	2,832,290
Public safety	86,478,909	60,843,134	73,254,510	75,166,877	67,759,892	72,209,952	65,333,492	59,621,417	56,811,183	55,555,149
Human services	2,468,427	2,002,868	2,026,671	2,258,427	352,258	3,415,404	2,847,032	2,836,456	2,382,915	2,159,042
Physical environment	10,411,636	9,250,580	6,700,678	6,966,270	3,903,291	7,561,665	5,780,265	4,952,451	6,311,645	3,974,644
Transportation	4,877,296	4,589,488	4,464,749	5,683,850	5,293,134	4,863,339	4,527,599	4,047,654	4,125,562	3,375,247
Culture and recreation	8,856,305	7,338,876	5,740,552	5,717,348	4,525,216	7,398,066	5,992,978	5,846,869	3,728,135	4,032,285
Interest on long-term debt	3,626,064	3,453,832	3,683,713	3,369,738	3,614,126	2,317,478	1,884,325	1,895,608	1,921,214	2,807,078
<b>Total Governmental Activities Expenses</b>	<b>133,631,886</b>	<b>100,249,314</b>	<b>114,339,457</b>	<b>115,369,596</b>	<b>97,418,799</b>	<b>114,879,976</b>	<b>107,640,046</b>	<b>97,942,056</b>	<b>91,070,693</b>	<b>87,089,046</b>
Business-type activities:										
Water and sewer utility	27,810,182	25,448,186	24,516,242	24,985,197	24,088,048	26,719,702	26,341,135	25,282,502	23,570,064	22,210,582
Solid waste	17,179,486	15,982,567	14,883,574	21,697,597	15,522,046	17,109,044	17,163,860	15,712,131	14,468,169	13,849,313
Stormwater utility	1,134,988	1,246,404	1,100,143	926,581	1,222,265	--	--	--	--	--
<b>Total Business-type Activities Expenses</b>	<b>46,124,656</b>	<b>42,677,157</b>	<b>40,499,959</b>	<b>47,609,375</b>	<b>40,832,359</b>	<b>43,828,746</b>	<b>43,504,995</b>	<b>40,994,633</b>	<b>38,038,233</b>	<b>36,059,895</b>
<b>Total Primary Government Expenses</b>	<b>179,756,542</b>	<b>142,926,471</b>	<b>154,839,416</b>	<b>162,978,971</b>	<b>138,251,158</b>	<b>158,708,722</b>	<b>151,145,041</b>	<b>138,936,689</b>	<b>129,108,926</b>	<b>123,148,941</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	14,979,619	14,278,779	9,476,546	10,448,831	10,484,542	4,289,131	4,439,989	4,757,881	4,291,549	540,328
Economic environment	1,183,717	1,102,257	--	--	--	--	--	--	--	--
Public safety	22,382,850	19,003,706	25,092,920	22,395,951	23,921,809	26,114,265	25,350,237	21,932,165	23,802,373	20,615,778
Human services	--	182	77	196,219	84,130	100,229	56,573	50,140	10,020	29,316
Physical environment	103,691	203,784	172,293	350,471	634,542	343,511	183,105	189,872	355,326	286,215
Transportation	3,159,373	3,779,540	2,691,836	1,978,435	2,441,655	2,572,664	2,689,914	2,566,791	2,537,022	1,829,159
Culture and recreation	2,050,705	1,680,129	1,323,813	1,045,270	1,643,719	1,707,368	2,161,352	3,078,829	2,113,288	1,907,505
Operating grants and contributions:	3,588,365	13,209,259	6,359,000	5,879,144	5,551,403	5,521,769	4,803,382	6,690,084	4,941,733	6,253,912
Capital grants and contributions:	3,283,371	742,236	--	--	50,000	689,982	2,616,764	2,374,178	348,392	285,142
<b>Total Governmental Activities</b>	<b>50,731,691</b>	<b>53,999,872</b>	<b>45,116,485</b>	<b>42,294,321</b>	<b>44,811,800</b>	<b>41,338,919</b>	<b>42,301,316</b>	<b>41,639,940</b>	<b>38,399,703</b>	<b>31,747,355</b>
Business-type activities:										
Charges for services:										
Water and sewer	27,764,740	25,931,208	23,889,173	23,932,893	27,394,983	25,729,905	25,556,346	24,908,850	25,296,809	24,754,868
Solid waste	21,772,780	18,099,403	17,392,321	17,456,238	17,770,995	16,754,407	15,832,628	15,327,755	14,748,707	14,626,474
Stormwater utility	2,263,782	2,330,888	2,183,627	2,233,083	2,117,203	--	--	--	--	--
BUS-operating grants and contributions	--	244,265	71,705	126,990	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	398,300	--	64,452	45,899
<b>Total Business-type Activities</b>	<b>51,801,302</b>	<b>46,605,764</b>	<b>43,536,826</b>	<b>43,749,204</b>	<b>47,283,181</b>	<b>42,484,312</b>	<b>41,787,274</b>	<b>40,236,605</b>	<b>40,109,968</b>	<b>39,427,241</b>
<b>Total Primary Government Program Revenues</b>	<b>102,532,993</b>	<b>100,605,636</b>	<b>88,653,311</b>	<b>86,043,525</b>	<b>92,094,981</b>	<b>83,823,231</b>	<b>84,088,590</b>	<b>81,876,545</b>	<b>78,509,671</b>	<b>71,174,596</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	(82,900,195)	(46,249,442)	(69,222,972)	(73,075,275)	(52,606,999)	(73,541,057)	(65,338,730)	(56,302,116)	(52,670,990)	(55,341,691)
Business-type activities	5,676,646	3,928,607	3,036,867	(3,860,171)	6,450,822	(1,344,434)	(1,171,721)	(738,028)	2,071,735	3,367,346
<b>Total Primary Government Net Expense</b>	<b>\$ (77,223,549)</b>	<b>\$ (42,320,835)</b>	<b>\$ (66,186,105)</b>	<b>\$ (76,935,446)</b>	<b>\$ (46,156,177)</b>	<b>\$ (74,885,491)</b>	<b>\$ (67,056,451)</b>	<b>\$ (57,060,144)</b>	<b>\$ (50,599,255)</b>	<b>\$ (51,974,345)</b>

**CITY OF DEERFIELD BEACH, FLORIDA**  
**CHANGES IN NET POSITION (CONTINUED)**

**LAST TEN FISCAL YEARS**  
**(ACCURAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 59,306,650	\$ 53,545,828	\$ 51,262,337	\$ 48,309,392	\$ 45,215,722	\$ 42,852,391	\$ 39,732,879	\$ 37,603,317	\$ 35,512,381	\$ 33,750,761
Utility taxes	10,855,884	9,690,469	8,694,445	8,421,784	8,709,365	8,429,194	8,307,025	8,074,781	7,976,554	7,907,567
Sales taxes	11,466,098	9,205,683	5,670,300	4,803,143	5,321,474	5,384,431	5,062,149	5,413,109	4,875,615	4,648,145
Franchise taxes	10,408,321	9,675,197	8,267,024	7,365,570	7,840,494	7,622,049	7,648,226	7,795,465	6,832,413	8,867,645
Motor fuel taxes	--	--	1,282,239	1,203,827	1,427,609	1,418,558	1,416,578	1,491,230	1,353,883	1,318,433
Alcoholic beverage/mobile home license taxes	88,495	88,183	87,244	86,107	85,214	86,067	96,204	85,980	96,892	55,777
Impact fees	106,962	171,851	--	--	--	--	--	--	--	--
Grants and contributions not restricted to specific programs	5,218,707	4,123,235	2,483,335	1,715,329	1,983,976	2,065,013	1,987,520	1,868,658	1,804,085	1,622,476
Unrestricted investment earnings	5,195,012	502,924	165,996	1,325,584	2,403,213	894,912	279,975	207,623	85,147	56,617
Miscellaneous revenues	1,053,603	884,584	492,195	2,128,836	1,454,295	2,187,154	730,852	380,032	1,797,415	166,676
Transfers	(9,183,769)	88,252	411,171	155,211	270,961	306,699	--	321,113	270,893	--
<b>Total Governmental Activities</b>	<b>94,515,963</b>	<b>87,976,206</b>	<b>78,816,286</b>	<b>75,514,783</b>	<b>74,712,323</b>	<b>71,246,468</b>	<b>65,261,408</b>	<b>63,241,308</b>	<b>60,605,278</b>	<b>58,394,097</b>
Business-type activities:										
Unrestricted investment earnings	1,536,835	784	47,444	708,666	1,112,080	493,611	237,770	168,703	59,880	55,312
Miscellaneous revenues	2,400	112,400	2,325	77,650	--	--	--	--	(46,381)	--
Transfers	9,183,769	(88,252)	(411,171)	(155,211)	(270,961)	(306,699)	(306,699)	(321,113)	(270,893)	(264,961)
<b>Total Business-type Activities</b>	<b>10,723,004</b>	<b>24,932</b>	<b>(361,402)</b>	<b>631,105</b>	<b>841,119</b>	<b>186,912</b>	<b>(68,929)</b>	<b>(152,410)</b>	<b>(257,394)</b>	<b>(209,649)</b>
<b>Total Primary Government</b>	<b>105,238,967</b>	<b>88,001,138</b>	<b>78,454,884</b>	<b>76,145,888</b>	<b>75,553,442</b>	<b>71,433,380</b>	<b>65,192,479</b>	<b>63,088,898</b>	<b>60,347,884</b>	<b>58,184,448</b>
<b>Changes in Net Position</b>										
Governmental activities	11,615,768	5,076,011	32,566,844	6,291,811	1,637,048	18,639,469	(8,279,649)	(2,097,422)	4,303,162	5,723,107
Business-type activities	16,399,650	5,701,578	3,567,205	3,667,972	(3,019,052)	6,637,734	(1,413,363)	(1,870,131)	(1,015,422)	1,862,086
<b>Total Primary Government</b>	<b>\$ 28,015,418</b>	<b>\$ 10,777,589</b>	<b>\$ 36,134,049</b>	<b>\$ 9,959,783</b>	<b>\$ (1,382,004)</b>	<b>\$ 25,277,203</b>	<b>\$ (9,693,012)</b>	<b>\$ (3,967,553)</b>	<b>\$ 3,287,740</b>	<b>\$ 7,585,193</b>

**CITY OF DEERFIELD BEACH, FLORIDA**

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

**LAST TEN FISCAL YEARS  
(ACCURAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Tax	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2014	\$ 33,750,761	\$ 7,907,567	\$ 5,934,513	\$ 8,867,645	\$ 1,318,433	\$ 55,777	\$ 57,834,696
2015	35,512,381	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,738
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,491,230	85,980	61,288,292
2017	39,732,879	8,307,025	5,062,149	7,648,226	1,416,578	96,204	62,263,061
2018	42,852,391	8,429,194	6,677,330	7,622,049	1,418,558	86,067	67,085,589
2019	45,215,722	8,709,365	5,321,474	7,840,494	1,427,609	85,214	68,599,878
2020	48,309,392	8,421,784	4,803,143	7,365,570	1,203,827	86,107	70,189,823
2021	51,262,337	8,694,445	5,670,300	8,267,024	1,282,239	87,244	75,263,589
2022	54,294,165	9,690,469	7,226,763	9,675,197	1,978,920	88,183	82,953,697
2023	59,306,650	10,855,884	11,466,098	10,408,321	2,455,997	88,495	94,581,445

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Fund</b>										
Nonspendable	\$ 664,652	\$ 471,291	\$ 355,872	\$ 402,789	\$ 231,158	\$ 700,972	\$ 441,359	\$ 245,932	\$ 211,331	\$ 663,995
Assigned	27,471,443	15,217,017	4,704,811	9,543,562	8,848,378	8,291,753	8,057,917	7,855,937	7,028,371	4,502,471
Unassigned	28,048,128	39,214,310	35,043,050	21,664,616	17,617,916	17,968,892	16,400,894	16,512,401	11,631,572	8,781,650
<b>Total General Fund</b>	<u>\$56,184,223</u>	<u>\$54,902,618</u>	<u>\$40,103,733</u>	<u>\$31,610,967</u>	<u>\$26,697,452</u>	<u>\$26,961,617</u>	<u>\$24,900,170</u>	<u>\$24,614,270</u>	<u>\$18,871,274</u>	<u>\$13,948,116</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 1,993,452	\$ 1,830,324	\$ 1,684,603	\$ 1,492,547	\$ 1,408,008	\$ 1,408,008	\$ 1,657,455	\$ 1,066,318	\$ 1,251,701	\$ 1,240,498
Restricted	38,133,737	47,905,956	43,269,575	46,701,455	49,356,084	49,356,084	12,317,388	12,263,149	11,323,253	17,303,614
Assigned	--	--	5,258,898	2,341,276	--	--	--	--	--	--
Unassigned	--	(95,561)	(39,209)	(208,849)	(164,575)	(164,575)	(294,146)	(284,862)	(231,284)	(181,733)
<b>Total All Other Governmental Funds</b>	<u>\$40,127,189</u>	<u>\$49,640,719</u>	<u>\$50,173,867</u>	<u>\$50,326,429</u>	<u>\$50,599,517</u>	<u>\$50,599,517</u>	<u>\$13,680,697</u>	<u>\$13,044,605</u>	<u>\$12,343,670</u>	<u>\$18,362,379</u>

**CITY OF DEERFIELD BEACH, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Revenues</b>										
Property taxes	\$ 59,459,903	\$ 54,294,165	\$ 51,262,337	\$ 48,309,392	\$ 45,215,722	\$ 42,852,391	\$ 39,732,879	\$ 37,603,317	\$ 35,512,396	\$ 28,291,130
Sales and use taxes	9,010,101	7,226,763	6,965,726	6,179,244	6,725,332	6,677,330	6,374,461	6,790,747	6,221,255	5,565,280
Fire assessment fees	16,555,348	13,652,540	13,534,043	13,687,279	11,288,253	11,026,863	11,041,726	11,068,185	11,007,913	8,491,262
Franchise fees	10,408,321	9,675,197	8,267,025	7,365,570	7,840,494	7,622,049	7,648,226	7,795,465	8,447,210	8,959,809
Utility taxes	10,855,884	9,690,469	8,694,445	8,421,784	8,709,365	8,429,194	8,307,025	8,074,781	7,976,554	7,343,575
Local option gas tax	2,455,997	1,978,920	1,282,238	1,203,827	1,427,609	1,418,558	1,416,578	1,491,230	1,353,883	1,285,882
Alcoholic beverage/mobile home license taxes	88,495	88,183	87,244	86,107	85,214	--	--	--	--	--
Local business taxes/permits	6,326,958	5,318,527	5,004,356	7,344,457	7,535,466	4,951,256	5,432,035	4,202,781	4,674,337	3,006,077
Intergovernmental	9,355,525	17,271,311	5,771,003	6,632,289	3,494,173	5,838,827	7,000,870	5,058,080	5,058,080	8,753,280
Charges for services	11,090,427	11,229,111	10,227,471	9,005,717	10,050,895	9,998,883	10,275,886	9,674,471	9,785,012	8,236,329
Fines and forfeitures	1,807,560	1,768,536	1,491,805	1,770,589	1,325,231	1,529,006	1,484,146	1,830,841	1,726,615	911,536
Impact fees	106,962	171,851	244,801	664,558	457,807	138,626	244,612	176,954	--	--
Investment earnings	5,164,012	491,554	165,996	1,325,584	2,403,213	894,911	279,974	207,695	85,191	64,333
Miscellaneous	11,899,183	9,779,036	12,032,341	9,497,112	10,600,470	9,244,581	9,424,423	9,085,943	17,030,831	6,870,128
<b>Total Revenues</b>	<b>154,584,676</b>	<b>142,636,163</b>	<b>125,030,831</b>	<b>121,493,509</b>	<b>117,159,244</b>	<b>110,622,475</b>	<b>108,662,841</b>	<b>103,060,490</b>	<b>108,879,277</b>	<b>87,778,621</b>
<b>Expenditures</b>										
General government	18,480,496	14,995,878	14,173,917	14,636,010	16,796,303	16,637,413	20,379,141	18,083,088	21,977,441	15,510,007
Economic environment	2,317,170	1,920,764	4,278,742	3,457,681	2,832,044	2,782,544	2,121,390	2,770,158	1,821,340	2,964,052
Public safety	79,445,525	73,855,804	71,241,015	71,277,001	68,763,739	65,048,696	61,789,116	60,100,777	58,670,678	54,809,205
Human services	2,388,805	1,922,192	1,948,179	2,520,942	2,832,728	2,915,117	2,436,525	2,197,031	2,842,242	2,154,433
Physical environment	9,684,648	8,513,969	5,984,005	6,138,135	7,361,321	7,265,038	6,160,397	4,843,967	6,845,708	3,518,440
Transportation	2,927,397	2,613,778	2,542,517	2,497,918	2,398,753	2,902,618	2,795,435	2,812,545	2,737,514	2,292,118
Culture and recreation	7,203,084	5,663,772	4,110,789	4,624,314	5,725,177	5,507,911	4,603,199	3,975,250	3,658,093	2,997,052
Capital outlay	28,954,305	11,778,675	5,418,970	7,700,899	5,434,535	2,885,587	2,885,587	4,717,906	5,872,209	5,770,037
Debt service:										
Principal retirement	3,859,450	3,587,194	3,723,045	2,653,195	2,564,594	2,745,479	2,725,773	2,520,002	2,504,085	2,606,667
Interest and fiscal charges	3,854,940	3,606,652	3,680,619	3,673,954	4,026,808	2,101,051	2,150,785	2,048,017	2,063,110	2,710,837
Fiscal agent fees and other fees	--	--	--	--	--	--	--	--	--	102,057
<b>Total Expenditures</b>	<b>159,115,820</b>	<b>128,458,678</b>	<b>117,101,798</b>	<b>119,180,049</b>	<b>118,736,002</b>	<b>110,791,454</b>	<b>108,047,348</b>	<b>104,068,741</b>	<b>108,992,420</b>	<b>95,434,905</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,531,144)</b>	<b>14,177,485</b>	<b>7,929,033</b>	<b>2,313,460</b>	<b>(1,576,758)</b>	<b>(168,979)</b>	<b>615,493</b>	<b>(1,008,251)</b>	<b>(113,143)</b>	<b>(7,656,284)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	14,767,994	20,250,245	7,726,482	8,686,107	6,425,237	6,896,744	7,316,052	6,843,592	6,966,774	7,517,606
Transfers out	(19,072,040)	(20,161,993)	(7,315,311)	(8,530,897)	6,154,275	6,590,045	7,009,353	6,552,479	6,695,875	7,252,645
Premiums on bonds issued	--	--	--	--	5,826,066	--	--	--	--	--
Proceeds from refunded bonds	--	--	--	--	--	--	--	--	--	--
Bonds and notes issued	--	--	--	--	36,155,000	--	--	--	--	--
Bonds and notes issued	--	--	--	--	36,155,000	--	--	--	--	--
CARES act funds	--	--	--	1,374,764	--	--	--	--	--	--
Initiation of SBITA's	603,265	--	--	--	--	--	--	--	--	--
Capital lease proceeds	--	--	--	1,838,622	--	--	--	--	--	--
<b>Total Other Financing Sources (Uses)</b>	<b>(3,700,781)</b>	<b>88,252</b>	<b>411,171</b>	<b>3,368,596</b>	<b>12,579,512</b>	<b>91,622,855</b>	<b>14,325,405</b>	<b>13,396,071</b>	<b>13,662,649</b>	<b>14,770,251</b>
<b>Net Change in Fund Balances</b>	<b>\$(8,231,925)</b>	<b>\$14,265,737</b>	<b>\$8,340,204</b>	<b>\$5,682,056</b>	<b>\$11,002,754</b>	<b>\$9,453,876</b>	<b>\$14,940,898</b>	<b>\$12,387,820</b>	<b>\$13,549,506</b>	<b>\$7,113,967</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	2.47%	2.87%	3.21%	3.15%	3.46%	1.95%	2.04%	2.02%	1.94%	3.02%

**CITY OF DEERFIELD BEACH, FLORIDA**

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

**LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Taxes	Utility Service Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2014	\$ 33,750,761	\$ 7,907,567	\$ 5,934,513	\$ 8,867,645	\$ 1,318,433	\$ 55,777	\$ 57,834,696
2015	35,512,396	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,753
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,377,907	85,980	61,174,969
2017	39,732,879	8,307,025	6,374,461	7,648,226	1,416,578	96,204	63,575,373
2018	42,852,391	8,429,194	6,677,330	7,622,049	1,418,558	86,067	67,085,589
2019	45,215,722	8,709,365	6,725,332	7,840,494	1,427,609	85,214	70,003,736
2020	48,309,392	8,421,784	6,179,244	7,365,570	1,203,827	86,107	71,565,924
2021	51,251,890	7,190,501	4,691,707	6,038,244	1,055,335	80,104	70,307,781
2022	54,294,165	9,690,469	7,226,763	9,675,197	1,978,920	88,183	82,953,697
2023	59,459,903	10,855,884	9,010,101	10,408,321	2,455,997	88,495	92,278,701

## CITY OF DEERFIELD BEACH, FLORIDA

### ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

#### LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Real Property <sup>(1)</sup>	Personal Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated		Taxable Assessed Value as a Percentage of Actual Taxable Value
						Actual Taxable Value <sup>(1)</sup>	Value	
2014	\$ 6,282,449,796	\$ 398,719,587	\$ 1,673,533,699	\$ 5,007,635,684	6.7688	\$ 7,864,092,199		63.677%
2015	6,965,511,494	402,157,090	2,064,034,621	5,303,633,963	6.7688	8,646,548,680		61.338%
2016	7,575,534,000	428,708,115	2,347,582,606	5,656,659,509	6.6688	9,388,030,664		60.254%
2017	8,926,809,490	449,468,620	1,425,792,130	7,950,485,980	6.5007	10,961,317,366		72.532%
2018	9,581,418,870	452,285,512	1,952,768,762	8,080,935,620	6.5007	11,710,313,829		69.007%
2019	10,200,369,940	469,978,207	1,500,155,639	7,487,621,621	6.3560	10,679,537,191		70.112%
2020	10,703,956,100	456,247,845	1,536,987,456	7,966,496,120	6.3560	11,169,132,355		71.326%
2021	11,310,071,470	496,696,461	1,572,158,502	8,516,958,964	6.3125	11,815,748,679		72.081%
2022	13,136,659,780	497,122,417	1,605,603,376	9,338,731,216	6.2825	13,643,337,750		68.449%
2023	15,254,366,170	534,482,648	1,666,944,915	10,416,944,530	6.2538	15,799,486,774		65.932%

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

<sup>(1)</sup> Real Property is assessed at 88% and Personal Property is assessed at 55%

Source: Broward County, Florida Property Appraiser



**CITY OF DEERFIELD BEACH, FLORIDA**

**PRINCIPAL PROPERTY TAX PAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

	2023				2014			
	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied	Taxable Assessed Valuation	Taxes	Rank	Percentage of Total Taxes Levied
FLORIDA POWER & LIGHT CO	\$ 132,426,046	\$ 794,795	1	1.42%	69,900,220	--	1	1.40%
JM FAMILY ENTERPRISES INC	116,546,168	699,484	2	1.25%	--	--	--	--
PUBLIX SUPER MARKETS INC	97,767,360	586,780	3	1.05%	65,926,923	--	2	1.32%
SCG ATLAS DEERCREEK II LLC	97,059,219	582,530	4	1.04%	--	--	6	--
QUIET WATERS BUSINESS PARK LLC	75,662,780	454,113	5	0.81%	31,397,050	--	--	0.63%
HILLSBORO TECHNOLOGY CENTER LLC	74,572,280	447,568	6	0.80%	--	--	--	--
WEINGARTEN REALTY INVESTORS	67,675,595	406,175	7	0.73%	--	--	--	--
SW 12TH FL PARTNERS LLC	59,355,000	356,237	8	0.64%	--	--	--	--
DEERFIELD BEACH ES HOTEL LLC	53,114,928	318,785	9	0.57%	44,556,600	--	4	0.89%
SK VENTURE HOLDINGS LLC	50,867,934	305,299	10	0.55%	--	--	--	--
CITY NATIONAL BANK TRUST	--	--	--	--	59,236,672	--	3	1.18%
CP DEERFIELD LLC	--	--	--	--	31,394,000	--	7	0.63%
CITY NATIONAL BANK OF FLA	--	--	--	--	28,133,504	--	8	0.56%
NEWS & SUN SENTINEL	--	--	--	--	25,000,000	--	9	0.50%
LAND TR	--	--	--	--	35,650,997	--	5	0.71%
WESTERN NATIONAL LIFE INSURANCE CO	--	--	--	--	23,025,420	--	10	0.46%
<b>Totals</b>	<b>\$ 825,047,310</b>	<b>\$ 4,951,766</b>		<b>8.85%</b>	<b>\$ 414,221,386</b>	<b>\$ --</b>		<b>8.28%</b>

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

# CITY OF DEERFIELD BEACH, FLORIDA

## PROPERTY TAX LEVIES AND COLLECTIONS

### LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Tax Roll Year	Tax Levies	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections*	Total Collections to Date	
			Amount	Percentage of Levies		Amount	Percentage of Levy
2014	2013	\$ 31,263,431	\$ 29,869,364	95.54%	\$ (113,030) *	\$29,756,334	95.18%
2015	2014	33,333,975	32,924,554	98.77%	(121,127) *	32,803,427	98.41%
2016	2015	35,102,340	34,887,089	99.39%	47,214	34,934,303	99.52%
2017	2016	39,631,940	37,991,955	95.86%	62,509	38,054,464	96.02%
2018	2017	42,810,803	40,940,537	95.63%	860,484	41,801,021	97.64%
2019	2018	46,146,136	44,107,935	95.58%	912,471	45,020,406	97.56%
2020	2019	45,040,154	44,481,393	98.76%	1,324,546	45,805,939	101.70%
2021	2020	46,740,320	46,096,554	98.62%	1,239,938	47,336,492	101.28%
2022	2021	55,797,029	55,261,065	99.04%	1,177,917	49,734,782	89.14%
2023	2022	62,463,544	49,113,133	78.63%	1,219,889	54,315,729	86.96%

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

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

Source: Broward County, Florida Revenue Collector

**CITY OF DEERFIELD BEACH, FLORIDA**

**WATER SOLD BY TYPE OF CUSTOMER**

**LAST TEN FISCAL YEARS  
(IN THOUSANDS OF GALLONS)**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Residential - Single Family	\$ 845,346	\$ 866,425	\$ 838,760	\$ 827,172	\$ 794,050	\$ 796,740	\$ 853,859	\$ 790,967	\$ 784,548	\$ 745,569
Residential - Multi-Family	1,671,031	914,436	894,770	710,714	663,433	753,441	763,095	1,006,073	1,084,878	1,063,107
Commercial	561,251	575,807	539,279	518,004	540,127	596,111	546,010	592,708	554,552	532,985
Irrigation	690,911	607,838	517,839	538,558	596,566	578,262	579,577	520,962	548,671	556,219
Hydrants	224	1,932	10,264	1,113	8,862	5,102	7,988	793	9,795	345
<b>Total</b>	<b>\$ 3,768,763</b>	<b>\$ 2,966,438</b>	<b>\$ 2,800,912</b>	<b>\$ 2,595,561</b>	<b>\$ 2,603,038</b>	<b>\$ 2,729,656</b>	<b>\$ 2,750,529</b>	<b>\$ 2,911,503</b>	<b>\$ 2,982,444</b>	<b>\$ 2,898,225</b>
<b>Total Direct Rate Per 1,000 Gallons</b>	<b>\$ 3.28</b>	<b>\$ 5.64</b>	<b>\$ 5.35</b>	<b>\$ 5.84</b>	<b>\$ 6.41</b>	<b>\$ 5.47</b>	<b>\$ 2.65</b>	<b>\$ 2.65</b>	<b>\$ 2.65</b>	<b>\$ 2.65</b>

Source: City of Deerfield Beach, Department of Financial Services

# CITY OF DEERFIELD BEACH, FLORIDA

## WATER AND SEWER RATES

### LAST TEN FISCAL YEARS

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Fiscal Year Ended September 30,	Water		Sewer	
	Monthly Base Rate		Monthly Base Rate	
2014	\$ 15.00	\$ 2.65	\$ 10.98	\$ 2.71
2015	15.00	2.65	10.98	2.71
2016	15.00	2.65	10.98	2.71
2017	15.00	2.65	10.98	2.71
2018	15.00	2.65	10.98	2.71
2019	15.00	2.65	10.98	2.71
2020	15.00	2.65	10.98	2.71
2021	15.00	2.65	10.98	2.71
2022	15.79	2.79	12.00	2.96
2023	16.62	2.94	13.11	3.23

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

Source: City of Deerfield Beach, Customer Service

**CITY OF DEERFIELD BEACH, FLORIDA**

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita	Population	Personal Income
	General Obligation Bonds	Covenant Bonds	Bond Premiums	Leases	Water and Sewer Bonds	Financing Leases	Loans and Notes	Water and Sewer Bonds	Financing Leases	Loans and Notes					
2014	\$ 19,797,105	\$ 24,140,000	\$ 1,595,012	\$ 80,981	\$ 14,938,143	\$ 1,087,825	\$ 14,196,426	\$ 74,240,480	4.06%	960	77,361	\$ 1,829,286,000			
2015	18,533,690	22,980,000	1,458,026	--	14,042,421	639,800	14,196,426	70,392,337	3.96%	918	76,662	1,779,325,000			
2016	17,295,290	21,785,000	1,315,047	1,665,572	12,839,802	3,042,143	12,498,150	69,125,957	3.77%	890	77,659	1,834,539,000			
2017	16,977,148	20,921,705	1,175,732	1,296,968	12,112,720	831,697	10,884,734	63,024,972	3.34%	793	78,042	1,852,951,000			
2018	15,073,185	51,265,000	6,411,084	951,425	11,397,243	610,114	9,246,973	88,543,940	3.78%	1127	78,573	2,343,754,000			
2019	14,262,255	56,186,812	6,325,119	601,070	10,595,004	9,696,445	7579659	98,921,245	4.79%	1244	79,497	2,066,445,000			
2020	12,877,338	48,925,000	6,228,304	3,458,318	9,678,126	10,309,198	5,882,575	91,130,555	4.18%	1124	81,066	2,179,216,212			
2021	11,785,277	47,530,000	6,132,414	2,250,967	8,733,448	9,880,254	4,165,505	84,345,451	3.87%	977	86,339	2,335,728,967			
2022	10,699,375	46,090,000	6,037,768	1,161,042	7,757,479	9,309,445	2,398,223	77,415,564	3.01%	878	88,146	2,571,042,528			
2023	9,623,145	44,590,000	5,942,293	4,757,546	6,750,503	3,978,546	1,920,506	71,620,246	2.57%	818	87,578	2,791,811,484			

Source: City of Deerfield Beach, Financial Services Department

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

**LAST TEN FISCAL YEARS**

Fiscal Year	General Obligations Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value	Per Capita
2014	\$ 19,797,105	\$ 2,513,964	\$ 17,283,141	0.22%	\$ 223.00
2015	18,533,690	2,534,573	15,999,117	0.19%	209.00
2016	17,295,290	2,400,835	14,894,455	0.18%	223.00
2017	16,977,148	2,440,501	14,536,647	0.17%	207.00
2018	15,073,185	6,507,301	8,565,884	0.10%	140.00
2019	14,262,255	4,537,565	9,724,690	0.08%	122.00
2020	12,877,338	4,252,912	8,624,426	0.07%	108.00
2021	11,785,277	4,117,908	7,667,369	0.07%	89.00
2022	10,669,375	4,139,018	6,530,357	0.07%	89.00
2023	9,623,145	4,264,726	5,358,419	0.06%	92.00

Source: City of Deerfield Beach, Financial Services Department

**CITY OF DEERFIELD BEACH, FLORIDA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**AS OF SEPTEMBER 30, 2022**

	Debt Outstanding <sup>(1)</sup>	Estimated Percentage Applicable	Estimated Share of Overlapping Debt <sup>(2)</sup>
General obligation bonds	\$ 9,623,145	100.00%	\$ 9,623,145
Covenant bonds <sup>(3)</sup>	44,590,000	100.00%	44,590,000
Bond premium	5,942,293	100.00%	5,942,293
Financing Leases	<u>89,731</u>	100.00%	<u>89,731</u>
<b>Total Direct Debt</b>	<u>60,245,169</u>		<u>60,245,169</u>
<b>Overlapping Debt</b>			
School Board of Broward County, Florida:			
Certificates of participation	1,419,940	5.00%	70,997
Financing Leases	<u>94,157</u>	5.00%	<u>4,708</u>
<b>Subtotal, Overlapping Debt</b>	<u>1,514,097</u>		<u>75,705</u>
<b>Total Direct Debt and Overlapping Debt</b>	<u>\$ 61,759,266</u>		<u>\$ 60,320,874</u>

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

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2023.

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

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

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**WATER AND SEWER PLEDGED REVENUE COVERAGE**

**LAST TEN FISCAL YEARS**

Fiscal Year Ended	Gross Revenues (A)	Expenses (B)	Net Revenue Available for Debt Service	Debt Service Requirements		Coverage (D)	
				Escrow or Principal	Interest		
September 30,	Revenues (A)	Expenses (B)	Service	Principal	Interest	Total (C)	
2014	\$ 24,810,180	\$ 17,417,474	\$ 7,392,706	\$ 2,081,285	\$ 1,152,032	\$ 3,233,317	3.22
2015	25,356,689	15,350,588	10,006,101	1,498,498	1,065,191	2,563,689	2.29
2016	25,077,553	15,838,252	9,239,301	2,238,878	877,272	3,116,150	2.97
2017	25,395,815	17,079,275	8,316,540	2,340,498	829,997	3,170,495	2.62
2018	25,434,035	16,904,326	8,529,709	2,402,352	875,366	3,277,718	2.60
2019	28,213,257	14,086,816	14,126,441	2,584,194	650,132	3,234,326	2.78
2020	24,529,012	15,471,131	9,057,881	865,000	447,769	1,312,769	2.91
2021	23,596,878	15,312,199	8,284,679	2,823,409	324,925	3,148,334	2.63
2022	25,907,576	16,357,875	9,549,701	2,743,251	305,943	3,049,194	3.13
2023	27,764,740	18,771,377	8,993,363	1,527,374	231,208	1,758,582	5.11

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

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

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

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**NON AD-VALOREM REVENUE  
ANTI-DILUTION TEST**

**AS OF SEPTEMBER 30, 2023**

	FY 2023	FY 2022	Prior Two- Year Average
<b>Revenues</b>			
Total governmental funds	\$ 154,584,676	\$ 142,636,163	\$ 148,610,420
Less: Ad valorem tax revenues	(54,315,729)	(49,734,782)	(52,025,256)
Incremental tax revenues	<u>(5,144,174)</u>	<u>(4,559,383)</u>	<u>(4,851,779)</u>
<b>Total Governmental Non-Ad Valorem Revenues</b>	95,124,773	88,341,998	91,733,386
Less: restricted funds:			
Community Redevelopment Agency	(119,688)	(14,337)	(67,013)
General Construction Fund	(3,550,374)	(465,417)	(2,007,896)
Non-major governmental funds	<u>(13,014,927)</u>	<u>(9,822,451)</u>	<u>(11,418,689)</u>
<b>Adjusted Non-Ad Valorem Revenues</b>	<u>78,439,784</u>	<u>78,039,793</u>	<u>78,239,789</u>
<b>Expenditures</b>			
Essential expenditures			
Public Safety	79,445,525	73,855,804	76,650,665
General government	<u>18,480,496</u>	<u>14,995,878</u>	<u>16,738,187</u>
<b>Total Essential Expenditures</b>	97,926,021	88,851,682	93,388,852
Less: Ad valorem revenues available to pay essential expenditures	<u>(54,315,729)</u>	<u>(49,734,782)</u>	<u>(52,025,256)</u>
<b>Adjusted Essential Expenditures</b>	<u>43,610,292</u>	<u>39,116,900</u>	<u>41,363,596</u>
<b>Net Non Ad-Valorem Revenues Available for Debt Service</b>	<u>\$ 34,829,492</u>	<u>\$ 38,922,893</u>	<u>\$ 36,876,193</u>
<b>Adjustments</b>			
Ad valorem revenue restricted for debt service	<u>\$ 4,264,726</u>	<u>\$ 4,139,018</u>	<u>\$ 2,608,894</u>

**Test 1 - Prior Two Year Average of Non-Ad Valorem Revenues Covers Projected MADS by 150%**

Net non-ad valorem revenues available for debt service	\$ 36,876,193
Maximum annual non-ad valorem debt service	\$ 2,000,000
Coverage	1843.81%

**Test 2 - Projected MADS does not exceed 20% of Governmental Fund, Less Ad Valorem Revenues Restricted for Debt Service and Debt Proceeds**

Two-year average net total governmental funds	\$ 148,610,420
Maximum annual non-ad valorem debt service	\$ 2,000,000
Coverage	1.35%

# CITY OF DEERFIELD BEACH, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### LAST TEN FISCAL YEARS

Fiscal Year	Population <sup>(1)</sup>	Personal Income**	Per Capita Personal Income <sup>(2)</sup>	Median Age <sup>(1)</sup>	School Enrollment <sup>(3)</sup>	Unemploy- ment Rate <sup>(2)</sup>
2014	77,361	\$ 1,829,286	\$ 23,646	43.2	7,442	6.6%
2015	76,662	1,779,325	26,210	42.1	7,961	5.1%
2016	77,659	1,834,539	23,623	42.9	7,397	4.9%
2017	78,042	1,852,951	23,743	43.5	7,285	4.4%
2018	78,573	2,343,754	29,829	41.6	7,522	3.0%
2019	79,497	2,066,445	25,994	42.5	6,861	2.9%
2020	80,188	2,220,049	27,689	41.6	6,455	7.0%
2021	86,339	2,356,479	27,053	41.5	7,100	3.5%
2022	88,146	2,569,874	29,168	43.8	7,946	2.5%
2023	87,578	2,568,127	29,381	43.5	7,831	3.1%

**Sources:**

<sup>(1)</sup> Bureau of Economic and Business Research (BEBR)

<sup>(2)</sup> American Factfinder and QuickFacts Census.gov

<sup>(3)</sup> School Board of Broward County, Florida

\*\* Personal income data expressed in thousands

# CITY OF DEERFIELD BEACH, FLORIDA

## PRINCIPAL EMPLOYERS

### CURRENT YEAR AND NINE YEARS AGO

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Publix Corporation	4,938	1	13.47%	1,518	1	3.41%
JM Family Enterprises	1,536	2	4.19%	1,086	3	2.54%
Broward Health North	1,341	3	3.66%	1,305	2	3.06%
City of Deerfield Beach	406	4	1.11%	467	6	1.09%
UPS	493	5	1.35%	515	5	1.30%
Target	507	6	1.38%	--		0.00%
Republic National Distribution	402	7	1.10%	325	7	0.00%
Peoples Trust	223	8	0.61%	--		0.00%
List Industries	293	9	0.80%	220	9	0.56%
Broward Sheriff Office	152	10	0.41%	310	8	0.79%
Sun-Sentinel	--		0.00%	752	4	1.73%
Medics Ambulance Services	--		0.00%	114	10	0.35%
<b>Totals</b>	<u>10,291</u>			<u>6,612</u>		

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

# CITY OF DEERFIELD BEACH, FLORIDA

## FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION

### LAST TEN FISCAL YEARS

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	99	85	60	60	64	62	60	66	73	63
Public safety:										
Police:										
Uniformed	135	135	132	135	135	135	130	127	127	126
Civilians	17	16	17	17	17	17	42	42	45	45
Fire/Rescue:										
Firefighters and officers	143	143	146	146	146	145	141	139	138	147
Bldg. inspection services	--	--	--	--	--	--	--	--	--	16
Civilians	1	1	1	1	1	1	2	5	5	6
Economic environment	2	2	2	2	2	2	2	1	1	1
Culture and recreation	107	97	90	84	53	53	94	75	72	66
Human services	10	9	28	28	23	22	39	40	39	40
Public works administration	--	--	--	--	--	--	--	--	--	--
Grounds maintenance	2	2	4	4	4	4	42	39	36	37
Parks	5	12	11	11	7	5	7	7	10	10
Water and sewer	67	64	104	105	81	81	69	56	60	58
Solid waste	62	60	69	75	68	68	68	75	64	54
Transportation:										
Street maintenance	<u>8</u>	<u>6</u>	<u>15</u>	<u>11</u>	<u>11</u>	<u>15</u>	<u>14</u>	<u>11</u>	<u>12</u>	<u>11</u>
<b>Total</b>	<u>658</u>	<u>632</u>	<u>679</u>	<u>679</u>	<u>612</u>	<u>610</u>	<u>710</u>	<u>683</u>	<u>682</u>	<u>680</u>

Source: City of Deerfield Beach, Financial Services Department

**CITY OF DEERFIELD BEACH, FLORIDA**

**OPERATING INDICATORS BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Public Safety</b>										
<b>Police</b>										
Physical arrests	1,860	1,570	1,563	1,298	2,136	2,552	2,600	2,616	2,563	2,729
Parking violations	15,498	14,497	17,116	14,803	18,474	17,413	17,982	19,980	20,084	15,315
Traffic violations	18,259	20,388	16,007	11,354	17,361	14,031	15,402	17,220	17,631	17,382
<b>Fire/Rescue</b>										
Number of emergency responses	16,799	15,529	16,485	15,531	15,927	15,472	11,642	15,458	15,217	14,606
Inspections	4,384	4,473	3,702	2,879	2,651	3,193	2,420	3,916	7,653	5,332
Fire extinguished	178	166	127	118	130	145	185	162	139	152
<b>Transportation</b>										
Street maintenance:										
Streets resurfacing (miles)	1	11	6	20	11	--	--	--	22	28
Potholes repaired	86	70	117	427	403	577	436	200	204	556
Sidewalk repaired (feet)	1,907	951	3,430	4,383	4,781	3,911	2,894	3,920	8,555	5,705
<b>Transit Services</b>										
Total route miles	90,000	87,037	1,595	89,674	143,705	148,424	116,317	140,124	106,942	142,690
Number of trips	46,650	13,093	329	41,949	71,996	43,020	79,836	86,048	91,902	97,743
<b>Physical Environment</b>										
Number of burials	86	154	151	153	121	125	104	112	110	122
<b>Culture and Recreation</b>										
Athletic field permits issued	35	113	106	36	--	116	1,682	1,344	493	246
Number of participants in arts and education classes	923	1,147	4,600	1,500	6,217	2,560	2,015	6,144	5,684	5,498
Number of special event permits issued	91	184	156	57	70	115	81	76	88	192
Attendance at special events	135,000	171,111	49,990	99,513	275,677	325,000	336,644	292,000	285,500	298,530
<b>Human Services - HR</b>										
Childcare:										
Average daily attendance	--	--	--	12	15	12	18	12	10	12
Number of meals served	--	--	--	9,235	6,302	18,505	15,098	18,467	18,381	15,785
Adult daycare:										
Average daily attendance	--	--	--	4	4	31	31	5	7	7
Alzheimer's daycare:										
Average daily attendance	24	--	--	34	34	151	139	28	24	27
<b>Water</b>										
New connections	124	20	20	30	287	34	32	5	10	10
Water main breaks	59	8	8	17	192	60	36	40	13	12
Average daily consumption (millions of gallons)	10	10	10	9	--	--	10	9	9	9
Permitted raw water withdrawal	14	14	14	14	--	9	17	12	14	14
<b>Sewer</b>										
Average daily sewage treatment (thousands of gallons)	5,388	5,664	5,664	5,900	5,324	5,796	7,000	7,000	7,000	7,000
<b>Solid Waste</b>										
Refuse collected (tons/day)	131	332	333	433	371	464	260	402	276	247
Recyclables collected (tons/day)	--	--	--	23	25	35	29	49	27	33

Sources: Various City departments

Note: Indicators are not available for the general government function

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

**CITY OF DEERFIELD BEACH, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNCTION**

**LAST TEN FISCAL YEARS**

Function	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	2	2	2	2	2	2	2	2	2
Patrol units	172	130	130	130	130	130	130	130	130	126
<b>Fire/Rescue</b>										
Stations	6	6	6	6	6	6	6	6	6	6
Rescue ambulances	6	6	6	6	6	6	6	6	6	6
Fire engines	4	4	4	4	4	4	4	4	4	4
Ladder/heavy squad trucks	1	--	--	--	1	1	1	1	1	1
<b>Transportation</b>										
Streets (miles)	146	146	146	146	146	146	146	146	146	146
Sidewalks (miles)	136	136	136	136	136	136	136	136	136	136
Streetlights (poles)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Traffic signals	7	7	7	7	70	70	70	70	68	68
<b>Culture and Recreation</b>										
Parks acreage	398	398	398	398	398	298	398	398	345	338
Parks acreage	52	52	52	52	52	52	52	52	44	35
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	3	3	3	3	3	3	3	3	3	2
<b>Water</b>										
Water main (miles)	234	234	234	234	234	234	234	234	232	232
Maximum daily capacity (millions of gallons)	24	24	24	24	24	24	24	24	24	24
<b>Sewer</b>										
Sanitary sewers (miles)	188	188	136	136	136	136	136	136	137	137
Storm sewers (miles)	147	147	48	48	48	48	48	48	48	48
Average daily treatment capacity (thousands of gallons)	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
<b>Solid Waste</b>										
Collection trucks	23	23	42	42	23	23	23	23	23	28

Sources: Various City departments

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

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## **REPORTING SECTION**

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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 Commission, and City Manager  
**City of Deerfield Beach, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the “City”), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated June 5, 2024. Our report includes a reference to other auditors who audited the financial statements of the City of Deerfield Beach Municipal Firefighter’s Pension Trust Fund, City of Deerfield Beach Non-Uniformed Employees’ Retirement Plan and the City of Deerfield Beach Police Officer’s Retirement Plan as described in our report on the City’s financial statements. This report does not include the results of the other auditors’ testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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*

Fort Lauderdale, FL  
June 5, 2024



**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 Commission, and City Manager  
**City of Deerfield Beach, Florida**

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

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

We have audited the City of Deerfield Beach, Florida's (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, 2023. 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, 2023.

***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 each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

## ***Responsibilities of Management for Compliance***

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, 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 major 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 the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We did not audit the financial statements of the Pension Trust Funds, component units of the City. We have issued our report thereon dated June 5, 2024, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Marcum LLP*

Fort Lauderdale, FL  
June 5, 2024

**CITY OF DEERFIELD BEACH, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Federal Agency, Pass-Through Entity, Clusters Federal Program	Assistance Listing No.	Contract/Grant Number	Total Expenditures
<b>U.S. Department of Health and Human Services</b>			
Indirect Programs:			
Pass-through the Broward County - Department of Elder Affairs:			
Special Programs for the Aging:			
Title III, Part B - Grants for Supportive Services and Seniors Centers	93.044	JA 122-06-2022	\$ 21,937
Title III, Part B - Grants for Supportive Services and Seniors Centers	93.044	JA 123-06-2023	97,684
Title III, Part B - Grants for Supportive Services and Seniors Centers - COVID-19	93.044	JVC 21-06-2022	453
			<u>120,074</u>
<b>Total Aging Cluster</b>			<u>120,074</u>
Title III, Part E - National Family Caregiver Support	93.052	JA 121-06-2021	155
Title III, Part E - National Family Caregiver Support	93.052	JA 122-06-2021	77
			<u>232</u>
Low-Income Home Energy Assistance	93.568	JP022-06-2023	22,530
Low-Income Home Energy Assistance	93.568	JP023-06-2023	9,981
Low-Income Home Energy Assistance - COVID-19	93.568	JPP22-06-2022	2,468
			<u>34,979</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>155,285</u>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Programs:			
Community Development Block Grant/Entitlement Grants	14.218	B19MC120046	1,810
Community Development Block Grant/Entitlement Grants	14.218	B20MC120046	159,480
Community Development Block Grant/Entitlement Grants - COVID-19	14.218	B20MW120046	4,758
Community Development Block Grant/Entitlement Grants	14.218	B21MC120046	184,940
Community Development Block Grant/Entitlement Grants	14.218	B22MC120046	145,584
			<u>496,572</u>
<b>Total Community Development Block Grant/Entitlement Grants Cluster</b>			<u>496,572</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>496,572</u>
<b>U.S. Department of Transportation</b>			
Indirect Program:			
Passed through State of Florida			
Highway Planning and Construction	20.205	G2B41(FM#444237-1-58-01)	330,995
			<u>330,995</u>
<b>Total U.S. Department of Transportation</b>			<u>330,995</u>
<b>U.S. Department of Agriculture</b>			
Direct Program:			
Urban Agriculture and Innovative Production	10.935	NRCS-ADS-093	54,189
			<u>54,189</u>
<b>Total U.S. Department of Agriculture</b>			<u>54,189</u>
<b>U.S. Department of Justice</b>			
Direct Program:			
Edward Byrns Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0432	19,345
Congressionally Recommended Awards	16.753	15PBJA-22-GG-00038-BRND	205,000
			<u>224,345</u>
<b>Total U.S. Department of Justice</b>			<u>224,345</u>
<b>U.S. Department of Treasury</b>			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027	N/A	1,240,904
			<u>1,240,904</u>
<b>Total U.S. Department of Treasury</b>			<u>1,240,904</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,502,290</u>

*See notes to schedule of expenditures of federal awards.*

# CITY OF DEERFIELD BEACH, FLORIDA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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#### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditure activity of all federal awards of the City of Deerfield Beach, Florida (the “City”) for the fiscal year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 or cash flows of the City.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, 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 for federal programs allowed under the Uniform Guidance.

**CITY OF DEERFIELD BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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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

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over the major federal program:

Material weakness(es) identified?  Yes  No

Significant deficiency (ies) identified?  Yes  None reported

Type of auditors' report issued on compliance for the major federal 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:**

<u>Federal Program</u>	<u>AL No.</u>
Coronavirus State and Local Fiscal Recovery Fund – COVID-19	21.027

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

Auditee qualified as a low-risk auditee for federal awards?  Yes  No

**CITY OF DEERFIELD BEACH, FLORIDA**

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

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

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

None.

**CITY OF DEERFIELD BEACH, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND STATUS**

None

**II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

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

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

***Report on the Financial Statements***

We have audited the financial statements of the City of Deerfield Beach, Florida (the “City”), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 5, 2024. We did not audit the financial statements of the Pension Trust Funds, which represent 90%, 91% and 68%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information.

***Auditors’ Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of 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 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; Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 5, 2024, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The status of recommendations made in the preceding annual financial audit report have been addressed as noted in Appendix A to this 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 information regarding the specific legal authority for the City and its component units is discussed in Note 1 to the financial statements.

### ***Financial Condition and Management***

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

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. Our assessment was performed as of the fiscal year end.

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

### ***Special District Component Units***

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

***Additional Matters***

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

***Purpose of this Letter***

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

*Marcum LLP*

Fort Lauderdale, FL  
June 5, 2024

**CITY OF DEERFIELD BEACH, FLORIDA**

**APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO  
IMPROVE FINANCIAL MANAGEMENT (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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No.	Current Year’s Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
None			

No.	Prior Year’s Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
MLC 2022-001	Bank Reconciliations		X
MLC 2020-002	Solid Waste Fund Deficit Net Position		X

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

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

We have examined the City of Deerfield Beach, Florida's (the "City") compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2023. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

Our examination does not provide a legal determination on the City's compliance with 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, 2023.

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*

Fort Lauderdale, FL  
June 5, 2024



IMPACT FEE AFFIDAVIT

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

1. I am the Interim Chief Financial Officer of the City of Deerfield Beach which is a local governmental entity of the State of Florida;
2. The governing body of the City of Deerfield Beach adopted Ordinance 2016/008 implementing an impact fee.
3. The City of Deerfield Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

\_\_\_\_\_  
Interim Chief Financial Officer, Marcia Fennell

STATE OF FLORIDA  
COUNTY OF BROWARD

Sworn to (or affirmed) and subscribed before me by means of  physical presence or  online notarization, this 31 day of May, 2024 (year), by Marcia Fennell (name of person making statement).

  
\_\_\_\_\_  
NOTARY PUBLIC

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: Oct 6, 2027