



City of Deerfield Beach, Florida

Comprehensive Annual Financial Report
Fiscal Year Ended September 30, 2015



Deerfield Beach
Florida

CITY OF DEERFIELD BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Prepared by the Department of Financial Services
Director of Finance, Hugh B. Dunkley
Assistant Director of Finance, Sophia Henderson Taylor

CITY OF DEERFIELD BEACH, FLORIDA
Comprehensive Annual Financial Report
For the Year Ended September 30, 2015

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INTRODUCTORY SECTION



May 27, 2016

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

It is our pleasure to submit to you the Comprehensive Annual Financial Report of the City of Deerfield Beach, Florida for the fiscal year ended September 30, 2015.

Local ordinances and state statute require that the City issue a report on the financial position and activity within twelve 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 by an independent firm of certified public accountants.

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. We believe that the data as presented is accurate in all material aspects; that it fairly presents the City's financial position and the results of operations and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

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 financial statements of the City of Deerfield Beach for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates 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 an unmodified opinion that the City of Deerfield Beach's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's 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) Circular A-133 and Florida Single Audit Act in accordance with Chapter 10.550, 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 awards. These reports are available in the City of Deerfield Beach's separately issued Single Audit Report.

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

Profile of the City of Deerfield Beach

Incorporated in 1925, the City of Deerfield Beach operates under the commission/manager form of government. The City Commission develops legislation and policies to direct the City but employs a professional City Manager to oversee operations. 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 elects four City Commissioners who serve four-year terms.

The City of Deerfield Beach provides a broad range of municipal services. These services include public safety, sanitation, water and sewer, recreational and cultural activities, public improvements, planning, zoning, highways and streets and general administrative services. It does not provide primary or secondary education or health care, as these are the responsibility of the Broward County School District and Broward Health North, respectively. Both of these entities are independent special districts that are not part of the City of Deerfield Beach. 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.

For financial planning and control, the City prepares and adopts an annual operating budget in accordance with Florida Statute Chapter 166.241. The legally adopted budget is at the departmental level for current expenditures with separate appropriations established for debt service, interfund transfers, intergovernmental expenditures and miscellaneous fiscal transactions. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the CRA Fund, this comparison is presented on pages 61 and 62, respectively, as part of the required supplementary information. For governmental funds, other than the General and CRA funds, with appropriated annual budgets, this comparison is presented in the other supplementary information section.

Factors Affecting Economic Condition

Local Economy

Home to over 76,000 residents, Deerfield Beach is located on the east coast of Florida in Broward County. The City is primarily a residential community and offers commercial development such as shopping facilities, office buildings, restaurants, tourist lodgings and light industry.

The City continues to make some noticeable economic progress since the recession. Major revenue sources of the City, such as property, sales and utility taxes as well as building permit revenue, which were impacted severely during the recession, are now showing some signs of continued growth. The assessed valuation of property within the City has increased by 13.2% since Fiscal Year 2012. Taxable retail sales within the City has increased by over 7%, from \$1.19 billion to \$1.28 billion. Further, the total valuation of building permits issued during the fiscal year increased by almost 66.4%.

In addition, the year-over-year increase in the median sales price of single-family homes in the Broward County metropolitan region has increased by approximately 7.5% from January, 2015. However, according to the University of Michigan's Index of Consumer Sentiment, there has been an almost 7.2% decline in consumer sentiment due to weakening expectations of future economic growth.

Needless to say, “the data indicates that inflation-adjusted personal consumption expenditures will grow by 2.5% in 2016.” It appears, then, that consumers are cautiously optimistic about the future.

Long-Term Financial Planning

Despite much positive signs of economic recovery, the City must still deal with the economic realities of having to provide similar levels of public service with less funding than what existed during pre-recessionary times, without compromising public safety or lowering the quality of other public services. The City has taken steps to prepare estimates of its future budgetary needs. The financial impact of these new requirements will have to be incorporated into our budget and will no doubt create some fiscal challenges.

The City has maintained its bond rating of “AA-” from Standard & Poor’s Ratings Services (S&P) for its General Obligation Refunding Bonds, Series 2012B-2. Standard & Poor’s also maintained the ratings of “A+” for the City’s Series 2012B-1 Refunding and Improvement Revenue bonds. The City’s ratings from Fitch Ratings remained at “A-” and “A” respectively, for its 2012B-1 and 2012B-2 bonds.

The City’s Capital Improvement Plan (CIP) is a multi-year planning document that 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 2016 – 2020, the City Commission adopted a CIP budget in excess of \$96.1 million.

Major Initiatives

During the past year there have been some noteworthy events in the City that have or will have a positive impact on the area:

- Continuation of the City’s street resurfacing program, with a total estimated cost of approximately \$7 million.
- Commencement of the permitting process for the expansion and redevelopment of Sullivan Park. Among other things, this project will double the size of a currently existing City park and also create a pedestrian linkage along the Intracoastal Waterway to the recently improved Cove Shopping Center.
- Completion of the final report of the study team for Pioneer Grove – Deerfield Beach Town Center. The team’s primary objective was to prepare a land use and urban design plan for the study area which lies east of the Florida East Coast Railroad and Dixie Highway corridor. It is called the Town Center Plan and it encompasses approximately 112 acres and runs from the canal on the north to one half of a block south of SE 5th Street on the south.
- Substantial completion of roadway improvements on Northeast 3rd Avenue between Sample Road and Northeast 48th Street.
- Commencement of the design phase of the North Beach Pavilion, which will entail replacement of the existing pavilion with a covered, two-story pavilion along with a concession room, a multi-purpose room, and a storage room as well as ADA restrooms and elevator and reconstruction of the existing parking lot with concrete pavement, landscaping, drainage and irrigation.

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 (CAFR) for the fiscal year ended September 30, 2014. This was the 35th 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 CAFR. This report satisfied both GAAP and applicable legal requirements.

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

Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2015-16 for the 19th 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 appreciation is also extended to Ms. Sophia Henderson Taylor, Assistant Director of Financial Services, whose dedicated service made the completion of this report all the more possible.

Respectfully submitted,



Burgess Hanson
City Manager



Hugh B. Dunkley, CPA, CGFO
Director of Financial Services



Government Finance Officers Association

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

Presented to

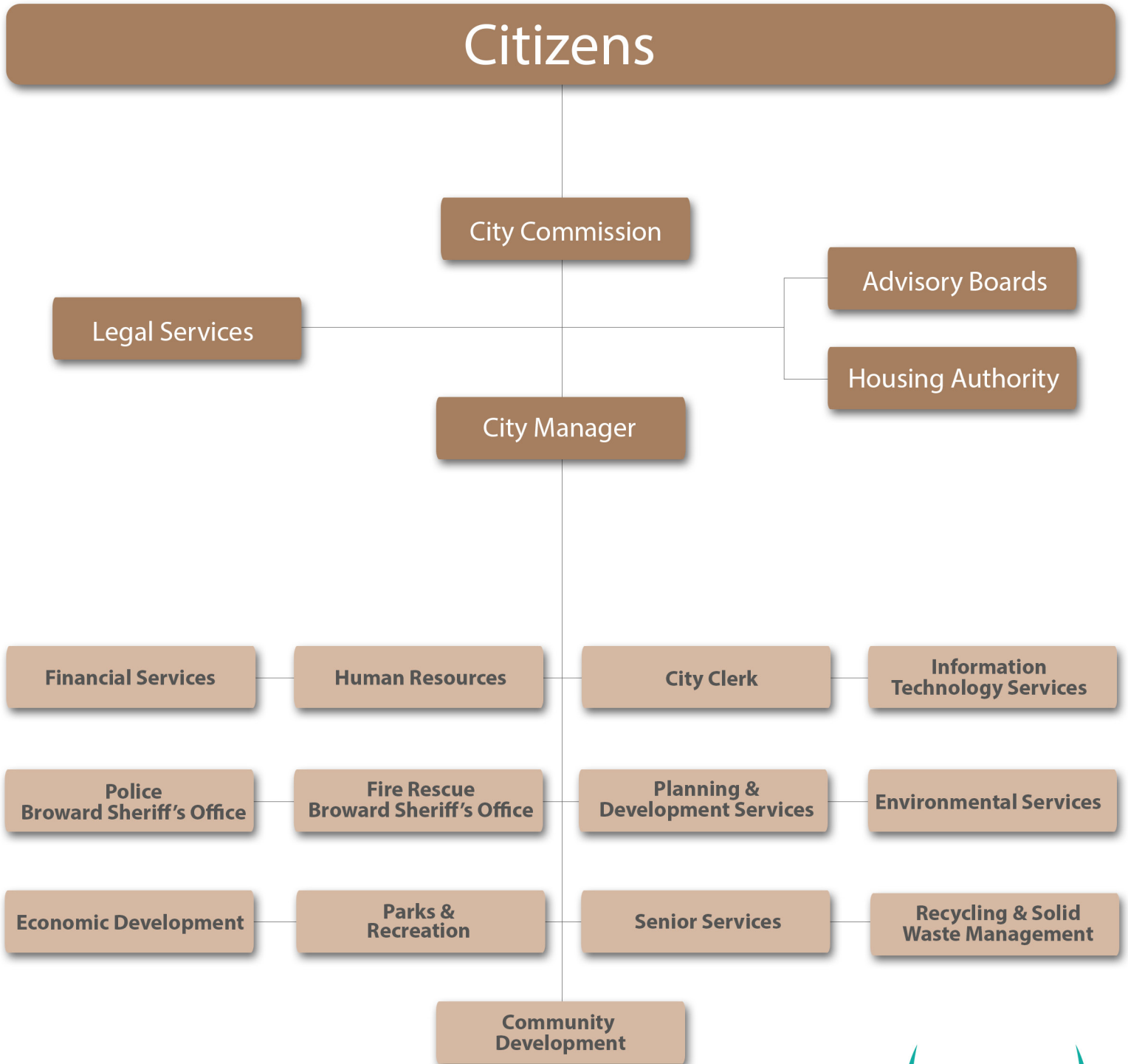
**City of Deerfield Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

Deerfield Beach Organizational Chart



Deerfield Beach
Florida

CITY OF DEERFIELD BEACH, FLORIDA

List of Elected and Appointed Officials

September 30, 2015

Elected Officials

Mayor
Vice Mayor
Commissioner
Commissioner
Commissioner

Jean M. Robb
Bill Ganz
Gloria Battle
Joseph P. Miller
Richard S. Rosenzweig

Appointed Officials

City Manager
City Attorney

City Clerk
Director of Financial Services
Director of Human Resources
Director of Information Technology Services
Director of Parks & Recreation
Director of Environmental Services
Director of Planning & Development Services
Director of Senior Services
Director of Recycling and Solid
Waste Management
Fire Chief
Police Chief

Burgess Hanson
Law Offices of Andrew S.
Maurodis, P.L.
Samantha Gillyard
Hugh B. Dunkley
Amanda Robin
Sheila Flemming-Portis
Kara Petty
Charles DaBrusco
Amanda Martinez
Donna DeFronzo

Chad Grecsek
Richard Sievers
Robert Schnakenberg

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the City), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 93%, 98%, and 39%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor



considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the 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, 2015, 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.

Emphasis of a Matter

As described in Note 1 to the financial statements, the City changed its method for accounting and financial reporting for pensions as a result of the adoption of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, both effective October 1, 2014, which resulted in the City restating net position for recognition of the City's pension related activity incurred prior to October 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, budgetary comparison information for the general fund and community redevelopment agency fund, the schedules of changes in the city's net pension liability and related ratios, and the schedules of employer contributions on pages 61 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our

inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated May 27, 2016 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
May 27, 2016

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

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

The management of the City of Deerfield Beach (City) presents this narrative overview and analysis to facilitate both a short and long-term analysis of the financial activities of the City of Deerfield Beach for the fiscal year ended September 30, 2015. 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 - iv of this report.

Financial Highlights

- The total assets of the City of Deerfield Beach at September 30, 2015 increased \$4.1 million from \$256.4 million to \$260.5 million, or 1.6% from the prior year.
- The City's total liabilities increased by \$40.7 million, from \$104.3 million to \$145.0 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 \$123.7 million (net position). Of this amount, \$37.9 million was from governmental activities and \$85.8 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 \$32.5 million, an increase of \$0.2 million, in comparison with the amount reported for the prior fiscal year. Of this amount, \$1.5 million was non-spendable; \$12.6 million was restricted; \$7.0 million was assigned, and \$11.3 million was unassigned and therefore available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$11.6 million, or 11.8% 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%, respectively, of total General Fund expenditures and transfers for unassigned and committed fund balance.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the City of Deerfield Beach'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 other 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 of Deerfield Beach'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 of the City of Deerfield Beach'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 of Deerfield Beach 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 ad valorem taxes and earned, but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the City of Deerfield Beach 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,

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

public safety, human services, physical environment, transportation, and culture and recreation. The business-type activities of the City of Deerfield Beach include water and sewer services 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 15 - 16 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 of Deerfield Beach 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 a government'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 government'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 of Deerfield Beach maintains 16 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund 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 two major funds: general fund and community redevelopment agency fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements that are found on pages 71 - 78 of this report.

The City of Deerfield Beach adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 and 19 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 of Deerfield Beach uses enterprise funds to account for its water and sewer operations as well as its solid waste activities. The enterprise funds, both of 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 21 - 24 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Deerfield Beach's own 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.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

The basic fiduciary fund financial statements can be found on pages 26- 27 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 28 - 60 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 of Deerfield Beach's progress in funding its obligation to provide pension and other post-employment benefits to its employees, budgetary comparisons for the general fund and the budget to accounting principles generally accepted in the United States of America reconciliation schedule. RSI can be found on pages 61 – 70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 71 - 78 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Deerfield Beach, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$123.7 million at the close of fiscal year 2015.

The largest portion of the City of Deerfield Beach's net position (91.9%) reflects its net 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 of Deerfield Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Deerfield Beach'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.

Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$39,537,824	\$40,373,724	\$45,301,141	\$42,720,496	\$84,838,965	\$83,094,220
Capital assets	98,818,366	94,854,123	76,816,113	78,500,802	175,634,479	173,354,925
Total assets	<u>138,356,190</u>	<u>135,227,847</u>	<u>122,117,254</u>	<u>121,221,298</u>	<u>260,473,444</u>	<u>256,449,145</u>
Deferred outflow s of resources	10,957,400	-	942,381	-	11,899,781	-
Current liabilities	11,546,886	7,145,550	6,302,404	2,278,743	17,849,290	9,424,293
Long-term liabilities	96,849,881	60,969,327	30,305,581	33,938,257	127,155,462	94,907,584
Total liabilities	<u>108,396,767</u>	<u>68,114,877</u>	<u>36,607,985</u>	<u>36,217,000</u>	<u>145,004,752</u>	<u>104,331,877</u>
Deferred inflow s of resources	2,993,307	596,490	629,715	-	3,623,022	596,490
Net position:						
Net investment in capital assets	61,201,885	57,468,114	52,525,476	50,924,663	113,727,361	108,392,777
Restricted	8,175,865	9,663,870	1,760,856	743,838	9,936,721	10,407,708
Unrestricted	(31,454,234)	(615,504)	31,535,603	33,335,797	81,369	32,720,293
Total net position	<u>\$37,923,516</u>	<u>\$66,516,480</u>	<u>\$85,821,935</u>	<u>\$85,004,298</u>	<u>\$123,745,451</u>	<u>\$151,520,778</u>

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

An additional portion of the City of Deerfield Beach's net position, approximately 8.0%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$81,369) may be used to meet the government's ongoing obligations to citizens and creditors.

The net position of business-type activities increased by \$0.8 million to \$85.8 million in 2015. This increase was primarily due to the overall excess of system revenues over expenses.

The City's current and other assets increased by \$1.7 million from \$83.1 million to \$84.8 million. Capital assets also increased by \$2.2 million from \$173.4 million to \$175.6 million, or 1.3% from the prior year. The increases in the City's current and other assets were primarily due to the excess of revenue over expenditures.

Current liabilities increased from \$9.4 million to \$17.8 million. This increase was primarily attributable to amounts due the Broward Sheriff's Office for police and fire protection services, and to another third-party vendor for disposal services. The City's total noncurrent liabilities increased from \$94.9 million to \$127.2 million, or approximately 34.0%, from the prior year, due largely to the GASB Statement No. 68 implementation with net pension liability amounting to \$42.5 million for the current fiscal year.

Summary of Changes in Net Position

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 33,109,578	\$ 25,208,301	\$ 40,045,516	\$ 39,381,342	\$ 73,155,094	\$ 64,589,643
Operating grants/contributions	4,941,733	6,253,912	-	-	4,941,733	6,253,912
Capital grants/contributions	348,392	285,142	64,452	45,899	412,844	331,041
General revenues:						
Taxes	56,647,738	56,548,328	-	-	56,647,738	56,548,328
Grants and contributions not restricted to specific						
programs and miscellaneous	3,601,500	1,789,152	(46,381)	-	3,555,119	1,789,152
Unrestricted investment earnings	85,147	56,617	59,880	55,312	145,027	111,929
Total revenues	<u>98,734,088</u>	<u>90,141,452</u>	<u>40,123,467</u>	<u>39,482,553</u>	<u>138,857,555</u>	<u>129,624,005</u>
Expenses:						
General government	14,043,751	12,353,311	-	-	14,043,751	12,353,311
Economic environment	1,746,288	2,832,290	-	-	1,746,288	2,832,290
Public safety	56,811,183	55,555,149	-	-	56,811,183	55,555,149
Human services	2,382,915	2,159,042	-	-	2,382,915	2,159,042
Physical environment	6,311,645	3,974,644	-	-	6,311,645	3,974,644
Transportation	4,125,562	3,375,247	-	-	4,125,562	3,375,247
Culture and recreation	3,728,135	4,032,285	-	-	3,728,135	4,032,285
Interest on long term-debt	1,921,214	2,807,078	-	-	1,921,214	2,807,078
Water and sewer	-	-	23,570,064	22,210,582	23,570,064	22,210,582
Solid waste	-	-	14,468,169	13,849,313	14,468,169	13,849,313
Total expenses	<u>91,070,693</u>	<u>87,089,046</u>	<u>38,038,233</u>	<u>36,059,895</u>	<u>129,108,926</u>	<u>123,148,941</u>
Change in net position	<u>7,663,395</u>	<u>3,052,406</u>	<u>2,085,234</u>	<u>3,422,658</u>	<u>9,748,629</u>	<u>6,475,064</u>
Transfers	<u>270,893</u>	<u>264,961</u>	<u>(270,893)</u>	<u>(264,961)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>7,934,288</u>	<u>3,317,367</u>	<u>1,814,341</u>	<u>3,157,697</u>	<u>9,748,629</u>	<u>6,475,064</u>
Restated, net position, October 1	<u>29,989,228</u>	<u>63,199,113</u>	<u>84,007,594</u>	<u>81,846,601</u>	<u>113,996,822</u>	<u>145,045,714</u>
Net position, September 30	<u>\$ 37,923,516</u>	<u>\$ 66,516,480</u>	<u>\$ 85,821,935</u>	<u>\$ 85,004,298</u>	<u>\$ 123,745,451</u>	<u>\$ 151,520,778</u>

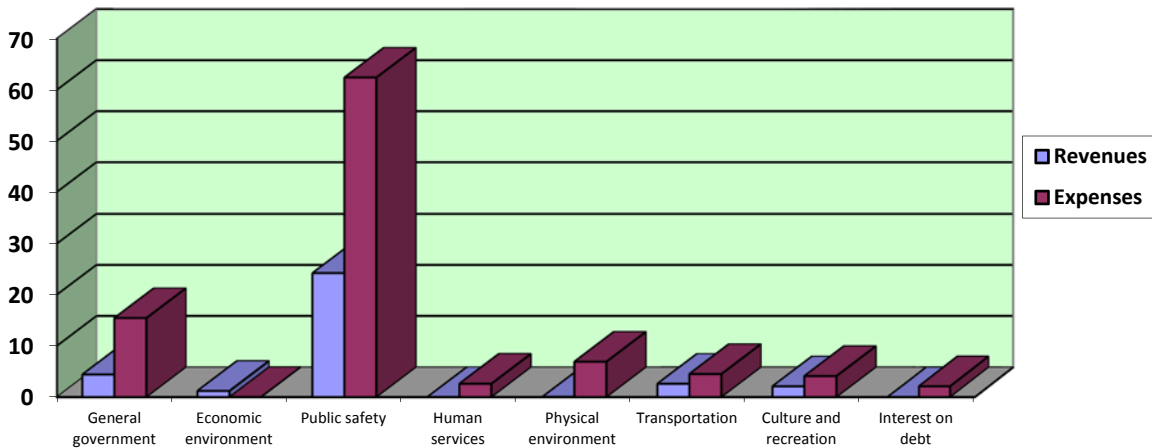
City of Deerfield Beach, Florida
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended September 30, 2015

Governmental activities. Governmental activities increased the City's net position by \$7.9 million. The City's total revenues amounted to \$98.7 million in governmental activities. Of these revenues, 57.4% is generated from taxes, 33.5% is from charges for services, operating grants/contributions comprise 5.0%, capital grants/contributions make up 0.3%, grants and contributions not restricted to specific programs and miscellaneous revenues equals 3.7%, and unrestricted investment earnings generates approximately 0.1%. Most of the increase in the City's net position mentioned above was primarily due to an increase in the rate for fire assessment fees, increase in the taxable values of properties as well as increase in building permit revenue.

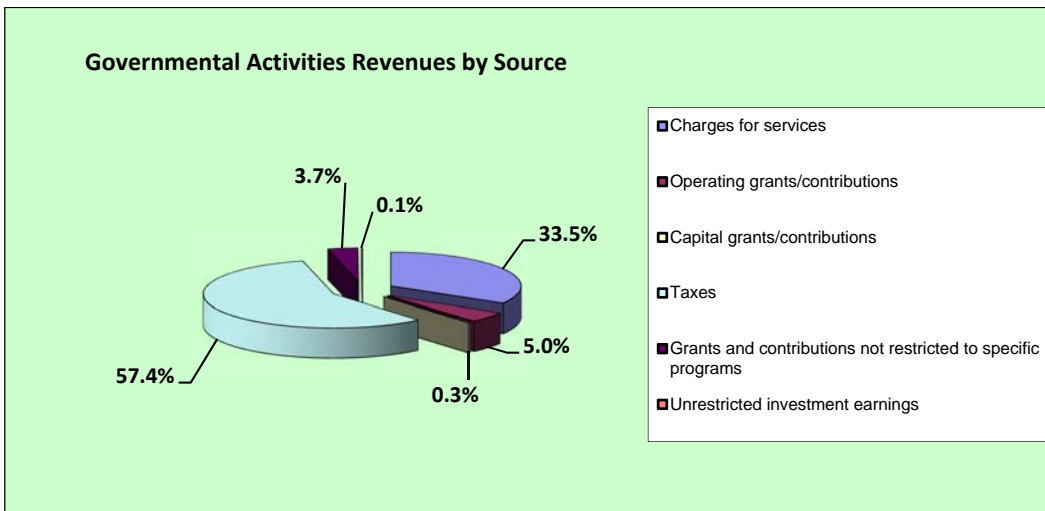
The City's expenses cover a broad range of services, with approximately 62.4% of governmental activity expenses related to public safety (fire/rescue and police protection). Public safety expenses constitute the largest component of the change in total expenses due to wage and benefit increases in connection with the Broward Sheriff's Office collective bargaining agreements. The City's governmental activities had 8.7% more revenues than expenses, and for business-type activities, revenues exceeded expenses by a 4.8% margin.

The next chart compares program revenues and expenses for the individual governmental activities for the current year. As the chart reflects, all governmental activities relied on general revenues to support the function.

Governmental Activities - Expenses and Program Revenues
 (Dollars in Millions)



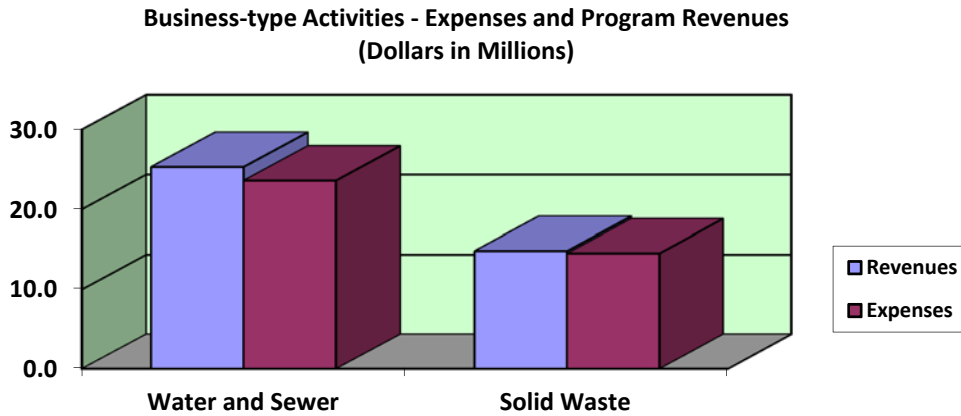
The next chart shows the percent of the total for each source of revenue supporting governmental activities.



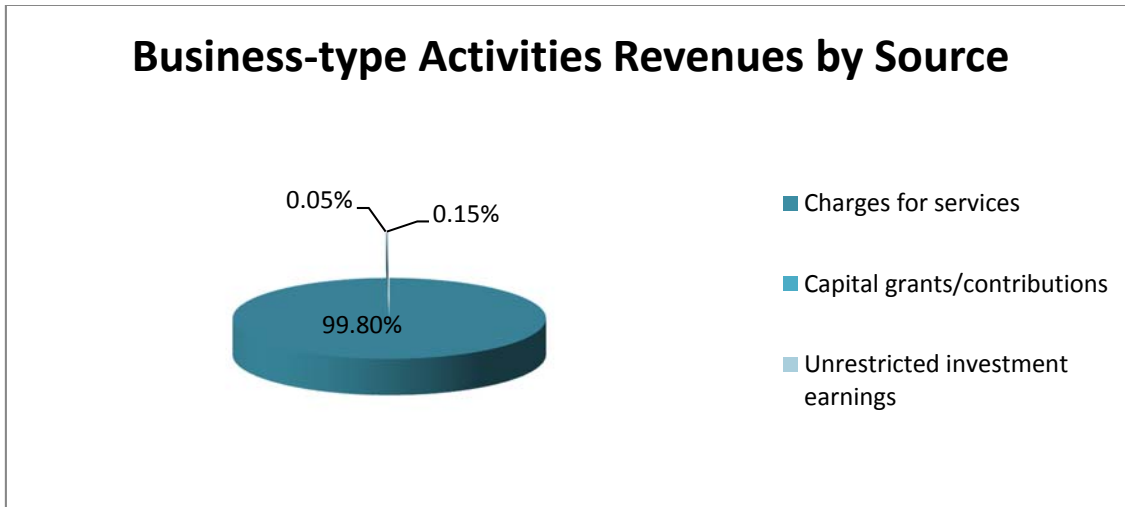
City of Deerfield Beach, Florida
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended September 30, 2015

Business-type activities. Business-type activities increased the City's net position by \$0.8 million. This increase in the net position of business-type activities was due primarily to an excess of revenues over expenses.

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 and the water and sewer fund, generating sufficient revenues to cover current expenses.



The following chart shows that 99.80% of revenues from business-type activities are generated by charges for services.



Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Deerfield Beach'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 of Deerfield Beach's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

As of the end of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$32.5 million, an increase of \$0.2 million from the prior year's ending balances of \$32.3 million. Approximately 35.0%, \$11.3 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 *non-spendable, 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 \$11.6 million, while total fund balance was \$18.9 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 12.3% of total general fund expenditures, while total fund balance represents approximately 20.0% of that same amount.

The total fund balance of the City of Deerfield Beach's General Fund increased by \$5.0 million during the current fiscal year. Key factors in this increase are as follows:

- Property tax revenue increased by \$1.6 million as a result of increases in the taxable values of properties within the City.
- Local business taxes/building permits increased by \$1.2 million as a result of new businesses and an increase in construction activity within the City.
- Charges for services overall increased by \$0.9 million due mainly to an increase in parking meter revenue, as well as, an overall increase in consumer demand for services.
- Other Miscellaneous revenue increased by \$1.9 million due to receipt of Resource Recovery Board Bond Proceeds due to its dissolution.
- Public safety expenditures increased by approximately \$3.3 million due to increased costs incurred for police and fire protection services, and the purchase of two new rescue vehicles.
- Physical Environment expenditures increased by 2.6 million due mainly to increases in capital outlay for parks improvements, as well as, costs incurred for beach re-nourishment.

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 \$1.3 million. This increase was due to the CRA incurring less expenditures as a result of a decrease in projects in the CRA target area.

Proprietary funds. The City of Deerfield Beach'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 fund at the end of the year amounted to \$34.0 million. The Solid Waste Fund had an unrestricted net deficit of \$2.5 million at the end of the fiscal year. Factors concerning the finances of these two funds have already been addressed in the discussion of the City of Deerfield Beach's business-type activities.

General Fund Budgetary Highlights

During the year, there were increases in appropriations between the original and final amended budget for the City's General Fund totaling \$3,723,560. Supplemental appropriations were required to cover over expenditures in the following departments for these reasons:

- City Commission – Supplemental appropriation of \$7,500 to cover pension expenses as a result of increased FRS pension contribution rates.
- Central Services received \$85,000 in additional appropriations as a result of increase in telephone charges.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

- Planning and Development Services received supplemental appropriation of \$400,000 as a result of increase of departmental cost to facilitate increase in building permit demands. This increase was offset by an increase in the building permit revenue.
- Environmental Services – \$225,000 increase in appropriations is due to an increase in water , sewer, and electric utility charges as a result of increased consumption
- Parks and Recreation received supplemental appropriation of \$440,000 for an emergency lighting project at one of its recreation facilities.
- Debt service received supplemental appropriation of \$40,000 due to anticipated increases in expenditures under capital lease obligation.
- Other-Unclassified (emergency reserves) – Supplemental appropriation of \$2,526,060 in this line item reflects the projected increase in emergency reserves as a result of receipt of additional revenue, as well as, some of the City's major departments having positive budget variances.

The more significant budget-to-actual variances in the General Fund arose as a result of the following:

- Licenses and permits – increase in fees was due to increase in the overall number and types of applications filed for permits as a result of a resurgent economy.
- Intergovernmental Revenue – increased due to increases in revenue from state and local government.
- Charges for services – this revenue source increase is due primarily to an increase in parking meter revenue
- Fines and forfeitures – increased due to increases in parking violation fines, as well as seizures of properties.
- Other-Unclassified revenue – unfavorable budget variance occurred for this revenue source due to the City not entering into any lease agreements during the fiscal year. The City did not receive the equipment in time to execute a lease agreement.
- Parks & Recreation Department – favorable expenditure budget variance occurred in this department due to several positions remaining unfilled during the fiscal year, as well as, the postponement of planned capital projects.
- Planning and Development Services, and Other-Unclassified Departments – unfavorable variances occurred in these departments due to an increase in the demand for building permits in the Planning and Development Services Department, and the settlement of a claim in the Other-Unclassified Department.

Capital Assets and Debt Administration

Capital assets. The City of Deerfield Beach's capital assets for its governmental and business-type activities as of September 30, 2015, amounted to \$175.6 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 1.3% (4.2% for governmental activities and negative 2.2% for business-type activities). The following table summarizes the City's capital assets.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
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**Schedule of Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 14,820,724	\$ 14,820,724	\$ 50,531	\$ 50,531	\$ 14,871,255	\$ 14,871,255
Buildings	26,083,990	25,772,014	605,817	605,817	26,689,807	26,377,831
Improvements other than buildi	4,115,385	2,801,735	44,344,191	44,963,096	48,459,576	47,764,831
Equipment	2,039,455	1,366,924	4,345,022	4,086,869	6,384,477	5,453,793
Utility plants in service	-	-	27,470,552	28,794,489	27,470,552	28,794,489
Infrastructure	36,891,803	38,515,703	-	-	36,891,803	38,515,703
Construction in progress	14,867,009	11,577,023	-	-	14,867,009	11,577,023
Total	\$ 98,818,366	\$ 94,854,123	\$ 76,816,113	\$ 78,500,802	\$ 175,634,479	\$ 173,354,925

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

- Highland Park construction - \$1.3 million
- Main Beach Parking Lot – \$0.5 million
- Citywide street resurfacing - \$4.1 million
- Rehabilitation of lift stations and force mains - \$1.8 million

Additional information on the City of Deerfield Beach's capital assets can be found in Note III (C) on pages 41-42 of this report.

Long-term debt. At year-end, the City of Deerfield Beach had \$18.5 million in general obligation bonds outstanding. The City also had \$23.0 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 sources other than ad valorem taxes. The business-type activities had \$13.5 million outstanding in revenue bonds and \$14.0 million in loans payable as well as \$0.6 million in capital leases outstanding at the end of the fiscal year.

The City continues to maintain high investment grade ratings from the major rating agencies: ratings of "A" from Fitch Ratings and "AA-" from Standard and Poor's Corporation.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

City of Deerfield Beach's Outstanding Debt
(Bonds, Loans and Leases Payable)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds (backed by the City)	\$ 18,533,690	\$ 19,797,105	\$ -	\$ -	\$ 18,533,690	\$ 19,797,105
Revenue bonds	-	-	13,534,409	14,196,426	13,534,409	14,196,426
Covenant bonds	22,980,000	24,140,000	-	-	22,980,000	24,140,000
Add/(subtract) premium/(discou	1,458,026	1,595,012	-	-	1,458,026	1,595,012
Capital leases	-	80,981	639,800	1,087,825	639,800	1,168,806
Loan payable	-	-	14,042,422	14,938,143	14,042,422	14,938,143
Total bonds, loans and leases payable	\$ 42,971,716	\$ 45,613,098	\$ 28,216,631	\$ 30,222,394	\$ 71,188,347	\$ 75,835,492

The City's general obligation debt per capita, excluding enterprise fund debt, was \$209 at the end of fiscal year 2015. The City's outstanding net general obligation debt was 0.19% of the City's assessed property value. Neither the Florida statutes nor the current ordinances of the City of Deerfield Beach specify a legal debt margin.

Additional information on the City of Deerfield Beach's long-term debt can be found in Note III (I) on pages 45 – 48 of this report.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the City evaluated the long-term impacts of the national and local economies in conjunction with business decisions made. The following are the major assumptions used in formulating the fiscal 2016 budget:

- The nation's as well as state and local economies will continue to show signs of positive economic growth.
- General property taxes will increase by 4.8% as a result of continued increases in the taxable values of properties within the City, and an increase in the operating millage rate.
- Communications services taxes will decrease by 22.2% as a result of erosion in the taxable base of communications services.
- Utility taxes will increase by 7.5% due to increase in consumer spending on utility services.
- Public safety costs, namely those for police and fire protection, will decrease by 0.8% (Police) and 0.9% (Fire/Rescue) as a result of a decrease in planned purchases of replacement apparatus for fire/rescue services.
- The City's population will remain stable.
- Salaries and related benefits will increase by 2.5%.
- The millage rate will remain constant.
- Water and sewer as well as solid waste rates will remain constant.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2015

During the current fiscal year, total fund balance in the General Fund amounted to \$18.9 million. The City has no plans to utilize any of its available General Fund balance for spending in Fiscal Year 2016.

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 government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Deerfield Beach, 150 N.E. 2nd Avenue, Deerfield Beach, Florida 33441.

BASIC FINANCIAL STATEMENTS

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,884,589	\$ 6,558,363	\$ 10,442,952
Investments	15,111,596	27,914,412	43,026,008
Receivables (net of allowances)	3,054,820	5,418,410	8,473,230
Due from other governments	1,317,037	134,440	1,451,477
Inventories	211,331	181,038	392,369
Prepays	-	18,551	18,551
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	3,137,220	5,075,927	8,213,147
Investments	10,222,493	-	10,222,493
Due from other governments	1,091,612	-	1,091,612
Real estate held for resale	255,425	-	255,425
Permanently restricted:			
Investments	1,251,701	-	1,251,701
Capital assets:			
Nondepreciable	29,687,733	50,531	29,738,264
Depreciable (net)	69,130,633	76,765,582	145,896,215
Total assets	<u>138,356,190</u>	<u>122,117,254</u>	<u>260,473,444</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	<u>10,957,400</u>	<u>942,381</u>	<u>11,899,781</u>
LIABILITIES			
Accounts payable	3,633,490	1,818,829	5,452,319
Accrued liabilities	-	257,171	257,171
Accrued interest payable	1,021,787	452,291	1,474,078
Due to other governments	17,139	-	17,139
Unearned revenue	191,784	-	191,784
Payable from restricted assets:			
Accounts payable	1,150,000	-	1,150,000
Accrued liabilities	440,357	-	440,357
Customer deposits	-	582,332	582,332
Non-current liabilities:			
Due within one year:			
Compensated absences	1,224,928	621,471	1,846,399
Insurance claims payable	1,434,000	-	1,434,000
Bonds, loans and leases payable	2,433,401	2,570,310	5,003,711
Due in more than one year:			
Compensated absences	51,030	429,024	480,054
Net OPEB liability	9,052,623	3,543,034	12,595,657
Insurance claims payable	5,905,018	-	5,905,018
Bonds, loans and leases payable	39,972,043	25,646,458	65,618,501
Net pension liability	41,869,167	687,065	42,556,232
Total liabilities	<u>108,396,767</u>	<u>36,607,985</u>	<u>145,004,752</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	2,427,033	629,715	3,056,748
Deferred amount on refunding	<u>566,274</u>	<u>-</u>	<u>566,274</u>
Total Deferred Inflow of Resources	<u>2,993,307</u>	<u>629,715</u>	<u>3,623,022</u>
NET POSITION			
Net investment in capital assets	61,201,885	52,525,476	113,727,361
Restricted for:			
Debt service	1,512,786	1,760,856	3,273,642
Perpetual care:			
Nonexpendable	1,251,701	-	1,251,701
Expendable	953,401	-	953,401
Economic environment	2,122,667	-	2,122,667
Public safety	1,501,214	-	1,501,214
Human services	270,892	-	270,892
Physical environment	338,713	-	338,713
Transportation	224,491	-	224,491
Parks and recreation	-	-	-
Unrestricted	(31,454,234)	31,535,603	81,369
Total net position	<u>\$ 37,923,516</u>	<u>\$ 85,821,935</u>	<u>\$ 123,745,451</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 14,043,751	\$ 4,291,549	\$ -	\$ -	\$ (9,752,202)	\$ -	\$ (9,752,202)
Economic environment	1,746,288	-	1,192,907	-	(553,381)	-	(553,381)
Public safety	56,811,183	23,802,373	1,662,355	-	(31,346,455)	-	(31,346,455)
Human services	2,382,915	10,020	1,206,880	-	(1,166,015)	-	(1,166,015)
Physical environment	6,311,645	355,326	15,000	-	(5,941,319)	-	(5,941,319)
Transportation	4,125,562	2,537,022	622,502	348,392	(617,646)	-	(617,646)
Culture and recreation	3,728,135	2,113,288	242,089	-	(1,372,758)	-	(1,372,758)
Interest and fiscal charges	1,921,214	-	-	-	(1,921,214)	-	(1,921,214)
Total governmental activities	<u>91,070,693</u>	<u>33,109,578</u>	<u>4,941,733</u>	<u>348,392</u>	<u>(52,670,990)</u>	<u>-</u>	<u>(52,670,990)</u>
Business-Type activities:							
Water and sewer	23,570,064	25,296,809	-	64,452	-	1,791,197	1,791,197
Solid waste	14,468,169	14,748,707	-	-	-	280,538	280,538
Total business-type activities	<u>38,038,233</u>	<u>40,045,516</u>	<u>-</u>	<u>64,452</u>	<u>-</u>	<u>2,071,735</u>	<u>2,071,735</u>
Total	\$ 129,108,926	\$ 73,155,094	\$ 4,941,733	\$ 412,844	(52,670,990)	2,071,735	(50,599,255)
General revenues:							
					32,924,539	-	32,924,539
					2,587,842	-	2,587,842
					7,976,554	-	7,976,554
					4,875,615	-	4,875,615
					6,832,413	-	6,832,413
					1,353,883	-	1,353,883
					96,892	-	96,892
					1,804,085	-	1,804,085
					85,147	59,880	145,027
					1,797,415	(46,381)	1,751,034
					270,893	(270,893)	-
					<u>60,605,278</u>	<u>(257,394)</u>	<u>60,347,884</u>
					7,934,288	1,814,341	9,748,629
					66,516,480	85,004,298	151,520,778
					<u>(36,527,252)</u>	<u>(996,704)</u>	<u>(37,523,956)</u>
					<u>29,989,228</u>	<u>84,007,594</u>	<u>113,996,822</u>
					<u>\$ 37,923,516</u>	<u>\$ 85,821,935</u>	<u>\$ 123,745,451</u>

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

CITY OF DEERFIELD BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,884,589	\$ 561,964	\$ 2,575,256	\$ 7,021,809
Investments	15,111,596	704,476	10,769,718	26,585,790
Receivables (net):				
Accounts	2,993,686		3,099	2,996,785
Assessments	842		-	842
Interest	36,976	3,800	16,417	57,193
Due from other funds	660,882	-	-	660,882
Due from other governments	1,317,037	-	1,091,612	2,408,649
Inventories	211,331	-	-	211,331
Real estate held for resale	-	-	255,425	255,425
Total assets	<u>\$ 24,216,939</u>	<u>\$ 1,270,240</u>	<u>\$ 14,711,527</u>	<u>\$ 40,198,706</u>
 LIABILITIES				
Liabilities:				
Accounts payable	\$ 3,633,490	\$ 7,886	\$ 1,142,114	\$ 4,783,490
Accrued payroll	405,522	9,648	25,187	440,357
Due to other funds	-	-	660,882	660,882
Due to other governments	17,139	-	-	17,139
Total liabilities	<u>4,056,151</u>	<u>17,534</u>	<u>1,828,183</u>	<u>5,901,868</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	1,289,514	-	539,674	1,829,188
Total deferred inflows of resources	<u>1,289,514</u>	<u>-</u>	<u>539,674</u>	<u>1,829,188</u>
 FUND BALANCES				
Non-spendable	211,331	-	1,251,701	1,463,032
Restricted	-	1,252,706	11,378,352	12,631,058
Assigned	7,028,371	-	-	7,028,371
Unassigned	11,631,572	-	(286,383)	11,345,189
Total fund balances	<u>18,871,274</u>	<u>1,252,706</u>	<u>12,343,670</u>	<u>32,467,650</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,216,939</u>	<u>\$ 1,270,240</u>	<u>\$ 14,711,527</u>	<u>\$ 40,198,706</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Fund balances, total governmental funds:		\$ 32,467,650
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	174,532,470	
Less: accumulated depreciation	<u>(75,714,104)</u>	
Net capital assets		98,818,366
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable on long-term bonds	(1,021,787)	
Bonds, loans and leases payable	(41,513,692)	
Insurance claims payable	(7,339,018)	
Net OPEB liability	(9,052,623)	
Compensated absences	(1,275,958)	
Net pension liability	<u>(41,869,167)</u>	
Total		(102,072,245)
Deferred outflows and inflows of resources related to pensions are recorded in the statement of net position.		8,530,367
Revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. They are, however, recognized in the government activities.		1,637,404
Bond premiums, 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.		
Bond premium, beginning	(1,595,012)	
Amortization premium/deferred gain on refunding	<u>136,986</u>	
Unamortized premium/deferred gain on refunding		<u>(1,458,026)</u>
Net position of governmental activities		<u>\$ 37,923,516</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 32,924,539	\$ 2,587,842	\$ -	\$ 35,512,381
Sales and use taxes	6,221,255	-	-	6,221,255
Fire assessment fees	11,007,913	-	-	11,007,913
Franchise fees	8,447,210	-	-	8,447,210
Utility taxes	7,976,554	-	-	7,976,554
Local option gas tax	-	-	1,353,883	1,353,883
Local business taxes/permits	4,674,337	-	-	4,674,337
Intergovernmental	3,111,431	-	1,946,649	5,058,080
Charges for services	9,370,280	-	414,732	9,785,012
Fines and forfeitures	1,310,253	-	416,405	1,726,658
Investment earnings	44,083	4,708	36,356	85,147
Miscellaneous:				
Cemetery plot sales	-	-	96,740	96,740
Donations/contributions	195,641	16,873	282,565	495,079
Administrative fees	5,930,430	-	267,364	6,197,794
Other	2,369,170	8,500	37,534	2,415,204
Total revenues	<u>93,583,096</u>	<u>2,617,923</u>	<u>4,852,228</u>	<u>101,053,247</u>
EXPENDITURES				
Current:				
General government	16,437,507	-	-	16,437,507
Economic environment	-	647,647	1,173,693	1,821,340
Public safety	57,769,200	39,471	266,958	58,075,629
Human services	2,280,448	-	-	2,280,448
Physical environment	6,055,302	-	37,370	6,092,672
Transportation	457,979	-	2,263,090	2,721,069
Culture and recreation	2,930,827	128,937	239,151	3,298,915
Capital outlay	-	524,731	5,347,478	5,872,209
Debt service:				
Principal	49,659	-	2,454,426	2,504,085
Interest and fiscal charges	462	-	2,062,648	2,063,110
Total expenditures	<u>85,981,384</u>	<u>1,340,786</u>	<u>13,844,814</u>	<u>101,166,984</u>
Excess (deficiency) of revenues over expenditures	<u>7,601,712</u>	<u>1,277,137</u>	<u>(8,992,586)</u>	<u>(113,737)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,988,709	-	4,978,065	6,966,774
Transfers out	(4,667,263)	(1,236,866)	(791,752)	(6,695,881)
Total other financing sources (uses)	<u>(2,678,554)</u>	<u>(1,236,866)</u>	<u>4,186,313</u>	<u>270,893</u>
Net change in fund balances	4,923,158	40,271	(4,806,273)	157,156
Fund balances - beginning	13,948,116	1,212,435	17,149,943	32,310,494
Fund balances - ending	<u>\$ 18,871,274</u>	<u>\$ 1,252,706</u>	<u>\$ 12,343,670</u>	<u>\$ 32,467,650</u>

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

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 YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances-total governmental funds \$ 157,156

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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	7,947,859	
Less: current year's depreciation	<u>(3,983,616)</u>	3,964,243

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 206,419

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:

Increase in long-term portion of insurance claims payable	(320,371)
Change in net OPEB liability	(1,620,247)
Change in net pension liability	2,782,509

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). During the fiscal year, compensated absences earned, \$1,106,330, exceeded the amount used, \$1,224,928. 118,598

The issuance of long-term debt (e.g., bonds, leases) 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.

Principal repayments	2,504,395
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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 net change in interest reported in the statement of activities is the net result of accrued interest on bonds, leases and loans payable' plus the amortization of bond premiums, discounts, and deferred gain on refunding.

141,586

Change in net position of governmental activities	\$ 7,934,288
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The notes to the financial statements are an integral part of this statement.

CITY OF DEERFIELD BEACH, FLORIDA

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,323,983	\$ 234,380	\$ 6,558,363
Investments	27,914,412	-	27,914,412
Restricted cash and cash equivalents:			
Customer deposits	532,543	49,014	581,557
Revolving loan covenant accounts	1,760,856	-	1,760,856
Receivables (net):			
Accounts	3,327,209	1,769,742	5,096,951
Delinquent assessments	33,689	-	33,689
Interest	287,770	-	287,770
Due from other funds	300,000	-	300,000
Due from other governments	-	134,440	134,440
Inventories	181,038	-	181,038
Prepaid items	18,551	-	18,551
Total current assets	<u>40,680,051</u>	<u>2,187,576</u>	<u>42,867,627</u>
Noncurrent assets:			
Restricted cash and cash equivalents:			
Bond construction accounts	2,733,514	-	2,733,514
Capital assets:			
Land	50,531	-	50,531
Buildings	1,810,875	-	1,810,875
Utility plants in service	46,103,503	-	46,103,503
Improvements other than buildings	83,247,318	67,252	83,314,570
Equipment	6,963,243	15,641,847	22,605,090
Less accumulated depreciation	<u>(64,951,316)</u>	<u>(12,117,140)</u>	<u>(77,068,456)</u>
Total capital assets (net of accumulated depreciation)	<u>73,224,154</u>	<u>3,591,959</u>	<u>76,816,113</u>
Total noncurrent assets	<u>75,957,668</u>	<u>3,591,959</u>	<u>81,310,483</u>
Total assets	<u>\$ 116,637,719</u>	<u>\$ 5,779,535</u>	<u>\$ 122,417,254</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	<u>668,234</u>	<u>274,147</u>	<u>942,381</u>
Total deferred outflows of resources	<u>668,234</u>	<u>274,147</u>	<u>942,381</u>

(Continued)

CITY OF DEERFIELD BEACH, FLORIDA

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,031,345	\$ 787,484	\$ 1,818,829
Accrued payroll	143,939	113,232	257,171
Due to other funds		300,000	300,000
Customer deposits payable	532,543	49,789	582,332
Compensated absences	340,976	280,495	621,471
Interest payable	452,291	-	452,291
Capital leases payable, current	-	331,434	331,434
Bonds payable, current	694,605	-	694,605
Loan payable, current	1,544,271	-	1,544,271
Total current liabilities	<u>4,739,970</u>	<u>1,862,434</u>	<u>6,602,404</u>
Noncurrent liabilities:			
Compensated absences	260,968	168,056	429,024
Net OPEB liability	1,943,406	1,599,628	3,543,034
Net pension liability	487,192	199,873	687,065
Capital leases payable	-	308,504	308,504
Bonds payable	12,839,804	-	12,839,804
Loan payable	12,498,150	-	12,498,150
Total noncurrent liabilities	<u>28,029,520</u>	<u>2,276,061</u>	<u>30,305,581</u>
Total liabilities	<u>32,769,490</u>	<u>4,138,495</u>	<u>36,907,985</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	446,525	183,190	629,715
Total deferred inflows of resources	<u>446,525</u>	<u>183,190</u>	<u>629,715</u>
NET POSITION			
Net investment in capital assets	48,293,579	4,231,897	52,525,476
Restricted for:			
Debt service	1,760,856		1,760,856
Unrestricted	34,035,503	(2,499,900)	31,535,603
Total net position	<u>\$ 84,089,938</u>	<u>\$ 1,731,997</u>	<u>\$ 85,821,935</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Operating revenues:			
Charges for sales and services:			
Water sales pledged as security for revolving loans	\$ 15,459,923	\$ -	\$ 15,459,923
Sewer charges pledged as security for revolving loans	8,921,702	-	8,921,702
Solid waste charges	-	14,720,237	14,720,237
Engineering fees	397,321	-	397,321
Miscellaneous	<u>517,863</u>	<u>28,470</u>	<u>546,333</u>
Total operating revenues	<u>25,296,809</u>	<u>14,748,707</u>	<u>40,045,516</u>
Operating expenses:			
Personal services	5,018,049	4,551,017	9,569,066
Contractual services	682,068	337,603	1,019,671
Electricity	966,429	-	966,429
Insurance	2,340,219	1,385,507	3,725,726
Fixed charges	44,933	21,752	66,685
County wastewater charge	4,315,626	-	4,315,626
County raw water charge	50,000	-	50,000
Disposal fees	-	3,966,855	3,966,855
General administrative charge	3,660,301	2,027,682	5,687,983
Commodities	1,926,884	1,477,811	3,404,695
Depreciation	3,631,382	685,337	4,316,719
Fiscal charges	<u>6,380</u>	<u>-</u>	<u>6,380</u>
Total operating expenses	<u>22,642,271</u>	<u>14,453,564</u>	<u>37,095,835</u>
Operating income	<u>2,654,538</u>	<u>295,143</u>	<u>2,949,681</u>
Non-operating revenues (expenses):			
Investment earnings	59,880	-	59,880
Interest charges	(926,354)	(14,605)	(940,959)
Loan issuance costs	(46,381)	-	(46,381)
Amortization	<u>(1,439)</u>	<u>-</u>	<u>(1,439)</u>
Total non-operating revenues (expenses)	<u>(914,294)</u>	<u>(14,605)</u>	<u>(928,899)</u>
Income before contributions and transfers	<u>1,740,244</u>	<u>280,538</u>	<u>2,020,782</u>
Capital contributions - tap fees	27,540	-	27,540
Capital contributions - capital assets	36,912	-	36,912
Transfers out	<u>-</u>	<u>(270,893)</u>	<u>(270,893)</u>
Change in net position	1,804,696	9,645	1,814,341
Total net position - beginning, as previously reported	<u>82,991,996</u>	<u>2,012,302</u>	<u>85,004,298</u>
Prior period adjustment (see note J)	<u>(706,754)</u>	<u>(289,950)</u>	<u>(996,704)</u>
Total net position - beginning, restated	<u>82,285,242</u>	<u>1,722,352</u>	<u>84,007,594</u>
Total net position - ending	<u>\$ 84,089,938</u>	<u>\$ 1,731,997</u>	<u>\$ 85,821,935</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 25,356,080	\$ 14,748,749	\$ 40,104,829
Receipts from other funds	500,000	-	500,000
Receipts from other governments	-	9,631	9,631
Payments to suppliers	(13,558,073)	(8,807,170)	(22,365,243)
Payments to other funds	-	(500,000)	(500,000)
Payments to employees	<u>(4,979,949)</u>	<u>(4,333,755)</u>	<u>(9,313,704)</u>
Net cash provided by operating activities	<u>7,318,058</u>	<u>1,117,455</u>	<u>8,435,513</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfer to other funds	-	(270,893)	(270,893)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributed from tap fees	64,452	-	64,452
Acquisition and construction of capital assets	(2,137,830)	(494,200)	(2,632,030)
Principal paid on:			
Revenue bonds	(662,017)	-	(662,017)
Capital lease	-	(447,887)	(447,887)
Loan	(895,722)	-	(895,722)
Loan Issuance Cost	(47,820)	-	(47,820)
Interest paid on:			
Capital lease	-	(14,605)	(14,605)
Loan	<u>(961,397)</u>	<u>-</u>	<u>(961,397)</u>
Net cash (used in) capital and related financing activities	<u>(4,640,334)</u>	<u>(956,692)</u>	<u>(5,597,026)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	13,679,346	-	13,679,346
Purchases of investments	(27,914,412)	-	(27,914,412)
Interest received	<u>30,772</u>	<u>-</u>	<u>30,772</u>
Net cash (used in) investing activities	<u>(14,204,294)</u>	<u>-</u>	<u>(14,204,294)</u>
Net (decrease) in cash and cash equivalents	(11,526,570)	(110,130)	(11,636,700)
Cash and cash equivalents, beginning of year	22,877,466	393,524	23,270,990
Cash and cash equivalents, end of year	<u>\$ 11,350,896</u>	<u>\$ 283,394</u>	<u>\$ 11,634,290</u>
Cash and cash equivalents	\$ 6,323,983	\$ 234,380	\$ 6,558,363
Cash and cash equivalents - restricted (current)	2,293,399	49,014	2,342,413
Cash and cash equivalents - restricted (noncurrent)	2,733,514	-	2,733,514
Cash and cash equivalents, end of year	<u>\$ 11,350,896</u>	<u>\$ 283,394</u>	<u>\$ 11,634,290</u>

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

(Continued)

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 2,654,538	\$ 295,143	\$ 2,949,681
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	3,631,382	685,337	4,316,719
Changes in assets/deferred outflows and liabilities/deferred inflows:			
(Increase) Decrease in accounts receivable, net of allowances	45,599	(733)	44,866
Decrease in due from other funds	500,000	-	500,000
Decrease in due from other governments	-	9,631	9,631
(Increase) in inventory	(9,109)	-	(9,109)
Decrease in prepaids	1,440	-	1,440
Decrease in deferred outflows - pensions	2,957	1,213	4,170
Increase in customer deposits	13,672	775	14,447
Increase in accounts payable and accrued liabilities	442,436	410,040	852,476
(Decrease) in due to other funds	-	(500,000)	(500,000)
Increase in deferred inflows - pensions	446,525	183,190	629,715
Net increase in OPEB liability	455,303	373,095	828,398
Net (decrease) in pension liability	(890,752)	(365,437)	(1,256,189)
Increase in compensated absences payable	24,067	25,201	49,268
Total adjustments	<u>4,663,520</u>	<u>822,312</u>	<u>5,485,832</u>
Net cash provided by operating activities	<u>\$ 7,318,058</u>	<u>\$ 1,117,455</u>	<u>\$ 8,435,513</u>
 Non-cash investing, capital and financing activities:			
Net depreciation in the fair value of investments	<u>\$ (138,702)</u>	<u>\$ -</u>	<u>\$ (138,702)</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

	Pension Trust Funds
ASSETS:	
Cash and cash equivalents	\$ <u>6,972,164</u>
Investments:	
Mutual funds	81,729,013
U.S. Government securities	22,923,925
Corporate equities	62,249,486
Corporate bonds and notes	<u>18,466,993</u>
Total investments	<u>185,369,417</u>
Receivables:	
Interest and dividends	332,377
Contributions receivable (State)	147,648
Due from brokers	<u>817,354</u>
Total receivables	<u>1,297,379</u>
Other Assets	<u>6,726</u>
Total assets	<u>193,645,686</u>
 LIABILITIES:	
Accounts payable	<u>1,010,971</u>
Total liabilities	<u>1,010,971</u>
 NET POSITION:	
Restricted for pension benefits	<u>\$ 192,634,715</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Pension Trust Funds</u>
ADDITIONS:	
Contributions:	
Employer	\$ 8,722,375
Plan members	895,262
State of Florida	<u>930,650</u>
Total contributions	<u>10,548,287</u>
Investment earnings (loss):	
Interest and dividends	4,993,892
Net depreciation in the fair value of investments	<u>(6,296,274)</u>
Total investment earnings (loss)	(1,302,382)
Less investment expense	<u>(1,269,076)</u>
Net investment earnings (loss)	<u>(2,571,458)</u>
Other miscellaneous income	<u>26,992</u>
Total additions	<u>8,003,821</u>
DEDUCTIONS:	
Benefits paid	17,682,297
Administrative expenses	<u>439,049</u>
Total deductions	<u>18,121,346</u>
Change in net position	(10,117,525)
NET POSITION RESTRICTED FOR PENSION BENEFITS:	
Beginning of year	<u>202,752,240</u>
End of year	<u>\$ 192,634,715</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
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SEPTEMBER 30, 2015

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CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE I. 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 data 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 government, 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 16.5 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 77,361 residents, the City operates water, sewer 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 GASB Statement No. 14 (as amended by GASB Statements No. 39 and No. 61) 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 data for these entities are combined with data of the primary government.

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 not 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

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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's, 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 Statement No. 39 requires that a legally separate, tax-exempt organization should be reported as a component unit of the City, 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. As such, it is not included as a part of the financial reporting entity.

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 is 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, pension, other post-employment benefits and claims and judgments, are recorded only when payment is due.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Property taxes, (when levied for), 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 **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 City reports the following major proprietary funds:

The **Water and Sewer 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.

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 non-operating 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 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 non-operating 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.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

D. New Accounting Pronouncements Adopted

The City implemented the following GASB Statements during the year ended September 30, 2015:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An amendment of GASB Statement No. 27*

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred 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 GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments have been reported at fair value. The State Treasurer’s Investment Pool’s 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 and 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.”

All trade and property tax 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

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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 rendered by the City in the capacity of a vendor or for amounts to be reimbursed in connection with grants and other cooperative agreements.

Water and sewer and solid waste charges to customers are based on actual consumption. Consumption is determined on a monthly basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30.

3. Inventories and Prepaid Items – Inventories consisting principally of expendable items held for consumption, are stated at lower of average cost or market. 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 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 Departmental 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 \$3,000 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 estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned on related debt proceeds, during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. The City had no capitalized interest costs for this fiscal year.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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

Asset Type	Years
Buildings	40
Building improvements	20
Roads	40
Bridges	50
Other infrastructure	20 - 50
Equipment	5 - 10

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

6. Deferred Outflows/Inflows of Resources – The statements of net position and fund financial statements requires the inclusion of a separate section for deferred outflows of resources. A deferred outflow of resources represents the usage of net position that is applicable to future periods.

The statements of net position and fund financial statements, also includes a separate section for deferred inflows of resources, which represent the acquisition of net position which is applicable to future periods that will be recognized as revenue (or serve as a reduction of expenses) in a future period. The City reported deferred amounts on refunding in this category in the governmental activities as well as amounts related to pensions.

The City reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2015 into the pension plans as a result of the net pension liability associated with the Plans measured as of September 30, 2014. The amounts paid during fiscal year 2015 to the 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 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.

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

7. 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.

8. 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

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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.

9. 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 non-spendable 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 (resolution) performed prior to year-end, of the City Commission. Assigned fund balance represents amounts that are constrained by the government's intent to be used for specific sources, 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 government 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 government 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 government considers committed, assigned, or unassigned amounts to have been spent when expenditures incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

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

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

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Net Investment in Capital Assets – is intended to reflect the portion of net position which is associated with capital assets (net of accumulated depreciation), 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 are included in this component of net position.

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

The government-wide statement of net position reports \$9,936,721 of restricted net position of which approximately \$378,500 is restricted by enabling legislation.

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

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

11. 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 tax payers of their proposed taxes prior to the final approval of the millage rate in September. The second billing (mailed on October 1) reflects the current year's actual levy. The billings are considered past due after March 31st of the following year after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations – For the year ended September 30, 2015, expenditures exceeded appropriations in four of the City's departments. The Insurance/Safety, Planning and Development Services, Police, and Other-Unclassified Departments exceeded their budget \$38,768, \$732,615, \$62,795, and \$372,307 respectively. The additional costs were incurred to facilitate increases in the payment of insurance claims, the processing of applications for building permits, to fund increases in pension contributions, and for settlement of a legal claim.

B. Deficit Fund Equity – At September 30, 2015, the Community Development Block Grant Fund had a deficit fund balance of \$94,479. This deficit is expected to be funded by future grant reimbursements, which were not susceptible to accrual at September 30, 2015.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. **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, 2015, the carrying amount of the City's deposits totaled \$13,617,094.

2. **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; 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 SBA, which is not Securities and Exchange Commission ("SEC") registered, but which qualifies as a SEC 2a-7 like pool as well as a fluctuating net asset value ("NAV") pool. The City's investment in the SBA at September 30, 2015 represented less than 1% of the total investment assets of the SBA. The City of Deerfield Beach invests in a 2a7-like 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, 2015, the City's investment was \$4,116,172.

The Florida Municipal Investment 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 is the same as the value of the pool share.

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

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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.

As of September 30, 2015, the City had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida Local			
Government Investment Trust:			
Pool A shares	\$ -	\$ 4,116,172	\$ 4,116,172
Investment in Florida Municipal			
Investment Trust	-	8,339,452	8,339,452
Money market funds	-	1,180,756	5,120,732
Mutual funds:	6,837,424		6,837,424
Bond funds	68,753,390	40,866,593	68,753,390
International corporate equities	22,923,925	-	63,790,518
Other mutual funds	18,466,993	-	18,466,993
Domestic corporate bonds and notes	6,138,199	-	6,138,199
Domestic corporate equities	62,249,486	-	62,249,486
Total	<u>\$ 185,369,417</u>	<u>\$ 54,502,973</u>	<u>\$ 243,812,366</u>

Interest Rate Risk

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

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

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

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

(City General Investments)

Investment Type	Fair Value	Maturities (in Years)	
		Less Than 1	1-5
FL Local Gov't. Invest. Tr.	\$ 4,116,172	\$ 4,116,172	\$ -
FL Municipal Investment Trust	8,339,452	-	8,339,452
Other money market funds	1,180,756	95,445	-
U.S. Treasuries	10,331,517	8,326,197	2,005,320
U.S. Agencies	30,535,076	29,509,206	1,025,870
Total	<u>\$ 54,502,973</u>	<u>\$ 42,047,020</u>	<u>\$ 11,370,642</u>

(Pension Trust Funds)

Investment Type	Fair Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Bond funds	\$ 6,837,424	\$ -	\$ -	\$ 6,837,424	\$ -
Other money market funds	4,000,909	27,205	1,059,041	2,863,051	51,612
U.S. Treasuries	10,104,479	938,541	3,904,085	2,117,962	3,143,891
U.S. Agencies	12,819,446	731,528	3,361,215	3,322,171	5,404,532
Domestic corporate bonds and notes	18,466,993	836,803	7,224,546	6,428,282	3,977,362
Total	<u>\$ 52,229,251</u>	<u>\$ 2,534,077</u>	<u>\$ 15,548,887</u>	<u>\$ 21,568,890</u>	<u>\$ 12,577,397</u>

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's). State law limits investments in commercial paper and corporate bonds to the top 3 ratings issued by NRSRO's. It is the City's policy to limit its investments to the top 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 LGIP-A is rated by Standard and Poor's. The current rating is AAAM. LGIP-B, as well as the Florida Municipal Investment Trust, is not rated by any nationally recognized statistical rating agency.

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The following table discloses credit ratings by investment type, at September 30, 2015, as applicable:

Quality Credit Rating		Fair Value
S & P	Moody's	
AAAm		\$ 4,116,172
AAA		241,230
AA+		65,139
AA-		41,218
AA		37,175
A		102,981
A-		99,777
BBB+		35,200
BBB		6,626,201
BB		1,598,363
B		1,807,211
CCC		565,328
Not rated		1,180,756
	Aaa	13,168,896
	Aa1	1,569,585
	Aa2	1,046,625
	Aa3	699,541
	A1	1,419,509
	A2	2,323,483
	A3	2,138,587
	Baa1	2,151,668
	Baa2	1,098,455
	Baa3	573,633
	Ba1	57,540
	Ba2	88,794
	B1	175,026
	B2	175,755
	Caa1	10,834
	Not Rated	20,365,376
Total credit risk securities		63,580,058
U.S. govt and agency securities explicitly guaranteed		43,152,166
Total fixed income/credit risk securities		\$ 106,732,224
Total fixed income/credit risk securities - City		\$ 54,502,973
Total fixed income securities - pension trust funds		52,229,251
Total		\$ 106,732,224

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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, 2015. The three pension plans limit their exposures by limiting their investments in any one issuer to no more than 5% of Plan Net Position other than those issued by the US 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, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. All of the City's investments in corporate bonds and notes, and equities are held by the pension plans. 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, 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.

B. Receivables and Payables – The City reports the General, Community Redevelopment Agency (CRA), Water & Sewer and Solid Waste funds as major funds. Receivables at September 30, 2015 were as follows:

Governmental Activities

	General	CRA	Other Governmental Funds	Total
Receivables:				
Accounts	\$ 8,675,758	\$ -	\$ 3,099	\$ 8,678,857
Assessments	842	-	-	842
Interest	36,976	3,800	16,417	57,193
Gross receivables	<u>8,713,576</u>	<u>3,800</u>	<u>19,516</u>	<u>8,736,892</u>
Less: allowance for uncollectibles	(5,682,072)	-	-	(5,682,072)
Net receivables	<u><u>\$3,031,504</u></u>	<u><u>\$ 3,800</u></u>	<u><u>\$ 19,516</u></u>	<u><u>\$3,054,820</u></u>

Business-type Activities

	Water and Sewer	Solid Waste	Total
Receivables:			
Accounts	\$ 3,382,827	\$ 1,847,919	\$ 5,230,746
Assessments	33,689	-	33,689
Interest	287,770	-	287,770
Gross receivables	<u>3,704,286</u>	<u>1,847,919</u>	<u>5,552,205</u>
Less: allowance for uncollectibles	(55,618)	(78,177)	(133,795)
Net receivables	<u><u>\$3,648,668</u></u>	<u><u>\$1,769,742</u></u>	<u><u>\$ 5,418,410</u></u>

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

Uncollectible related to water sales	\$ 43,231
Uncollectible related to sewer charges	12,387
Uncollectible related to solid waste charges	<u>78,177</u>
Total uncollectible for the current fiscal year	<u><u>\$ 133,795</u></u>

Accounts payables at September 30, 2015 are as follows:

	Vendors	Retainage	Total payables
Governmental activities:			
General fund	\$ 3,633,490	\$ -	\$ 3,633,490
CRA fund	7,886	-	7,886
Other governmental funds	<u>923,574</u>	<u>218,540</u>	<u>1,142,114</u>
Total - governmental activities	<u><u>\$ 4,564,950</u></u>	<u><u>\$ 218,540</u></u>	<u><u>\$ 4,783,490</u></u>
Business-type activities:			
Water and Sewer fund	\$ 1,031,345	\$ -	\$ 1,031,345
Solid Waste fund	<u>787,484</u>	-	<u>787,484</u>
Total - business-type activities	<u><u>\$ 1,818,829</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,818,829</u></u>

C. Capital Assets – The following is a summary of capital asset activity for the year ended September 30, 2015:

	Beginning Balance	Increases	Decreases	Total
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 14,820,724	\$ -	\$ -	\$ 14,820,724
Construction in progress	<u>11,577,023</u>	<u>5,667,115</u>	<u>2,377,129</u>	<u>14,867,009</u>
<i>Total capital assets not being depreciated</i>	<u><u>26,397,747</u></u>	<u><u>5,667,115</u></u>	<u><u>2,377,129</u></u>	<u><u>29,687,733</u></u>
<i>Capital assets being depreciated:</i>				
Buildings	37,404,268	1,237,676	-	38,641,944
Improvements other than buildings	4,970,000	1,540,074	-	6,510,074
Equipment	20,442,514	1,114,732	-	21,557,246
Infrastructure	<u>77,370,082</u>	<u>765,391</u>	-	<u>78,135,473</u>
<i>Total capital assets being depreciated</i>	<u><u>140,186,864</u></u>	<u><u>4,657,873</u></u>	-	<u><u>144,844,737</u></u>
<i>Less: accumulated depreciation for:</i>				
Buildings	11,632,254	925,700	-	12,557,954
Improvements other than buildings	2,168,265	226,424	-	2,394,689
Equipment	19,075,590	442,201	-	19,517,791
Infrastructure	<u>38,854,379</u>	<u>2,389,291</u>	-	<u>41,243,670</u>
<i>Total accumulated depreciation</i>	<u><u>71,730,488</u></u>	<u><u>3,983,616</u></u>	-	<u><u>75,714,104</u></u>
Total capital assets being depreciated, net	<u><u>68,456,376</u></u>	<u><u>674,257</u></u>	-	<u><u>69,130,633</u></u>
Governmental activities capital assets, net	<u><u>\$ 94,854,123</u></u>	<u><u>\$ 6,341,372</u></u>	<u><u>\$ 2,377,129</u></u>	<u><u>\$ 98,818,366</u></u>

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Business-type activities:	Beginning Balance	Increases	Decreases	Total
<i>Capital assets not being depreciated:</i>				
Land	\$ 50,531	\$ -	\$ -	\$ 50,531
Construction in progress	-	-	-	-
<i>Total capital assets not being depreciated</i>	<u>50,531</u>	<u>-</u>	<u>-</u>	<u>50,531</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,810,875	-	-	1,810,875
Utility plants in service	45,988,174	115,329	-	46,103,503
Improvements other than buildings	81,822,930	1,491,640	-	83,314,570
Equipment	21,580,029	1,025,061	-	22,605,090
<i>Total capital assets being depreciated</i>	<u>151,202,008</u>	<u>2,632,030</u>	<u>-</u>	<u>153,834,038</u>
<i>Less: accumulated depreciation for:</i>				
Buildings	1,205,058	-	-	1,205,058
Utility plants in service	17,193,685	1,439,266	-	18,632,951
Improvements other than buildings	36,859,834	2,110,545	-	38,970,379
Equipment	17,493,160	766,908	-	18,260,068
<i>Total accumulated depreciation</i>	<u>72,751,737</u>	<u>4,316,719</u>	<u>-</u>	<u>77,068,456</u>
Total capital assets being depreciated, net	<u>78,450,271</u>	<u>(1,684,689)</u>	<u>-</u>	<u>76,765,582</u>
Business-type activities capital assets, net	<u>\$ 78,500,802</u>	<u>\$ (1,684,689)</u>	<u>\$ -</u>	<u>\$ 76,816,113</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 81,230
Public safety	584,681
Human services	72,446
Physical environment	517,777
Transportation	1,594,852
Culture and recreation	1,132,630
Total depreciation expense - governmental activities	<u>\$ 3,983,616</u>
 Business-type activities:	
Water and sewer	\$ 3,631,382
Solid waste	685,337
Total depreciation expense - business-type activities	<u>\$ 4,316,719</u>

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D. Encumbrances - Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2015, which are recorded in the appropriate fund balance classification of restricted, committed or assigned, in accordance with the City's fund balance policy are as follows:

Major Funds:	
<i>General Fund</i>	\$ 3,563,048
<i>Community Redevelopment Agency Fund</i>	<u>132,791</u>
Total Major Funds	<u>3,695,839</u>
Nonmajor governmental funds	<u>3,803,508</u>
Total Encumbrances	<u><u>\$ 7,499,347</u></u>

E. 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, 2015:

<u>Project</u>	<u>Amounts Outstanding</u>
NE 3rd Avenue/48th Street Roadway Project	\$ 2,864,110
SE 15th Street Roadway Project	<u>66,936</u>
	<u><u>\$ 2,931,046</u></u>

F. Unearned/Unavailable Revenue – Unearned/Unavailable revenue in the General Fund includes \$204,714 for local business taxes (formerly referred to as occupational licenses) relating to fiscal year 2016. The General Fund also includes ambulance transport fees in the amount of \$1,015,576 which are not available and are recorded as unavailable revenue; there is also an unearned revenue balance of \$36,623 for performance bond customer deposits.

The Miscellaneous Grants non-major special revenue fund had unavailable revenue of \$181,384 and unearned revenue of \$117,910.

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G. 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, 2015 is as follows:

Due To/ Due From

	Payable Fund:				Total
	CBDG Fund	Miscellaneous Grants Fund	General Construction Fund	Solid Waste Fund	
<u>Receivable Fund:</u>					
General	\$ 279,345	\$ 112,724	\$ 268,813		\$ 660,882
Water & Sewer	-	-	-	300,000	300,000
Total	<u>\$ 279,345</u>	<u>\$ 112,724</u>	<u>\$ 268,813</u>	<u>\$ 300,000</u>	<u>\$ 960,882</u>

Interfund Transfers:

	Transfers to:		
	General	Nonmajor Governmental	Total
<u>Transfers from:</u>			
General	\$ -	\$ 4,667,263	\$ 4,667,263
CRA	1,101,979	134,887	1,236,866
Nonmajor Governmental	615,837	175,915	791,752
Solid Waste	270,893	-	270,893
Total	<u>\$ 1,988,709</u>	<u>\$ 4,978,065</u>	<u>\$ 6,966,774</u>

Transfers to the General Fund represent amounts paid by the nonmajor governmental funds for matching grant requirements for expenditures which were accounted for in the General Fund. The Community Redevelopment Agency Fund (CRA) is required to transfer amounts to the General Fund in connection with debt service payments made by the General Fund on behalf of the CRA. 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 to the General Obligation Debt Service funds represent payment of debt service. Transfers from General Fund to General Construction Fund represent donations for the improvement of Quiet Waters Park.

H. Capital 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 enterprise fund. These lease agreements qualify as capital 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, 2015, were as follows:

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Fiscal Year	Governmental Activities	Business-Type Activities	Total
2016	\$ -	\$ 339,249	\$ 339,249
2017	-	310,978	310,978
Total Minimum lease payments	-	650,227	650,227
Less: amount representing interest	-	(10,289)	(10,289)
Present value of future minimum lease payments	<u>\$ -</u>	<u>\$ 639,938</u>	<u>\$ 639,938</u>

As of September 30, 2015, the equipment held under capital leases for governmental activities and business-type activities were \$0 and \$1,630,938, respectively. Accumulated depreciation for equipment held under capital leases was \$0 and \$1,304,750 for governmental and business-type activities, respectively, as of September 30, 2015.

I. Long-Term Debt – Summarized below are the City's debt issued to finance the acquisition and construction of major capital facilities that were outstanding as of September 30, 2015:

1. 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, \$5,173,692 have interest rates that range from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2024. For Series B, principal is due annually on November 1st, and interest is payable semi-annually on May 1st and November 1st, with the final maturity date being November 1, 2027.
- *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 \$1,142,450 was paid. Ad valorem taxes amounted to \$32,924,539. The outstanding balance for this issue at year end amounted to \$13,360,000
- *Covenant Bonds, Series 2006* – The original amount of this issue was \$5,965,000. The proceeds of this bond issue were used to complete the construction of the public works facility and the municipal operations complex. The interest rates on these bonds range from 4.00% to 5.00%. 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, 2031. The remaining outstanding bonds of this issue total \$4,740,000 with total interest payable of \$2,080,229 over the remainder of the term of the bonds. The principal and interest of this issue will be payable from and secured by a pledge of the City's electric franchise fees. For the current year, principal and interest of \$398,069 were paid. Electric franchise fees amounted to \$5,120,791 for fiscal year 2015.

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- *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 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 \$18,240,000 with total interest payable of \$4,555,878 over the remainder of the term of the bonds. The principal and interest of this issue will be payable from and secured by a pledge of the City's ad valorem taxes. For the current year, principal and interest of \$1,565.619 was paid.

2. Business-type Activities Debt:

- *Loans Payable* – The City has entered into various loan agreements with the State of Florida Department of Environmental Protection to borrow up to \$28,520,115. The primary purpose of these loans is to construct water and wastewater facilities. As of September 30, 2009, the City borrowed \$28,293,037, with interest rates ranging from 2.27% to 3.57%. As of September 30, 2015, the aggregate outstanding principal amount of these loans totaled \$5,462,422. Interest and principal payments are due on May 15 and November 15 of each year for the State Drinking Water Revolving Loan. The unpaid principal balance of this loan as of September 30, 2015 was \$9,075,391. 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, 2015, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were \$958,217 and \$4,504,207, respectively. Revenues of the Water and Sewer System have been pledged as security for repayment of these loans. Total principal and interest paid during the current year totaled \$528,306. Net revenues of the water and sewer system amounted to \$5,904,529 for the year ended September 30, 2015.
- *Loans Payable* – On April 9, 2015, the City issued Wells Fargo Revenue Loan in the amount of \$8,580,000. The loan matures on November 15, 2021. The loan bears interest on the outstanding principal balance at 1.63%. Payments are due annually starting November 15, 2015. The proceeds of this loan was used to refund State Revenue Loan No. DW060610, which was paid in full, and the liability for this loan was removed the Business-type activities column in the statement of net position. There was an economic gain of \$376,511 and \$363,633 cash flow savings on this refunding. The price for refunding did not exceed the net carrying value of the old debt.
- *Florida Municipal Loan Council Revenue Bonds, Series 2008A* – The original amount of this issue was \$17,028,786. The proceeds of this bond issue are to be used to construct a reverse osmosis water treatment addition to the City's west water treatment facility, as well as various other improvements to the water distribution system. The interest rate on these bonds is 4.81%. 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, 2028. The remaining outstanding bonds of this issue total \$13,534,409. The principal and interest of this issue will be payable from and secured by a pledge of the City's water and sewer system revenues. Total principal and interest paid during the year amounted to \$1,322,064.

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3. Changes in Long-Term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended September 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 19,797,105	\$ -	\$ 1,263,413	\$ 18,533,692	\$ 1,238,400
Covenant bonds	24,140,000	-	1,160,000	22,980,000	1,195,000
Plus: Deferred amounts for premiums/discounts	1,595,012	-	136,986	1,458,026	-
Total bonds payable	45,532,117	-	2,560,399	42,971,718	2,433,400
Capital leases	80,981	-	80,981	-	-
Net OPEB liability	7,432,376	1,620,247	-	9,052,623	-
Claims and judgments	7,125,785	7,675,235	7,327,505	7,473,515	1,434,000
Net pension liability	45,061,638	6,262,412	9,454,883	41,869,167	-
Compensated absences	1,394,556	1,106,330	1,224,928	1,275,958	1,224,928
Total governmental activities long-term liabilities	\$ 106,627,453	\$ 16,664,224	\$ 20,648,696	\$ 102,642,981	\$ 5,092,328
Business-type activities:					
Capital leases	\$ 1,087,825	\$ -	\$ 447,887	\$ 639,938	\$ 331,433
Net OPEB liability	2,714,636	828,398	-	3,543,034	-
Net pension liability	1,943,254	43,308	1,299,497	687,065	-
Compensated absences	1,001,227	670,738	621,470	1,050,495	621,471
Bonds payable	14,196,426	-	662,018	13,534,408	694,606
Loan payable	14,938,143	8,580,000	9,475,721	14,042,422	1,544,271
Total business-type activities long-term liabilities	\$ 35,881,511	\$ 10,122,444	\$ 12,506,593	\$ 33,497,362	\$ 3,191,781

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 in prior years to liquidate the net pension liabilities.

4. Summary of Annual Debt Service Requirements – The annual debt service requirements to maturity for debt outstanding as of September 30, 2015 are as follows:

Year Ending September 30	Governmental Activities Debt					
	General Obligation Bonds			Covenant Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 1,238,400	\$ 1,252,861	\$ 2,491,262	\$ 1,195,000	\$ 764,913	\$ 1,959,913
2017	1,117,169	1,374,218	2,491,387	1,240,000	719,538	1,959,538
2018	1,104,936	1,386,034	2,490,970	1,295,000	667,038	1,962,038
2019	1,099,238	1,391,592	2,490,830	1,335,000	623,688	1,958,688
2020	1,096,610	1,397,240	2,493,850	1,370,000	582,638	1,952,638
2021-2025	5,410,440	7,056,711	12,467,151	7,595,000	2,217,220	9,812,220
2026-2030	7,466,899	2,525,902	9,992,799	6,830,000	939,657	7,769,657
2031-2033	-	-	-	2,120,000	121,416	2,241,416
Total	\$ 18,533,692	\$ 16,384,558	\$ 34,918,250	\$ 22,980,000	\$ 6,636,108	\$ 29,616,108

CITY OF DEERFIELD BEACH, FLORIDA
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SEPTEMBER 30, 2015

Business-Type Activities Debt

Year Ending September 30	<u>Revolving Loans</u>			<u>Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,544,271	\$ 249,639	\$ 1,793,910	\$ 694,606	\$ 644,872	\$ 1,339,478
2017	1,613,415	221,505	1,834,920	727,083	608,492	1,335,575
2018	1,637,761	192,559	1,830,320	764,591	572,121	1,336,712
2019	1,667,316	163,118	1,830,434	802,229	533,918	1,336,147
2020	1,697,084	133,168	1,830,252	841,720	514,303	1,356,023
2021-2025	4,949,758	293,826	5,243,584	4,870,097	1,796,476	6,666,573
2026-2030	932,817	24,863	957,679	4,834,082	486,133	5,320,216
Total	<u>\$ 14,042,422</u>	<u>\$ 1,278,678</u>	<u>\$ 15,321,100</u>	<u>\$ 13,534,408</u>	<u>\$ 5,156,315</u>	<u>\$ 18,690,723</u>

5. 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 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 can 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, 2015. 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 IV – OTHER INFORMATION

A. 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, 2015:

<u>Governmental Activities</u>	<u>Total</u>
Community Redevelopment Agency Funds	\$ 1,266,440
Cemetery reserve endowments	2,193,471
Local option gas tax	342,419
Impact fees	40,768
Grant funds	1,762,858
Law Enforcement/Crime Prevention /Other Trust Funds	2,015,258
Bond construction account	5,802,664
Loan debt service accounts	2,534,573
Total governmental activities restricted assets	<u>\$ 15,958,451</u>

CITY OF DEERFIELD BEACH, FLORIDA
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Business-Type Activities

	Water and Sewer Fund	Solid Waste Fund	Total
Customer deposits	\$ 532,543	\$ 49,014	\$ 581,557
Bond construction accounts	2,733,514	-	2,733,514
Revolving loan covenant accounts	<u>1,760,856</u>	<u>-</u>	<u>1,760,856</u>
Total business-type activities restricted assets	<u>\$ 5,026,913</u>	<u>\$ 49,014</u>	<u>\$ 5,075,927</u>

B. Restricted Net Position – Restricted net position in the government-wide statements include the following:

<u>Purpose</u>	<u>Amounts</u>
Improvements to and programs within the Community Redevelopment Area	\$ 1,252,706
State Housing Initiative/Neighborhood Stabilization Grant Programs	869,961
Roadway improvements/parking system improvements	224,491
Senior Services programs	270,892
Confiscated property seizures/code enforcement fines for crime prevention	1,501,214
Beautification and landscape projects	338,713
Perpetual care and general reserve operations for cemeteries	2,205,102
Debt service	<u>1,512,786</u>
Total restricted net position - governmental activities	<u>8,175,865</u>
Restricted for debt service (Water & Sewer Fund)	<u>1,760,856</u>
Total restricted net position - business-type activities	<u>1,760,856</u>
Total government-wide restricted net position	<u>\$ 9,936,721</u>

C. 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 and \$100,000 for property damage claims. 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 the 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 (IBNRs). 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
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At September 30, 2015, the amount of these liabilities was \$7,473,515. Changes in the reported liability since September 30, 2014 resulted from the following:

<u>Fiscal Year</u>	<u>Claims Payable October 1</u>	<u>Current Year's Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability September 30</u>
2015	\$ 7,125,785	\$ 10,887,454	\$ (10,539,724)	\$ 7,473,515
2014	6,829,000	7,075,390	(6,778,605)	7,125,785

D. 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.

At September 30, 2015, portions of some Federal Emergency Management Agency (“FEMA”) claims for approximately \$2.1 million were determined, through a review by the Office of the Inspector General, to be overfunded. The City’s position is, the expenditures were proper, had been fully reviewed and approved by FEMA representatives at the State and Federal levels, and will be ultimately approved by FEMA. Based on the nature of this matter as described above, management does not believe it is probable that the City will have to refund any amounts to FEMA. As such, no liability has been recorded related to the request for reimbursement of previous FEMA awards.

Amounts, if any, of other expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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 material adverse effect on the financial condition of the City.

E. Defined Benefit Pension Plans

1. 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 any of the three defined benefit plans.

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. Securities traded on a national exchange are valued at the last reported sales price on the City’s balance sheet date. Securities without an established market price are reported at estimated fair value.

CITY OF DEERFIELD BEACH, FLORIDA
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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: Tegrit Plan Administrators, LLC. 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.

2. 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 2015, the state contributed \$768,090 and \$577,550 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 expenses during the period.

Information regarding fiscal year 2015 participant data for the three pension plans is as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>	<u>Total</u>
<i>Plan membership as of actuarial valuation date</i>				
Inactive members or beneficiaries				
currently receiving benefits	113	76	147	336
Inactive members entitled to but				
not yet receiving benefits	0	0	0	0
Active member	<u>92</u>	<u>0</u>	<u>4</u>	<u>96</u>
	<u>205</u>	<u>76</u>	<u>151</u>	<u>432</u>

Covered employees in the fire and non-uniformed defined benefit plans are required to contribute 9 percent of their gross salary. Beginning on January 13, 1990, participants in the police pension plan were no longer required to contribute to the plan. Prior to that time, a 9% contribution of gross salary was mandatory. 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.

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3. Net Pension Liability

The components of net pension liability as of September 30, 2015 were as follows:

	Fire	Police	Non-uniformed	Total
Total pension liability	\$ 132,952,717	\$ 51,305,769	\$ 61,095,748	\$ 245,354,234
Plan fiduciary net position	<u>(103,894,584)</u>	<u>(39,056,879)</u>	<u>(59,846,539)</u>	<u>(202,798,002)</u>
City's net pension liability	<u>\$ 29,058,133</u>	<u>\$ 12,248,890</u>	<u>\$ 1,249,209</u>	<u>\$ 42,556,232</u>
Plan fiduciary net position as a percentage of the total pension liability	78.14%	76.13%	97.86%	

4. Significant Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2014, using the following actuarial assumptions.

Assumptions	Fire Pension	Police Pension	Non-Uniformed
Inflation	2.75%	N/A	4.00%
Salary Increases	5% to 11%	N/A	6.00% per year
Investment Rate of Return	7.625%	6.750%	7.250%
Mortality	RP-2000 fully generational with scale AA	RP-2000 Table with no RP-2000 Table Disabled for disabled lives projection	1994 Group Annuity Mortality (GAM) table for males and females
Retirement Age	N/A	N/A	Age 64 with 10 years of service or Age 55 with 25 years of service

5. Pension Discount Rate – The discount rate used to measure the total pension liability was 7.625%, 6.75%, and 7.25% for the Fire, Police, and Non-Uniformed Pension plans respectively. This is a single rate that reflects the long-term expected net 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 benefits payments, for purposes of this determination.

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

Net Pension Liability (Asset)

	<u>Fire Pension Plan</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.625%	7.625%	8.625%
Net Pension Liability	\$ 43,318,162	\$ 29,058,133	\$ 17,238,658

	<u>Police Pension Plan</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	5.75%	6.75%	7.75%
Net Pension Liability	\$ 17,137,001	\$ 12,248,890	\$ 7,502,253

	<u>Non-uniformed Pension Plan</u>		
	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.25%	7.25%	8.25%
Net Pension Liability (Asset)	\$ 4,531,887	\$ 1,249,209	\$ (4,598,011)

6. 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 net 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.

Fire	
<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	11.14%
International equity	6.35%
Bonds	7.64%
TIPS	6.17%
Convertibles	9.47%
Private real estate	7.06%
MLPs	16.89%
Hedge fund	7.23%

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Police

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Multi-cap equity	7.50%
Core equity	7.50%
All-cap value equity	7.50%
Broad-cap growth equity	7.50%
International equity	8.50%
Core fixed income	2.50%
TIPS	2.50%

Non-uniformed

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	13.16%
International equity	5.74%
Fixed income	2.20%
Real estate	4.10%
Hedge fund	2.55%

7. Asset Allocation – The tables below indicate the fund investment policy, targets, and actual asset allocations as September 30, 2015:

Fire

<u>Asset Class</u>	<u>Investment Policy</u>	<u>Actual Allocation</u>
Fixed income & TIPS	20-67%	22.00%
International	10-25%	14.00%
Large cap core	6-12%	8.00%
Large cap growth	6-12%	8.00%
Mid cap core	5-9%	7.00%
Small cap value	3-7%	5.00%
Convertibles	6-11%	9.00%
Hedge fund	0-15%	11.00%
MLP	2-7%	5.00%
Real estate	0-12%	10.00%

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Police

Asset Class	Investment Policy	Actual Allocation
Domestic equity	25-60%	43.00%
Fixed income	30-40%	21.00%
International equity	10-20%	17.00%
Real estate fund	0-15%	13.00%
TIPS	0-5%	0.00%
Cash and cash equivalents	0-10%	6.00%

Non-uniformed

Asset Class	Investment Policy	Actual Allocation
Domestic equity	30-65%	45.00%
International equity	5-15%	9.00%
Fixed income	20-40%	28.00%
Hedge funds	0-12.5%	10.00%
Real estate	0-7.5%	5.00%
Cash and cash equivalents	Minimum	3.00%

8. 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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2013. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows (Inflows)		
	Police	Firefighters	Non-Uniformed
City contribution subsequent to measurement date	\$ 2,509,336	\$ 5,789,581	\$ 1,713,421
Differences between expected and actual experience	-	604,884	-
Change of assumptions	-	1,282,559	-
Net difference between projected and actual earnings on pension plan investments	(655,408)	(1,256,402)	(1,144,938)

CITY OF DEERFIELD BEACH, FLORIDA
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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 fiscal year ended September 30, 2016. The amount reported as a deferred inflow of resources related to the pension will be recognized in pension expense over the four remaining years as follows:

Fiscal Year Ended September 30	Fire Pension	Police Pension	Non-Uniformed Pension
2016	\$ (163,852)	\$ 440,876	\$ (286,235)
2017	(163,852)	440,876	(286,235)
2018	(163,852)	63,388	(286,235)
2019	(163,852)	(314,099)	(286,233)
Total	<u>\$ (655,408)</u>	<u>\$ 631,041</u>	<u>\$ (1,144,938)</u>

F. 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 ending September 30, 2015 of \$1,365,340. 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 \$729,773.

G. 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.

H. Other Postemployment Benefits – The City’s Other Postemployment Benefits (OPEB) are presented in accordance with GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.”

Benefit Description and Funding Policy

The City provides a single employer defined benefit postemployment 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 for 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

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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.

Benefit provisions and City contribution requirements are established and may be amended by the City Commission. As of September 30, 2015, there were 209 retired employees receiving a monthly benefit with an additional 328 eligible for participation in the future. Benefit payments totaled \$2,218,040 for the year.

Annual OPEB Cost, Funding Status and Funding Progress

Annual OPEB Cost (AOC) is a measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. Details of the City's AOC and Net OPEB Obligation (NOO) for the year ended September 30, 2015 follow:

Annual required contribution	\$ 4,642,177
Interest on plan obligation	405,880
Adjustment to ARC	<u>(381,372)</u>
Annual OPEB cost (AOC)	4,666,685
Actual contributions made	<u>(2,218,040)</u>
Increase in NOO	2,448,645
NOO - Beginning of year	<u>10,147,012</u>
NOO - End of year	<u><u>\$ 12,595,657</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for the last three fiscal years follow:

Fiscal Year	AOC	Contribution	Percent Contributed	NOO
2013	\$ 4,500,853	\$ 2,537,311	56.4%	\$ 7,592,377
2014	4,698,685	2,214,414	45.6%	10,147,012
2015	4,666,685	2,218,040	47.5%	12,595,657

As of the October 1, 2013 valuation date, the actuarial accrued liability for benefits was \$63,659,015 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$63,659,015. The payroll for active participating employees for that period was approximately \$22,734,299 and the unfunded actuarial accrued liability as a percentage of payroll was 280.0%. The annual OPEB cost and the actuarial accrued liability increased due to increased costs for claims based on the age-graded, sex distinct, monthly per capita cost.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Amounts determined regarding the funding status of benefits and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the

CITY OF DEERFIELD BEACH, FLORIDA
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substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Following are the actuarial methods and significant actuarial assumptions used to determine the annual required contribution for the current year:

Valuation date:	October 1, 2014
Actuarial cost method:	Entry-age
Amortization method:	Level percent, open
Remaining amortization period:	30 Years
Investment rate of return/discount rate:	4.0%
Inflation rate:	4.0%
Projected salary increases:	6%

I. New Accounting Pronouncements Not Yet Adopted –GASB Statement No. 72, *Fair Value and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosure related to all fair value measurements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2015 and are not expected to have a significant impact on the City's financial statements and their presentation. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67 and 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement No. 67 or for pensions that are within the scope of Statement No. 68 are effective for fiscal years beginning after June 15, 2015. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for financial

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

statements for fiscal years beginning after June 15, 2016. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for period beginning after June 15, 2015, and should be applied retroactively. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The City is currently evaluating the implementation requirement of this statement.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. The City is currently evaluating the implementation requirement of this statement.

GASB Statement No.82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The City is currently evaluating the implementation requirement of this statement.

J. Prior Period Adjustment – Due to the implementation of GASB Statement No. 68 and 71, the City recorded a prior period adjustment in the government-wide and fund financial statements to eliminate the net pension asset, to record the net pension liability and deferred outflows of resources as of September 30, 2014.

	Business-type Activities		Total		Totals
	Water and Sewer	Solid Waste	Business-type Activities	Governmental Activities	
Net position, beginning, as previously reported	\$ 82,991,996	\$ 2,012,302	\$ 85,004,298	\$ 66,516,480	\$ 151,520,778
Prior period adjustment:					
Eliminate net pension asset, per GASB 27	-	-	-	(405,948)	(405,948)
Opening net pension liability	(1,377,944)	(565,310)	(1,943,254)	(45,061,638)	(47,004,892)
Deferred outflow of resources for City contributions made subsequent measurement date	671,190	275,360	946,550	8,940,334	9,886,884
Total prior period adjustment	(706,754)	(289,950)	(996,704)	(36,527,252)	(37,523,956)
Total position, beginning, as restated	\$ 82,285,242	\$ 1,722,352	\$ 84,007,594	\$ 29,989,228	\$ 113,996,822

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS - UNAUDITED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 33,084,129	\$ 33,084,129	\$ 32,924,539	\$ (159,590)
Sales and use taxes	5,998,349	5,998,349	6,221,255	222,906
Fire assessment fees	10,812,978	10,812,978	11,007,913	194,935
Franchise fees	8,462,262	8,462,262	8,447,210	(15,052)
Utility taxes	7,395,000	7,945,000	7,976,554	31,554
Licenses and permits	3,351,000	4,301,000	4,674,337	373,337
Intergovernmental	2,731,891	2,731,891	3,111,431	379,540
Charges for services	9,099,662	9,099,662	9,370,280	270,618
Fines and forfeitures	930,100	930,100	1,310,253	380,153
Investment earnings	30,000	30,000	44,083	14,083
Miscellaneous:	-	-	-	-
Donations/contributions	205,500	205,500	195,641	(9,859)
Administrative fees	5,982,430	5,982,430	5,930,430	(52,000)
Other	3,102,451	5,326,011	2,369,170	(2,956,841)
Total revenues	91,185,752	94,909,312	93,583,096	(1,326,216)
EXPENDITURES:				
Departmental:				
City commission	236,598	244,098	241,922	2,176
City manager	1,055,429	1,055,429	1,043,553	11,876
City clerk	510,719	510,719	431,449	79,270
City attorney	444,500	444,500	371,879	72,621
Central services	516,500	601,500	587,439	14,061
Parks & recreation	11,160,314	11,600,314	10,749,167	851,147
Fire/rescue	31,242,893	31,242,893	31,015,200	227,693
Human resources	546,134	546,134	509,078	37,056
Insurance/safety	4,450,295	4,450,295	4,489,063	(38,768)
Financial services	1,383,095	1,383,095	1,246,484	136,611
Planning and development services	2,817,472	3,217,472	3,950,087	(732,615)
Information technology services	1,126,387	1,126,387	1,008,909	117,478
Police	23,361,710	23,361,710	23,424,505	(62,795)
Environmental services	4,120,097	4,345,097	4,292,438	52,659
Senior services	2,457,666	2,457,666	2,203,700	253,966
Community participation	151,688	151,688	109,688	42,000
Other - unclassified	2,244,677	2,304,677	2,676,984	(372,307)
Debt service	139,343	179,343	50,121	129,222
Total expenditures	87,965,517	89,223,017	88,401,666	821,351
Excess (deficiency) of revenues over expenditures	3,220,235	5,686,295	5,181,430	(504,865)
Other financing sources (uses):				
Transfers in	2,644,693	2,644,693	1,988,709	(655,984)
Transfers out	(4,451,976)	(4,451,976)	(4,667,263)	(215,287)
Total other financing sources (uses)	(1,807,283)	(1,807,283)	(2,678,554)	(871,271)
Net change in fund balance	\$ 1,412,952	\$ 3,879,012	\$ 2,502,876	\$ (1,376,136)

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 COMMUNITY REDEVELOPMENT AGENCY FUND
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS - UNAUDITED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>(Budgetary Basis) Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,392,225	\$ 2,392,225	\$ 2,587,842	\$ 195,617
Investment earnings	2,000	2,000	4,708	2,708
Miscellaneous	-	-	25,373	25,373
Total revenues	<u>2,394,225</u>	<u>2,394,225</u>	<u>2,617,923</u>	<u>223,698</u>
EXPENDITURES				
Current:				
Economic environment	847,656	929,760	600,253	329,507
Public safety	50,000	50,000	39,471	10,529
Culture and recreation	150,000	150,000	128,937	21,063
Capital outlay	<u>1,301,088</u>	<u>1,757,533</u>	<u>713,016</u>	<u>1,044,517</u>
Total expenditures	<u>2,348,744</u>	<u>2,887,293</u>	<u>1,481,677</u>	<u>1,405,616</u>
Excess (deficiency) of revenues over expenditures	<u>45,481</u>	<u>(493,068)</u>	<u>1,136,246</u>	<u>1,629,314</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,186,456)</u>	<u>(1,186,456)</u>	<u>(1,236,866)</u>	<u>(50,410)</u>
Total other financing sources (uses)	<u>(1,186,456)</u>	<u>(1,186,456)</u>	<u>(1,236,866)</u>	<u>(50,410)</u>
Net change in fund balance	<u>\$ (1,140,975)</u>	<u>\$ (1,679,524)</u>	<u>\$ (100,620)</u>	<u>\$ 1,578,904</u>

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
<u>Reconciliation of Budget and Actual:</u>			
Current expenditures	\$ 816,055	\$ (47,394)	\$ 768,661
Capital outlay	<u>524,731</u>	<u>188,285</u>	<u>713,016</u>
Total expenditures	<u>\$ 1,340,786</u>	<u>\$ 140,891</u>	<u>\$ 1,481,677</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2015 and the outstanding encumbrances as of September 30, 2014 which were paid during fiscal year 2015.

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO BUDGETARY SCHEDULE
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

NOTE I – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information – 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 appropriations 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. During fiscal year 2015, interdepartmental transfers in the General Fund totaled \$135,000. These transfers were done to cover budget deficits in departments that exceeded their budgets. However, the total General Fund budget was not increased.

B. 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:

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Current expenditures	\$ 85,931,231	\$ 2,420,314	\$ 88,351,545
Debt service	50,121	-	50,121
Total expenditures	\$ 85,981,352	\$ 2,420,314	\$ 88,401,666

* In the above reconciliation, “net encumbrances” represents the difference between the encumbrances outstanding as of September 30, 2014 and the outstanding encumbrances as of September 30, 2014, which were paid during fiscal year 2015.

CITY OF DEERFIELD BEACH, FLORIDA
SCHEDULE OF CHANGES IN CITY'S NET PENSION
LIABILITY AND RELATED RATIOS
FIRE PENSION FUND

Measurement Date, September 30	<u>2014</u>
Total pension liability	
Service cost	\$ 2,859,229
Interest	9,456,530
Changes of benefit terms	172,555
Differences between expected and actual experience	846,838
Changes of assumptions of member contributions	1,795,582
	<u>(7,328,455)</u>
Net Change in total pension liability	7,802,279
Total pension liability - beginning	125,150,438
Total pension liability - ending (a)	<u>132,952,717</u>
Plan fiduciary net position	
Contributions - employer	\$ 5,051,768
Contributions - State	791,013
Contributions - member	882,792
Net investment income	8,931,143
of member contributions	(7,328,455)
Administrative expense	<u>(232,032)</u>
Net change in plan fiduciary net position	8,096,229
Plan fiduciary net position-beginning	95,798,355
Plan fiduciary net position-ending	<u>\$ 103,894,584</u>
City's net pension liability-ending	<u>\$ 29,058,133</u>
Net position as percentage of the total pension liability	78.14%
Covered Employee Payroll	\$ 9,687,400
Net Pension Liability as a Percentage of Covered Employee Payroll	300%

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
FIRE PENSION FUND
SCHEDULE OF CITY CONTRIBUTIONS

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	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%

**Methods and Assumptions Used to Determine Contribution Rate for the year ending
September 30, 2015:**

Valuation Date	October 1, 2013
Notes	Actuarially determined contributions are calculated as of October 1, which is 24 months prior to the end of the year in which contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	16 years
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	5% to 11%, including inflation
Investment Rate of Return	7.625%
Retirement Age	Members are assumed to retire at a rate of 100% upon retirement eligibility.
Mortality	RP-2000 Combined Mortality Table Fully Generational using Scale AA

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
SCHEDULE OF CHANGES IN CITY'S NET PENSION
LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Measurement Date, September 30,	<u>2014</u>
Total pension liability	
Service cost	\$ -
Interest	3,367,750
Changes of benefit terms	-
Share Plan Allocation	338,294
Differences between expected and actual experience	-
Changes of assumptions	-
Benefits payments, including refunds	-
Employee Contributions	<u>(4,585,732)</u>
Net Change in total pension liability	(879,688)
Total pension liability - beginning	<u>52,185,457</u>
Total pension liability - ending (a)	<u><u>51,305,769</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 1,779,355
Contributions - State	543,745
Contributions - member	-
Net investment income	3,310,880
Benefits payments including refund of member contributions	-
Administrative expense	<u>(71,170)</u>
Net change in plan fiduciary net position	977,078
Plan fiduciary net position-beginning	<u>38,079,801</u>
Plan fiduciary net position-ending	<u><u>\$ 39,056,879</u></u>
City's net pension liability-ending	<u><u>\$ 12,248,890</u></u>
Net position as percentage of the total pension liability	76.13%
Covered Employee Payroll	N/A*
Net Pension Liability as a Percentage of Covered Employee Payroll	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
POLICE PENSION FUND
SCHEDULE OF CITY CONTRIBUTIONS

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	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

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

**Methods and Assumptions Used to Determine Contribution Rate for the year ending
September 30, 2015:**

Valuation Date	October 1, 2013
Notes	Actuarially determined contributions are calculated as of October 1, which is 24 months prior to the end of the year in which contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 years
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 onto the current market value.
Inflation	N/A
Salary Increases	6.0% per year
Investment Rate of Return	6.75%
Mortality	RP-2000 Table with no projection – Based on a study of over 650 public safety funds, this table reflects a 10% margin for future mortality improvements. RP-2000 Disabled Table for disabled lives.

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
PENSION TRUST FUNDS
SCHEDULE OF CHANGES IN CITY'S NET PENSION
LIABILITY AND RELATED RATIOS
NON-UNIFORMED PENSION FUND

Measurement Date, September 30,	<u>2014</u>
Total pension liability	
Service cost	\$ 78,741
Interest	4,289,889
Differences between expected and actual experience	528,068
Changes of assumptions	-
of member contributions	<u>(5,786,184)</u>
Net Change in total pension liability	(889,486)
Total pension liability - beginning	<u>61,985,234</u>
Total pension liability - ending (a)	<u><u>61,095,748</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 1,721,000
Contributions - State	-
Contributions - member	33,417
Net investment income	5,519,418
of member contributions	(5,786,184)
Administrative expense	<u>(93,157)</u>
Net change in plan fiduciary net position	1,394,494
Plan fiduciary net position-beginning	<u>58,452,045</u>
Plan fiduciary net position-ending	<u><u>\$ 59,846,539</u></u>
City's net pension liability-ending	<u><u>\$ 1,249,209</u></u>
Net position as percentage of the total	
pension liability	97.96%
Covered Employee Payroll	412,795
Net Pension Liability as a Percentage of Covered	
Employee Payroll	303%

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
NON-UNIFORMED PENSION FUND
SCHEDULE OF CITY CONTRIBUTIONS

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	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%

**Methods and Assumptions Used to Determine Contribution Rate for the year ending
September 30, 2015:**

Valuation Date	October 1, 2013
Notes	Actuarially determined contributions are calculated as of October 1, which is 24 months prior to the end of the year in which contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	8 years
Asset Valuation Method	4-year smoothed market
Inflation	4.00%
Salary Increases	6.0% per year
Investment Rate of Return	7.00%
Retirement Age	Age 64 with 10 years of service or Age 55 with 25 years of service
Mortality	1994 Group Annuity Mortality (GAM) table for males and females

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 FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2010	\$ -	\$ 52,101,328	\$ 52,101,328	0%	\$ 33,561,568	155%
10/1/2012	-	61,099,758	61,099,758	0%	21,899,991	279%
10/1/2014	-	63,437,144	63,437,144	0%	21,647,531	293%

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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.

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.

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.

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.

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, 2006 and 2012 Florida Municipal Loan Council Revenue bonds.

CAPITAL 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.

General Construction Fund – used to account for the acquisition and construction of major capital improvements that are financed by the issuance of bonds.

GENERAL CONSTRUCTION FUND

General Construction Fund – This fund is used to account for the acquisition and construction of major capital improvements that are financed by the issuance of bonds.

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
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2015

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	General Construction Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,550,530	\$ 603	\$ 329	\$ -	\$ 23,794	\$ 2,575,256
Investments	263,407	2,533,970	-	5,802,664	2,169,677	10,769,718
Receivables (net):						
Accounts	2,845	-	-		254	3,099
Interest	5,040	-	-		11,377	16,417
Due from other governments	851,231	-	-	240,381	-	1,091,612
Real estate held for resale	255,425	-	-	-	-	255,425
Total assets	<u>\$ 3,928,478</u>	<u>\$ 2,534,573</u>	<u>\$ 329</u>	<u>\$ 6,043,045</u>	<u>\$ 2,205,102</u>	<u>\$ 14,711,527</u>
LIABILITIES						
Accounts payable	\$ 334,338	\$ -	\$ 55,428	\$ 752,348	\$ -	\$ 1,142,114
Accrued payroll	25,187	-	-	-	-	25,187
Due to other funds	392,071	-	-	268,811	-	660,882
Total liabilities	<u>751,596</u>	<u>-</u>	<u>55,428</u>	<u>1,021,159</u>	<u>-</u>	<u>1,828,183</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	299,294	-	-	240,380	-	539,674
Total deferred inflows of resources	<u>299,294</u>	<u>-</u>	<u>-</u>	<u>240,380</u>	<u>-</u>	<u>539,674</u>
FUND BALANCES						
Non-spendable	-	-	-	-	1,251,701	1,251,701
Restricted	3,108,872	2,534,573	-	4,781,506	953,401	11,378,352
Unassigned	(231,284)	-	(55,099)	-	-	(286,383)
Total fund balances	<u>2,877,588</u>	<u>2,534,573</u>	<u>(55,099)</u>	<u>4,781,506</u>	<u>2,205,102</u>	<u>12,343,670</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,928,478</u>	<u>\$ 2,534,573</u>	<u>\$ 329</u>	<u>\$ 6,043,045</u>	<u>\$ 2,205,102</u>	<u>\$ 14,711,527</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	General Construction Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
REVENUES						
Local option gas tax	\$ 1,353,883	\$ -	\$ -	\$ -	\$ -	\$ 1,353,883
Intergovernmental	1,838,634	-	76,885	31,130	-	1,946,649
Charges for services	414,732	-	-	-	-	414,732
Fines and forfeitures	416,405	-	-	-	-	416,405
Investment earnings	4,775	28	-	21,240	10,313	36,356
Miscellaneous:						
Cemetery plot sales	-	-	-	-	96,740	96,740
Donations/contributions	282,565	-	-	-	-	282,565
Administrative fees	267,364	-	-	-	-	267,364
Other	37,534	-	-	-	-	37,534
Total revenues	<u>4,615,892</u>	<u>28</u>	<u>76,885</u>	<u>52,370</u>	<u>107,053</u>	<u>4,852,228</u>
EXPENDITURES						
Current:						
Economic environment	1,173,693	-	-	-	-	1,173,693
Public safety	266,958	-	-	-	-	266,958
Physical environment	37,370	-	-	-	-	37,370
Transportation	2,263,090	-	-	-	-	2,263,090
Culture and recreation	239,151	-	-	-	-	239,151
Capital outlay	398,848	-	1,170,914	3,777,716	-	5,347,478
Debt service:						
Principal	31,012	2,423,414	-	-	-	2,454,426
Interest and fiscal charges	288	2,062,360	-	-	-	2,062,648
Total expenditures	<u>4,410,410</u>	<u>4,485,774</u>	<u>1,170,914</u>	<u>3,777,716</u>	<u>-</u>	<u>13,844,814</u>
Excess (deficiency) of revenues over expenditures	<u>205,482</u>	<u>(4,485,746)</u>	<u>(1,094,029)</u>	<u>(3,725,346)</u>	<u>107,053</u>	<u>(8,992,586)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	159,210	4,506,355	177,615	134,885	-	4,978,065
Transfers out	<u>(372,500)</u>	<u>-</u>	<u>-</u>	<u>(91,713)</u>	<u>(327,539)</u>	<u>(791,752)</u>
Total other financing sources (uses)	<u>(213,290)</u>	<u>4,506,355</u>	<u>177,615</u>	<u>43,172</u>	<u>(327,539)</u>	<u>4,186,313</u>
Net change in fund balances	(7,808)	20,609	(916,414)	(3,682,174)	(220,486)	(4,806,273)
Fund balances - beginning	2,885,396	2,513,964	861,315	8,463,680	2,425,588	17,149,943
Fund balances - ending	<u>\$ 2,877,588</u>	<u>\$ 2,534,573</u>	<u>\$ (55,099)</u>	<u>\$ 4,781,506</u>	<u>\$ 2,205,102</u>	<u>\$ 12,343,670</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2015

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Law Enforcement Trust Fund	Crime Prevention Trust Fund	Total Nonmajor Special Revenue Funds
ASSETS											
Cash and cash equivalents	\$ 133,887	\$ -	\$ 103,072	\$ 521,061	\$ 40,768	\$ 835,182	\$ 337,582	\$ 219,018	\$ 311,881	\$ 48,079	\$ 2,550,530
Investments	46,353	-	-	-	-	-	-	-	217,054	-	263,407
Receivables (net):											
Accounts	2,845	-	-	-	-	-	-	-	-	-	2,845
Interest	5,040	-	-	-	-	-	-	-	-	-	5,040
Due from other governments	162,179	310,460	-	332,130	-	-	-	-	46,462	-	851,231
Real estate held for resale	-	-	-	255,425	-	-	-	-	-	-	255,425
Total assets	<u>\$ 350,304</u>	<u>\$ 310,460</u>	<u>\$ 103,072</u>	<u>\$ 1,108,616</u>	<u>\$ 40,768</u>	<u>\$ 835,182</u>	<u>\$ 337,582</u>	<u>\$ 219,018</u>	<u>\$ 575,397</u>	<u>\$ 48,079</u>	<u>\$ 3,928,478</u>
LIABILITIES											
Accounts payable	\$ 63,401	\$ 125,594	\$ 191	\$ 139,134	\$ -	\$ 5,564	\$ -	\$ -	\$ -	\$ 454	\$ 334,338
Accrued payroll	21,019	-	-	2,555	-	1,613	-	-	-	-	25,187
Due to other funds	-	279,345	-	112,726	-	-	-	-	-	-	392,071
Total liabilities	<u>84,420</u>	<u>404,939</u>	<u>191</u>	<u>254,415</u>	<u>-</u>	<u>7,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>454</u>	<u>751,596</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue	-	-	-	299,294	-	-	-	-	-	-	299,294
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,294</u>
FUND BALANCES (DEFICIT)											
Restricted	265,884	-	102,881	691,712	40,768	828,005	337,582	219,018	575,397	47,625	3,108,872
Unassigned	-	(94,479)	-	(136,805)	-	-	-	-	-	-	(231,284)
Total fund balances (deficit)	<u>265,884</u>	<u>(94,479)</u>	<u>102,881</u>	<u>554,907</u>	<u>40,768</u>	<u>828,005</u>	<u>337,582</u>	<u>219,018</u>	<u>575,397</u>	<u>47,625</u>	<u>2,877,588</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 350,304</u>	<u>\$ 310,460</u>	<u>\$ 103,072</u>	<u>\$ 1,108,616</u>	<u>\$ 40,768</u>	<u>\$ 835,182</u>	<u>\$ 337,582</u>	<u>\$ 219,018</u>	<u>\$ 575,397</u>	<u>\$ 48,079</u>	<u>\$ 3,928,478</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Law Enforcement Trust Fund	Crime Prevention Trust Fund	Total Nonmajor Special Revenue Funds
REVENUES											
Local option gas tax	\$ 1,353,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,353,883
Intergovernmental	584,605	383,736	-	870,293	-	-	-	-	-	-	1,838,634
Charges for services	-	-	-	-	-	255,092	-	159,640	-	-	414,732
Fines and forfeitures	-	-	-	-	-	-	125,659	-	290,244	502	416,405
Investment earnings	4,293	-	-	-	-	-	-	-	482	-	4,775
Miscellaneous:											
Donations/contributions	-	-	-	155,410	-	67,530	-	-	1,300	58,325	282,565
Administrative fees	267,364	-	-	-	-	-	-	-	-	-	267,364
Other	-	-	-	37,534	-	-	-	-	-	-	37,534
Total revenues	<u>2,210,145</u>	<u>383,736</u>	<u>-</u>	<u>1,063,237</u>	<u>-</u>	<u>322,622</u>	<u>125,659</u>	<u>159,640</u>	<u>292,026</u>	<u>58,827</u>	<u>4,615,892</u>
EXPENDITURES											
Current:											
Economic environment	-	213,429	120,506	839,758	-	-	-	-	-	-	1,173,693
Public safety	-	-	-	77,976	-	146,640	-	-	18,709	23,633	266,958
Physical environment	-	-	-	-	-	5,359	-	32,011	-	-	37,370
Transportation	2,263,090	-	-	-	-	-	-	-	-	-	2,263,090
Culture and recreation	-	-	-	166,984	-	72,167	-	-	-	-	239,151
Capital outlay	258,848	140,000	-	-	-	-	-	-	-	-	398,848
Debt service:											
Principal	31,012	-	-	-	-	-	-	-	-	-	31,012
Interest and fiscal charges	288	-	-	-	-	-	-	-	-	-	288
Total expenditures	<u>2,553,238</u>	<u>353,429</u>	<u>120,506</u>	<u>1,084,718</u>	<u>-</u>	<u>224,166</u>	<u>-</u>	<u>32,011</u>	<u>18,709</u>	<u>23,633</u>	<u>4,410,410</u>
Excess (deficiency) of revenues over expenditures	<u>(343,093)</u>	<u>30,307</u>	<u>(120,506)</u>	<u>(21,481)</u>	<u>-</u>	<u>98,456</u>	<u>125,659</u>	<u>127,629</u>	<u>273,317</u>	<u>35,194</u>	<u>205,482</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	75,000	-	84,210	-	-	-	-	159,210
Transfers out	-	(5,308)	-	(8,420)	-	-	(75,000)	-	(283,772)	-	(372,500)
Total other financing sources (uses)	<u>-</u>	<u>(5,308)</u>	<u>-</u>	<u>66,580</u>	<u>-</u>	<u>84,210</u>	<u>(75,000)</u>	<u>-</u>	<u>(283,772)</u>	<u>-</u>	<u>(213,290)</u>
Net change in fund balances	(343,093)	24,999	(120,506)	45,099	-	182,666	50,659	127,629	(10,455)	35,194	(7,808)
Fund balances (deficit) - beginning	608,977	(119,478)	223,387	509,808	40,768	645,339	286,923	91,389	585,852	12,431	2,885,396
Fund balances (deficit) - ending	<u>\$ 265,884</u>	<u>\$ (94,479)</u>	<u>\$ 102,881</u>	<u>\$ 554,907</u>	<u>\$ 40,768</u>	<u>\$ 828,005</u>	<u>\$ 337,582</u>	<u>\$ 219,018</u>	<u>\$ 575,397</u>	<u>\$ 47,625</u>	<u>\$ 2,877,588</u>

CITY OF DEERFIELD BEACH, FLORIDA
ROAD AND BRIDGE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>(Budgetary Basis) Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local option gas tax	\$ 1,334,269	\$ 1,334,269	\$ 1,353,883	\$ 19,614
Intergovernmental	553,055	553,055	584,605	31,550
Investment earnings	-	-	4,293	4,293
Miscellaneous:				
Administrative fees	267,364	267,364	267,364	-
Total revenues	<u>2,154,688</u>	<u>2,154,688</u>	<u>2,210,145</u>	<u>55,457</u>
EXPENDITURES				
Current:				
Transportation	2,366,994	2,366,994	2,263,090	103,904
Capital outlay	305,500	305,500	358,226	(52,726)
Debt service:				
Principal	30,012	30,012	31,012	(1,000)
Interest	290	290	288	2
Total expenditures	<u>2,702,796</u>	<u>2,702,796</u>	<u>2,652,616</u>	<u>50,180</u>
Excess (deficiency) of revenues over expenditures	<u>(548,108)</u>	<u>(548,108)</u>	<u>(442,471)</u>	<u>105,637</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(480,068)</u>	<u>(480,068)</u>	-	480,068
Total other financing sources (uses)	<u>(480,068)</u>	<u>(480,068)</u>	-	480,068
Net change in fund balance	<u>\$ (1,028,176)</u>	<u>\$ (1,028,176)</u>	<u>\$ (442,471)</u>	<u>\$ 585,705</u>

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
<u>Reconciliation of Budget and Actual:</u>			
Current expenditures	\$ 2,263,090	\$ -	\$ 2,263,090
Capital outlay	258,848	99,378	358,226
Debt service	31,300	-	31,300
Total expenditures	<u>\$ 2,553,238</u>	<u>\$ 99,378</u>	<u>\$ 2,652,616</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2015 and the outstanding encumbrances as of September 30, 2014 which were paid during fiscal year 2015.

CITY OF DEERFIELD BEACH, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		<u>(Budgetary Basis) Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 843,338	\$ 843,338	\$ 383,736	\$ (459,602)
Total revenues	<u>843,338</u>	<u>843,338</u>	<u>383,736</u>	<u>(459,602)</u>
EXPENDITURES				
Current:				
Economic environment	659,264	659,264	213,429	445,835
Capital outlay	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Total expenditures	<u>799,264</u>	<u>799,264</u>	<u>353,429</u>	<u>445,835</u>
Excess (deficiency) of revenues over expenditures	<u>44,074</u>	<u>44,074</u>	<u>30,307</u>	<u>(13,767)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(30,957)</u>	<u>(30,957)</u>	<u>(5,308)</u>	<u>25,649</u>
Total other financing sources (uses)	<u>(30,957)</u>	<u>(30,957)</u>	<u>(5,308)</u>	<u>25,649</u>
Net change in fund balances	<u>\$ 13,117</u>	<u>\$ 13,117</u>	<u>\$ 24,999</u>	<u>\$ 11,882</u>

	<u>GAAP Basis Actual</u>	<u>Net Encumbrances*</u>	<u>Non-GAAP Basis Actual</u>
<u>Reconciliation of Budget and Actual:</u>			
Current expenditures	\$ 213,429	\$ -	\$ 213,429
Capital outlay	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Total expenditures	<u>\$ 353,429</u>	<u>\$ -</u>	<u>\$ 353,429</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2015 and the outstanding encumbrances as of September 30, 2014 which were paid during fiscal year 2015.

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ASSETS:				
Cash and cash equivalents	\$ 3,939,976	\$ 807,467	\$ 2,224,721	\$ 6,972,164
Investments:				
Mutual funds	43,586,394	29,093,051	9,049,568	81,729,013
U.S. Government securities	12,862,713	2,285,573	7,775,639	22,923,925
Corporate equities	28,922,453	5,110,976	28,216,057	62,249,486
Corporate bonds and notes	10,024,034	381,490	8,061,469	18,466,993
Total investments	<u>95,395,594</u>	<u>36,871,090</u>	<u>53,102,733</u>	<u>185,369,417</u>
Receivables:				
Interest and dividends	168,630	20,714	143,033	332,377
Contribution receivable (State)	147,648	-	-	147,648
Due from brokers	817,354	-	-	817,354
Total receivables	<u>1,133,632</u>	<u>20,714</u>	<u>143,033</u>	<u>1,297,379</u>
Other Assets	2,115	-	4,611	6,726
Total assets	<u>100,471,317</u>	<u>37,699,271</u>	<u>55,475,098</u>	<u>193,645,686</u>
LIABILITIES:				
Accounts payable	809,953	53,948	147,070	1,010,971
Total liabilities	<u>809,953</u>	<u>53,948</u>	<u>147,070</u>	<u>1,010,971</u>
NET POSITION:				
Restricted for pension benefits	<u>\$ 99,661,364</u>	<u>\$ 37,645,323</u>	<u>\$ 55,328,028</u>	<u>\$ 192,634,715</u>

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ADDITIONS:				
Contributions:				
Employer	\$ 5,064,382	\$ 1,944,572	\$ 1,713,421	\$ 8,722,375
Plan members	868,805	-	26,457	895,262
State of Florida	<u>725,199</u>	<u>205,451</u>	<u>-</u>	<u>930,650</u>
Total contributions	<u>6,658,386</u>	<u>2,150,023</u>	<u>1,739,878</u>	<u>10,548,287</u>
Investment earnings (loss):				
Interest and dividends	2,226,603	1,022,801	1,744,488	4,993,892
Net appreciation (depreciation) in the fair value of investments	<u>(4,798,195)</u>	<u>204,306</u>	<u>(1,702,385)</u>	<u>(6,296,274)</u>
Total investment earnings (loss)	<u>(2,571,592)</u>	<u>1,227,107</u>	<u>42,103</u>	<u>(1,302,382)</u>
Less investment expense	<u>(625,356)</u>	<u>(265,028)</u>	<u>(378,692)</u>	<u>(1,269,076)</u>
Net investment earnings (loss)	<u>(3,196,948)</u>	<u>962,079</u>	<u>(336,589)</u>	<u>(2,571,458)</u>
Other miscellaneous income	<u>8,812</u>	<u>12,515</u>	<u>5,665</u>	<u>26,992</u>
Total additions	<u>3,470,250</u>	<u>3,124,617</u>	<u>1,408,954</u>	<u>8,003,821</u>
DEDUCTIONS:				
Benefits paid	7,465,798	4,390,446	5,826,053	17,682,297
Administrative expenses	<u>237,672</u>	<u>99,965</u>	<u>101,412</u>	<u>439,049</u>
Total deductions	<u>7,703,470</u>	<u>4,490,411</u>	<u>5,927,465</u>	<u>18,121,346</u>
Change in net position	(4,233,220)	(1,365,794)	(4,518,511)	(10,117,525)
NET POSITION RESTRICTED FOR PENSION BENEFITS:				
Beginning of year	<u>103,894,584</u>	<u>39,011,117</u>	<u>59,846,539</u>	<u>202,752,240</u>
End of year	<u>\$ 99,661,364</u>	<u>\$ 37,645,323</u>	<u>\$ 55,328,028</u>	<u>\$192,634,715</u>

STATISTICAL SECTION

STATISTICAL SECTION

(UNAUDITED)

This part of the City of Deerfield Beach's comprehensive annual 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	81
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.</i>	
Revenue Capacity	86
<i>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.</i>	
Debt Capacity	93
<i>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.</i>	
Demographic and Economic Information	98
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	100
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial statements relate to the services that the City provides as well as the activities that the City performs.</i>	

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

CITY OF DEERFIELD BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:										
Net Investment in capital assets	\$ 36,427,927	\$ 40,835,672	\$ 41,694,017	\$ 41,572,817	\$ 42,523,352	\$ 46,212,686	\$ 54,762,079	\$ 58,120,088	\$ 57,468,114	\$ 61,201,885
Restricted	8,343,884	10,098,177	13,071,373	17,264,796	19,803,912	18,784,355	12,470,310	10,058,524	9,663,870	7,853,503
Unrestricted	6,629,059	13,167,465	17,702,129	11,233,454	4,546,293	(1,279,034)	(4,231,887)	(4,979,499)	(615,504)	(31,131,872)
Total governmental activities net position	<u>\$ 51,400,870</u>	<u>\$ 64,101,314</u>	<u>\$ 72,467,519</u>	<u>\$ 70,071,067</u>	<u>\$ 66,873,557</u>	<u>\$ 63,718,007</u>	<u>\$ 63,000,502</u>	<u>\$ 63,199,113</u>	<u>\$ 66,516,480</u>	<u>\$ 37,923,516</u>
Business-type activities:										
Net Investment in capital assets	\$ 43,564,678	\$ 43,524,426	\$ 44,080,196	\$ 46,197,560	\$ 47,731,493	\$ 48,174,577	\$ 48,786,203	\$ 48,869,742	\$ 50,924,663	\$ 52,525,476
Restricted	3,700,000	-	-	-	-	8,887,099	743,836	743,838	743,838	1,760,856
Unrestricted	11,472,388	14,999,740	18,368,395	18,673,997	19,889,646	15,646,387	28,999,074	32,233,021	33,335,797	31,535,603
Total business-type activities net position	<u>\$ 58,737,066</u>	<u>\$ 58,524,166</u>	<u>\$ 62,448,591</u>	<u>\$ 64,871,557</u>	<u>\$ 67,621,139</u>	<u>\$ 72,708,063</u>	<u>\$ 78,529,113</u>	<u>\$ 81,846,601</u>	<u>\$ 85,004,298</u>	<u>\$ 85,821,935</u>
Primary government:										
Net Investment in capital assets	\$ 79,992,605	\$ 84,360,098	\$ 85,774,213	\$ 87,770,377	\$ 90,254,845	\$ 94,387,263	\$ 103,548,282	\$ 106,989,830	\$ 108,392,777	\$ 113,727,361
Restricted	12,043,884	10,098,177	13,071,373	17,264,796	19,803,912	27,671,454	13,214,146	10,802,362	10,407,708	9,614,359
Unrestricted	18,101,447	28,167,205	36,070,524	29,907,451	24,435,939	14,367,353	24,767,187	27,253,522	32,720,293	403,731
Total primary government net position	<u>\$ 110,137,936</u>	<u>\$ 122,625,480</u>	<u>\$ 134,916,110</u>	<u>\$ 134,942,624</u>	<u>\$ 134,494,696</u>	<u>\$ 136,426,070</u>	<u>\$ 141,529,615</u>	<u>\$ 145,045,714</u>	<u>\$ 151,520,778</u>	<u>\$ 123,745,451</u>

CITY OF DEERFIELD BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
<i>Governmental activities:</i>										
General government	\$ 16,392,601	\$ 21,310,205	\$ 19,402,059	\$ 22,190,311	\$ 18,528,933	\$ 22,805,473	\$ 12,612,575	\$ 11,821,874	\$ 12,353,311	\$ 14,043,751
Economic environment	1,083,068	2,748,846	2,095,672	1,964,859	1,415,860	770,651	959,617	1,981,715	2,832,290	1,746,288
Public safety	48,317,723	38,092,021	39,946,697	41,915,667	44,400,644	45,399,408	50,047,068	52,604,329	55,555,149	56,811,183
Human services	2,447,371	2,283,091	3,007,015	2,588,723	2,722,603	2,510,309	2,140,927	2,136,865	2,159,042	2,382,915
Physical environment	5,063,502	5,476,504	5,583,768	6,164,735	5,875,926	3,092,598	4,050,701	4,978,883	3,974,644	6,311,645
Transportation	3,121,928	2,861,275	3,042,067	3,138,654	2,911,626	2,579,100	2,502,148	2,906,127	3,375,247	4,125,562
Culture and recreation	5,682,273	5,795,840	6,138,096	6,607,981	6,465,100	7,223,675	5,394,983	4,358,166	4,032,285	3,728,135
Interest on long-term debt	1,790,112	2,058,992	1,911,289	1,970,441	1,970,464	1,970,464	1,878,627	3,024,834	3,607,078	1,921,214
Total governmental activities expenses	83,898,578	80,626,774	81,126,663	86,565,371	84,291,150	86,304,433	79,586,646	83,812,793	87,089,046	91,070,693
<i>Business-type activities:</i>										
Water and sewer	17,699,651	20,325,211	20,123,711	23,145,215	21,264,592	20,182,450	20,048,897	20,899,520	22,210,582	23,570,664
Solid waste	15,495,440	15,717,636	15,522,193	15,588,347	15,307,635	14,795,080	13,613,964	14,354,330	13,849,313	14,468,169
Total business-type activities expenses	33,195,091	36,042,847	35,645,904	38,733,562	36,572,227	34,977,530	33,662,861	35,253,850	36,059,895	38,038,233
Total primary government expenses	\$ 117,093,669	\$ 116,669,621	\$ 116,772,567	\$ 125,298,933	\$ 120,863,377	\$ 121,281,963	\$ 113,249,507	\$ 119,066,643	\$ 123,148,941	\$ 129,108,926
Program Revenues										
<i>Governmental activities:</i>										
Charges for services:										
General government	\$ 4,861,186	\$ 4,850,457	\$ 4,271,872	\$ 3,994,889	\$ 4,770,617	\$ 5,253,744	\$ 1,855,406	\$ 878,655	540,328	4,291,549
Public safety	11,216,934	10,887,195	14,200,414	12,951,771	13,277,004	15,899,993	15,661,078	16,737,515	20,615,778	23,802,373
Human services	621,291	530,763	619,546	508,744	488,947	23,387	327,856	12,699	29,316	10,020
Physical environment	182,875	247,415	186,153	289,262	258,722	186,497	1,191,226	185,794	286,215	355,326
Transportation	1,395,776	1,543,358	1,566,684	1,519,532	1,581,555	1,684,182	1,633,553	1,677,235	1,829,159	2,537,022
Culture and recreation	1,179,948	1,181,555	1,426,646	1,759,727	1,510,701	1,863,060	1,347,634	1,699,851	1,907,505	2,113,288
Operating grants and contributions	14,957,903	8,221,289	4,612,921	6,877,028	6,999,594	5,009,285	5,813,834	7,588,761	6,253,912	4,941,733
Capital grants and contributions	732,532	1,700,423	820,248	426,674	925,167	2,038,731	2,330,864	1,630,221	285,142	348,392
Total governmental activities program revenues	35,148,445	29,162,455	27,704,484	28,327,627	29,811,807	31,958,879	30,161,451	30,410,731	31,747,355	38,399,703
<i>(Continued)</i>										
<i>Business-type activities:</i>										
Charges for services:										
Water and sewer	19,026,919	18,870,533	22,667,068	25,001,144	24,675,663	24,807,442	24,250,089	24,651,018	24,754,868	25,296,809
Solid waste	14,508,283	16,023,140	15,942,312	14,507,783	14,624,135	14,925,959	14,701,713	15,441,291	14,626,474	14,748,707
Capital grants and contributions	224,577	174,208	591,520	1,333,400	12,240	292,206	27,539	111,699	45,899	64,452
Total business-type activities program revenues	33,759,779	35,067,881	39,200,900	40,842,327	39,312,038	40,025,607	38,979,341	40,204,008	39,427,241	40,109,968
Total primary government program revenues	\$ 68,908,224	\$ 64,230,336	\$ 66,905,384	\$ 69,169,954	\$ 69,123,845	\$ 71,984,486	\$ 69,140,792	\$ 70,614,739	\$ 71,174,596	\$ 78,509,671
Net (expense)/revenue										
<i>Governmental activities</i>										
	\$ (48,750,133)	\$ (51,464,319)	\$ (53,422,179)	\$ (58,237,744)	\$ (54,479,343)	\$ (54,345,554)	\$ (49,425,195)	\$ (53,402,062)	(55,341,691)	(52,670,990)
<i>Business-type activities</i>										
	564,688	(974,966)	3,554,996	2,108,765	2,739,811	5,048,077	5,316,480	4,950,158	3,367,346	2,071,735
Total primary government net expense	\$ (48,185,445)	\$ (52,439,285)	\$ (49,867,183)	\$ (56,128,979)	\$ (51,739,532)	\$ (49,297,477)	\$ (44,108,715)	\$ (48,451,904)	(51,974,345)	(50,599,255)
General Revenues and Other Changes in Net Position										
<i>Governmental activities:</i>										
Taxes:										
Property taxes	\$ 35,641,797	\$ 41,783,736	\$ 39,040,869	\$ 36,685,924	\$ 35,093,629	\$ 34,791,821	\$ 27,073,004	\$ 28,188,611	33,750,761	35,512,381
Utility taxes	-	-	-	-	-	-	6,705,240	7,343,575	7,907,567	7,976,554
Sales taxes	4,777,520	4,555,929	4,282,151	3,832,424	3,693,667	3,890,338	4,123,936	4,394,070	4,648,145	4,875,615
Franchise fees	10,779,607	12,477,400	12,540,651	11,908,808	9,767,204	9,429,873	8,652,572	8,959,809	8,867,645	6,832,413
Local option gas taxes	1,417,779	1,384,787	1,369,644	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,318,433	1,353,883
Alcoholic beverage/mobile home license taxes	53,554	56,304	55,940	56,288	55,795	49,433	52,419	48,407	55,777	96,892
Unrestricted grants and contributions	1,791,559	1,589,751	2,947,124	1,213,534	1,174,449	1,241,144	1,072,777	1,471,496	1,622,476	1,804,085
Unrestricted investment earnings	1,913,598	2,254,270	1,505,692	719,477	160,249	77,980	39,677	64,333	56,617	85,147
Miscellaneous	14,675	52,586	46,313	87,851	65,561	432,884	176,178	166,419	166,676	1,797,415
Transfers	-	10,000	-	-	-	(7,014)	(477,187)	1,678,071	264,961	270,893
Total governmental activities	56,390,089	64,164,763	61,788,384	55,841,292	51,281,833	51,190,004	48,707,690	53,600,673	58,659,058	60,605,278
<i>Business-type activities:</i>										
Unrestricted investment earnings	545,719	772,066	369,429	314,201	9,771	31,833	27,383	45,401	55,312	59,880
Miscellaneous	-	-	-	-	-	-	-	-	(46,381)	(46,381)
Transfers	-	(10,000)	-	-	-	7,014	477,187	(1,678,071)	(264,961)	(270,893)
Total business-type activities	545,719	762,066	369,429	314,201	9,771	38,847	504,570	(1,632,670)	(209,649)	(257,394)
Total primary government	56,935,808	64,926,829	62,157,813	56,155,493	51,291,604	51,228,851	49,212,260	51,968,003	58,449,409	60,347,884
Change in Net Position										
<i>Governmental activities</i>										
	7,639,956	12,700,444	8,366,205	(2,396,452)	(3,197,510)	(3,155,550)	(717,505)	198,611	3,317,367	7,934,288
<i>Business-type activities</i>										
	1,110,407	(212,900)	3,924,425	2,422,966	2,749,582	5,086,924	5,821,050	3,317,488	3,157,697	1,814,341
Total primary government	\$ 8,750,363	\$ 12,487,544	\$ 12,290,630	\$ 26,514	\$ (447,928)	\$ 1,931,374	\$ 5,103,545	\$ 3,516,099	\$ 6,475,064	\$ 9,748,629

CITY OF DEERFIELD BEACH, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2006	\$ 35,641,797	\$ -	\$ 4,777,520	\$ 10,779,607	\$ 1,417,779	\$ 53,554	\$ 52,670,257
2007	41,783,736	-	4,555,929	12,477,400	1,384,787	56,304	60,258,156
2008	39,040,869	-	4,282,151	12,540,651	1,369,644	55,940	57,289,255
2009	36,685,924	-	3,832,424	11,908,808	1,336,986	56,288	53,820,430
2010	35,093,629	-	3,693,667	9,767,204	1,271,279	55,795	49,881,574
2011	34,791,821	-	3,890,338	9,429,873	1,283,545	49,433	49,445,010
2012	27,073,004	6,705,240	4,123,936	8,652,572	1,289,074	52,419	47,896,245
2013	28,188,611	7,343,575	4,394,070	8,959,809	1,285,882	48,407	50,220,354
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

CITY OF DEERFIELD BEACH, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 2,172,010	\$ 1,785,062	\$ 1,512,466	\$ 1,236,143	\$ 1,603,545	\$ -	\$ -	\$ -	\$ -	\$ 211,331
Unreserved	9,704,079	18,447,814	21,960,612	18,727,759	11,681,260	-	-	-	-	-
Non-spendable	-	-	-	-	-	824,089	705,590	696,001	663,995	-
Assigned	-	-	-	-	-	3,885,412	4,600,367	4,193,717	4,502,471	7,028,371
Unassigned	-	-	-	-	-	4,682,040	1,711,253	2,823,003	8,781,650	11,631,572
Total general fund	<u>\$ 11,876,089</u>	<u>\$ 20,232,876</u>	<u>\$ 23,473,078</u>	<u>\$ 19,963,902</u>	<u>\$ 13,284,805</u>	<u>\$ 9,391,541</u>	<u>\$ 7,017,210</u>	<u>\$ 7,712,721</u>	<u>\$ 13,948,116</u>	<u>\$ 18,871,274</u>
All other governmental funds										
Reserved	\$ 3,038,771	\$ 2,935,906	\$ 3,551,684	\$ 3,678,313	\$ 3,853,103	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	5,809,033	7,484,980	9,535,257	11,371,568	12,241,644	-	-	-	-	-
Debt service funds	4,280	242,033	282,601	285,989	288,157	-	-	-	-	-
Capital projects funds	8,656,228	9,340,550	7,945,378	2,960,291	1,580,263	-	-	-	-	-
Non-spendable	-	-	-	-	-	2,190,989	1,217,499	1,229,499	1,240,498	1,251,701
Restricted	-	-	-	-	-	16,846,273	12,280,648	22,844,054	17,303,614	12,631,058
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(908,678)	(245,058)	101,767	(181,733)	(286,383)
Total all other governmental funds	<u>\$ 17,508,312</u>	<u>\$ 20,003,469</u>	<u>\$ 21,314,920</u>	<u>\$ 18,296,161</u>	<u>\$ 17,963,167</u>	<u>\$ 18,128,584</u>	<u>\$ 13,253,089</u>	<u>\$ 24,175,320</u>	<u>\$ 18,362,379</u>	<u>\$ 13,596,376</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues										
Property taxes	\$ 35,641,797	\$ 41,675,355	\$ 38,915,090	\$ 36,649,353	\$ 35,102,671	\$ 34,252,646	\$ 27,771,349	\$ 28,291,130	\$ 33,750,761	\$ 35,512,381
Sales taxes	4,777,520	4,555,929	4,713,093	3,832,424	5,036,695	5,165,731	5,432,787	5,565,280	5,934,513	6,221,255
Fire assessment fees	3,662,090	3,767,989	6,081,708	6,142,612	5,998,886	8,090,526	8,371,764	8,491,262	10,972,926	11,007,913
Franchise fees	10,779,607	12,477,400	11,645,505	12,011,964	9,921,939	9,584,608	8,704,150	8,959,809	8,867,645	8,447,210
Utility taxes	-	-	-	-	-	-	6,705,240	7,343,575	7,907,567	7,976,554
Local option gas tax	1,417,779	1,384,787	1,369,644	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,318,433	1,353,883
Licenses and permits	2,595,719	2,394,634	2,116,220	1,638,823	1,673,573	2,567,037	2,906,324	3,006,077	3,461,990	4,674,337
Intergovernmental	17,663,255	10,906,891	5,861,670	7,969,279	6,813,940	6,779,390	7,380,901	8,753,280	5,759,395	5,058,080
Charges for services	6,591,097	6,436,229	6,911,507	7,515,348	7,859,433	8,098,203	7,476,283	8,236,329	8,551,858	9,785,012
Fines and forfeitures	1,398,343	1,348,088	1,851,372	1,161,701	1,508,597	1,246,585	1,031,508	911,536	1,454,952	1,726,658
Investment earnings	2,107,992	2,422,453	1,531,661	724,805	160,673	78,154	39,677	64,333	56,617	85,147
Miscellaneous	<u>5,718,596</u>	<u>5,950,033</u>	<u>6,728,838</u>	<u>4,902,049</u>	<u>5,439,834</u>	<u>5,918,709</u>	<u>7,651,004</u>	<u>6,870,128</u>	<u>7,015,741</u>	<u>9,204,817</u>
Total revenues	<u>92,353,795</u>	<u>93,319,788</u>	<u>87,726,308</u>	<u>83,885,344</u>	<u>80,787,520</u>	<u>83,065,134</u>	<u>84,760,061</u>	<u>87,778,621</u>	<u>95,052,398</u>	<u>101,053,247</u>
Expenditures										
General government	17,762,324	19,284,351	19,855,801	20,081,498	20,312,385	19,943,800	16,674,774	\$ 15,483,228	15,510,007	16,437,507
Economic environment	1,082,420	2,748,198	2,095,672	1,964,001	910,203	778,651	1,250,183	2,113,478	2,964,052	1,821,340
Public safety	48,610,412	38,650,648	39,162,132	41,341,005	43,407,203	43,892,036	48,742,790	51,659,751	54,809,205	58,075,629
Human services	2,366,688	2,587,844	2,948,669	2,506,240	2,766,956	2,454,137	2,085,353	2,081,504	2,154,433	2,280,448
Physical environment	4,856,488	5,346,214	4,831,311	5,754,973	5,043,035	2,268,385	3,263,916	4,334,094	3,518,440	6,092,672
Transportation	2,081,321	1,837,419	2,100,056	2,221,345	1,999,906	1,670,907	1,574,080	1,850,040	2,292,118	2,721,069
Culture and recreation	5,092,025	5,340,932	5,282,485	5,717,699	5,609,960	6,533,568	4,600,545	3,504,151	2,997,052	3,298,915
Capital outlay	14,459,905	8,673,815	2,721,325	6,744,382	3,641,497	4,949,174	9,607,475	6,176,331	5,770,037	5,872,209
Debt service										
Principal	2,896,919	2,427,913	2,560,050	2,622,732	2,532,394	2,340,272	2,285,825	9,798,940	2,606,667	2,504,085
Interest	1,817,507	1,839,525	2,033,398	2,016,157	2,000,860	1,955,037	1,908,170	2,208,582	2,170,837	2,063,110
Other charges	-	116,982	-	-	-	-	-	332,013	102,057	-
Total expenditures	<u>101,026,009</u>	<u>88,853,841</u>	<u>83,590,899</u>	<u>90,970,032</u>	<u>88,224,399</u>	<u>86,785,967</u>	<u>91,993,111</u>	<u>99,542,112</u>	<u>94,894,905</u>	<u>101,166,984</u>
Excess of revenues over (under) expenditures	<u>(8,672,214)</u>	<u>4,465,947</u>	<u>4,135,409</u>	<u>(7,084,688)</u>	<u>(7,436,879)</u>	<u>(3,720,833)</u>	<u>(7,233,050)</u>	<u>(11,763,491)</u>	<u>157,493</u>	<u>(113,743)</u>
Other financing sources (uses)										
Transfers in	5,609,200	7,074,670	6,513,791	6,611,397	6,013,653	6,154,285	4,954,400	10,647,167	7,517,606	6,966,774
Transfers out	(5,609,200)	(7,064,670)	(6,513,791)	(6,611,397)	(6,013,653)	(6,161,299)	(4,971,176)	(8,969,096)	(7,252,645)	(6,695,881)
Bonds issued	-	5,965,000	-	-	-	-	-	34,860,000	-	-
Premium on bonds issued	-	32,679	-	-	-	-	-	1,125,416	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	(14,282,254)	-	-
Capital leases	<u>584,532</u>	<u>378,318</u>	<u>416,244</u>	<u>726,733</u>	<u>424,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>584,532</u>	<u>6,385,997</u>	<u>416,244</u>	<u>726,733</u>	<u>424,788</u>	<u>(7,014)</u>	<u>(16,776)</u>	<u>23,381,233</u>	<u>264,961</u>	<u>270,893</u>
Net change in fund balances	<u>\$ (8,087,682)</u>	<u>\$ 10,851,944</u>	<u>\$ 4,551,653</u>	<u>\$ (6,357,955)</u>	<u>\$ (7,012,091)</u>	<u>\$ (3,727,847)</u>	<u>\$ (7,249,826)</u>	<u>\$ 11,617,742</u>	<u>\$ 422,454</u>	<u>\$ 157,156</u>
Debt service as a percentage of noncapital expenditures	5.5%	5.6%	5.8%	5.6%	5.5%	5.4%	5.1%	13.2%	5.5%	4.4%

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 Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2006	\$ 35,641,797	\$ -	\$ 4,777,520	\$ 10,779,607	\$ 1,417,779	\$ 53,554	\$ 52,670,257
2007	41,675,355	-	4,555,929	12,477,400	1,384,787	56,304	60,149,775
2008	38,915,090	-	4,713,093	11,645,505	1,369,644	55,940	56,699,272
2009	36,649,353	-	3,832,424	12,011,964	1,336,986	56,288	53,887,015
2010	35,102,671	-	5,036,695	9,921,939	1,271,279	55,795	51,388,379
2011	34,252,646	-	5,165,731	9,584,608	1,283,545	49,433	50,335,963
2012	27,771,349	6,705,240	5,432,787	8,704,150	1,289,074	52,419	49,955,019
2013	28,291,130	7,343,575	5,565,280	8,959,809	1,285,882	48,407	51,494,083
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

CITY OF DEERFIELD BEACH, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property (1)	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Taxable Assessed Value as a Percentage of Actual Taxable Value
2006	\$ 7,192,022,677	\$ 432,372,985	\$ 2,039,462,978	\$ 5,584,932,684	6.5000	\$ 8,958,885,742	62.340%
2007	8,903,496,041	468,575,927	2,762,178,022	6,609,893,946	6.2500	10,969,565,368	60.257%
2008	9,816,224,848	496,970,279	2,992,634,043	7,320,561,084	5.3500	12,058,383,289	60.709%
2009	9,221,922,520	453,847,937	2,863,212,036	6,812,558,421	5.3000	11,304,635,476	60.263%
2010	7,933,546,387	450,375,114	2,293,568,030	6,090,353,471	5.7900	9,834,257,465	61.930%
2011	6,413,168,923	411,439,128	1,684,098,356	5,140,509,695	6.7688	8,035,763,100	63.970%
2012	6,085,548,562	392,877,631	1,636,113,175	4,842,313,018	5.7688	7,629,719,059	63.466%
2013	6,068,817,518	389,788,094	1,614,924,968	4,843,680,644	5.7688	7,605,089,169	63.690%
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%

Note: Assessed values are determined as of January 1st for each fiscal year.
(1) Real Property is assessed at 88% and Personal Property is assessed at 55%

Source: Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

Overlapping Rates

Fiscal Year	City of Deerfield Beach			County			School District			Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage					
2006	5.9949	0.5051	6.5000	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623	0.4231	2.1746	0.6970	0.0385	24.6785
2007	5.8250	0.4250	6.2500	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.4073	1.8317	0.6970	0.0385	23.1593
2008	4.9537	0.3963	5.3500	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.3572	1.6255	0.6240	0.0345	20.9264
2009	4.9072	0.3928	5.3000	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.3754	1.7059	0.6240	0.0345	20.7713
2010	5.3499	0.4401	5.7900	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.4243	1.7059	0.6240	0.0345	21.3986
2011	6.2482	0.5206	6.7688	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.4696	1.8750	0.6240	0.0345	22.9559
2012	5.1856	0.5832	5.7688	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4789	1.8750	0.4363	0.0345	21.5645
2013	5.1856	0.5832	5.7688	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4902	1.8564	0.4289	0.0345	21.5878
2014	6.2317	0.5371	6.7688	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4882	1.7554	0.4110	0.0345	22.6609
2015	6.2745	0.4943	6.7688	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.4882	1.5939	0.3842	0.0345	22.4306

Source: Broward County, Florida Property Appraiser.

CITY OF DEERFIELD BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
1 Publix Supermarket	67,239,360	1	1.34	61,661,700	1	1.10
2 City National Bank of FL, Trustee	64,268,020	2	1.28	50,414,950	2	.90
3 Florida Power & Light Co.	60,406,084	3	1.21	-	-	-
4 Deerfield Beach Hotel LLC	47,594,860	4	0.95	-	-	-
5 CP Deerfield LLC	39,934,000	5	0.80	33,798,000	4	.61
6 Quiet Waters Business Park LLC	36,660,840	6	0.73	21,632,240	8	.39
7 Land TR City National Bank of FL, Trstee	36,400,950	7	0.73	-	-	-
8 Florida Land Holdings LLC TR	31,674,220	8	0.63	-	-	-
9 Crown Diversified In Corp	31,147,260	9	0.62	-	-	-
10 City National Bank of Florida	30,729,960	10	0.61	-	-	-
11 Sun Sentinel	-	-	-	20,592,700	9	.37
12 Felcor/CSS Holdings LP	-	-	-	41,811,180	3	.75
13 SPTMRT Properties Trust	-	-	-	23,700,000	6	.42
14 CMD Realty Investors LLC	-	-	-	22,664,000	7	.41
15 Security Capital Atlantic	-	-	-	27,499,950	5	.49
16 FGI Financing I	-	-	-	19,609,790	10	.35
Totals	\$ 446,055,554		8.91%	\$ 323,384,510		5.79%

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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	Tax Roll Year	Taxes Levied	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections*	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2005	\$ 34,450,571	\$ 34,393,559	99.8	\$ 57,012	\$ 34,450,571	100.0
2007	2006	39,462,009	38,057,717	96.4	167,194	38,224,911	96.9
2008	2007	37,493,335	37,132,068	99.0	(142,889) **	36,989,179	98.7
2009	2008	34,627,856	34,532,754	99.7	95,102	34,627,856	100.0
2010	2009	35,371,075	34,804,296	98.4	207,086	35,011,382	99.0
2011	2010	34,882,909	34,086,591	97.7	166,055	34,252,646	98.2
2012	2011	27,996,499	27,771,349	99.2	36,493	27,807,842	99.3
2013	2012	28,007,125	26,185,412	93.5	362,795	26,548,207	94.8
2014	2013	31,263,431	29,869,364	95.5	(113,030) **	29,756,334	95.2
2015	2014	33,333,975	32,924,554	98.8	(121,127) **	32,803,427	98.4

*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)

<u>Type of Customer</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Residential - Single Family	1,149,325	1,009,215	853,997	869,554	828,961	838,122	747,798	772,444	745,569	784,548
Residential - Multi-Family	1,293,297	1,248,119	1,079,640	1,056,023	1,119,125	1,095,698	1,063,976	1,123,024	1,063,107	1,084,878
Commercial	698,500	637,803	595,610	557,264	518,014	515,713	513,810	557,271	532,985	554,552
Irrigation	995,724	500,496	386,885	466,396	532,637	489,519	505,949	551,942	556,219	548,671
Hydrants	274	5,194	1,343	368	777	1,764	44	98	345	9,795
Total	4,137,120	3,400,827	2,917,475	2,949,605	2,999,514	2,940,816	2,831,577	3,004,779	2,898,225	2,982,444
⑨ Total direct rate per 1,000 gallons	\$ 1.70	\$ 1.80	\$ 2.65	\$ 2.65	\$ 2.65	\$ 2.65	\$ 2.65	2.65	2.65	\$ 2.65

Source: City of Deerfield Beach, Department of Financial Services

CITY OF DEERFIELD BEACH, FLORIDA

WATER AND SEWER RATES

LAST TEN FISCAL YEARS

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2006	\$ 12.57	\$ 1.70	\$ 8.96	\$ 1.67
2007	12.57	1.80	8.96	1.77
2008	15.00	2.65	10.98	2.71
2009	15.00	2.65	10.98	2.71
2010	15.00	2.65	10.98	2.71
2011	15.00	2.65	10.98	2.71
2012	15.00	2.65	10.98	2.71
2013	15.00	2.65	10.98	2.71
2014	15.00	2.65	10.98	2.71
2015	15.00	2.65	10.98	2.71

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	<u>Governmental Activities</u>					<u>Business-type Activities</u>			Total Primary Government	Percentage of Personal Income	Per Capita	Population	Personal Income
	General Obligation Bonds	Improvement Revenue Bonds	Covenant Bonds	Capital Leases	Loans and Notes	Water and Sewer Bonds	Capital Leases	Loans and Notes					
2006	\$ 30,850,943	\$ -	\$ 9,005,000	\$ 2,521,465	\$ -	\$ 420,000	\$ 2,363,988	\$ 18,076,252	\$ 63,237,648	2.99%	\$ 813	77,807	\$ 2,117,595,312
2007	29,427,756	-	14,725,000	2,140,057	-	-	2,042,346	21,070,548	69,405,707	3.15%	883	78,575	2,205,600,000
2008	28,013,411	-	14,375,000	1,760,596	-	17,028,786	2,231,955	22,739,773	86,149,521	3.57%	1,102	78,187	2,416,487,000
2009	26,608,199	-	13,980,000	1,664,810	-	17,028,786	2,711,733	21,761,712	83,755,240	4.20%	1,081	77,465	1,992,090,000
2010	25,209,669	-	13,560,000	1,375,734	-	16,623,792	2,472,783	20,499,422	79,741,400	4.59%	1,089	73,216	1,736,610,000
2011	23,797,434	-	13,125,000	882,697	-	16,019,116	1,649,043	19,167,958	74,641,248	4.00%	995	75,018	1,863,871,000
2012	22,369,937	-	12,670,000	479,369	-	15,426,772	2,607,256	17,798,020	71,351,354	4.02%	934	76,389	1,776,923,000
2013	21,128,368	-	25,265,000	231,996	-	14,827,383	1,760,609	16,388,471	79,601,827	4.33%	1,041	76,473	1,836,793,000
2014	19,797,105	-	24,140,000	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	-	-	14,042,421	639,800	14,196,426	70,392,337	3.96%	918	76,662	1,779,325,000

CITY OF DEERFIELD BEACH, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Funds</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2006	\$ 30,850,943	\$ 4,280	\$ 30,846,663	0.34	\$ 396
2007	29,427,756	242,033	29,185,723	0.27	371
2008	28,013,411	282,601	27,730,810	0.23	355
2009	26,608,199	285,989	26,322,210	0.23	340
2010	25,209,669	288,157	24,921,512	0.25	340
2011	23,797,434	290,794	23,506,640	0.29	313
2012	22,369,937	290,782	22,079,155	0.29	289
2013	21,128,368	2,539,617	18,588,751	0.24	243
2014	19,797,105	2,513,964	17,283,141	0.22	223
2015	18,533,690	2,534,573	15,999,117	0.19	209

Source: City of Deerfield Beach, Financial Services Department

CITY OF DEERFIELD BEACH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2015

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
General obligation bonds			\$ 18,533,690
Covenant bonds (1)			22,980,000
Capital leases			-
Total direct debt			<u>41,513,690</u>
Overlapping Debt:			
School Board of Broward County, Florida:			
Certificates of participation	\$ 1,731,741,000 (3)	3.80% *	65,806,158
Capital leases	51,560,000 (3)	3.80% *	1,959,280
Broward County, Florida (2)	279,630,000 (3)	3.80% *	<u>10,625,940</u>
Subtotal, overlapping debt			<u>78,391,378</u>
Total direct and overlapping debt			<u>\$ 119,905,068</u>

- (1) \$4,555,878 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.
- (2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2015.
- (3) Debt outstanding data provided by each governmental unit.

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	Gross Revenues (A)	Expenses (B)	Net Revenue Available for Debt Service	<u>Debt Service Requirements</u>			Coverage
				Escrow or Principal	Interest	Total (C)	
2006	\$ 19,572,638	\$ 12,036,327	\$ 7,536,311	\$ 1,331,993	\$ 564,714	\$ 1,896,707	3.97
2007	19,642,599	14,454,880	5,187,719	1,243,340	683,308	1,926,648	2.69
2008	23,036,497	14,453,677	8,582,820	1,311,105	706,552	2,017,657	4.25
2009	25,315,345	17,566,467	7,748,878	1,133,359	1,183,419	2,316,778	3.34
2010	24,685,434	15,503,529	9,181,905	1,667,284	1,452,922	3,120,206	2.94
2011	24,839,275	14,564,201	10,275,074	1,936,139	1,359,143	3,295,282	3.12
2012	24,277,472	13,681,310	10,596,162	1,962,273	1,293,540	3,255,813	3.25
2013	24,696,419	14,235,267	10,461,152	1,968,105	1,278,885	3,246,990	3.22
2014	24,810,180	17,417,474	7,392,706	2,081,285	1,152,032	3,233,317	2.29
2015	25,356,689	19,452,160	5,904,529	1,498,498	1,065,191	2,563,689	2.30

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.

*** Effective 2014 general administrative charges will be taken into account in the calculation of Net Revenue.*

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").

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 Environmental Protection.

CITY OF DEERFIELD BEACH, FLORIDA
 FLORIDA MUNICIPAL COUNCIL REVENUE BONDS, SERIES 2006
 PLEDGED-REVENUE COVERAGE
 LAST NINE FISCAL YEARS

Fiscal Year (D)	Gross Revenues (A)	Expenses (B)	Net Revenue Available for Debt Service	<u>Debt Service Requirements</u>			Coverage
				Escrow or Principal	Interest	Total (C)	
2007	\$ 6,983,852	\$ -	\$ 6,983,852	\$ -	\$ 59,192	\$ 59,192	117.99
2008	5,877,311	-	5,877,311	100,000	257,869	357,869	16.42
2009	5,686,502	-	5,686,502	140,000	253,069	393,069	14.47
2010	5,100,276	-	5,100,276	150,000	242,269	392,269	13.00
2011	5,049,066	-	5,049,066	155,000	238,069	393,069	13.00
2012	4,865,482	-	4,865,482	165,000	233,069	398,069	12.00
2013	4,717,719	-	4,717,719	175,000	225,069	400,069	12.00
2014	5,094,647	-	5,094,647	180,000	218,069	398,069	13.00
2015	5,120,791	-	5,120,791	190,000	209,069	399,069	13.00

- A) Gross revenue represent franchise fees collected from Florida Power and Light Company ("FPL"). The loan repayment obligations of the City are payable from and secured by a pledge of and lien upon the City's electric franchise fees. In consideration of the grant of the privilege to operate within the City, FPL has agreed to pay the City an amount equal to 5.9% of FPL's billed revenues, less write-offs, from the sale of electric energy within the incorporated limits of the City.
- B) Gross revenue represent franchise fees collected from Florida Power and Light Company ("FPL"). The loan
- C) Gross revenue represent franchise fees collected from Florida Power and Light Company ("FPL"). The loan
- D) The pledge revenue coverage for fiscal years prior to fiscal 2007 are not applicable, since the Series 2006

CITY OF DEERFIELD BEACH, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	Personal Income**	(2) Per Capita Personal Income	(1) Median Age	(3) School Enrollment	(2) Unemployment Rate
2006	77,807	\$ 2,117,595	\$ 27,216	46.2	7,397	5.1 %
2007	78,575	2,205,600	28,070	43.6	7,524	4.0
2008	78,187	2,416,487	30,907	44.8	7,741	5.8
2009	77,465	1,992,090	25,716	44.6	7,931	8.9
2010	73,216	1,736,610	23,719	42.2	8,169	11.5
2011	75,018	1,850,526	24,668	43.3	8,278	9.0
2012	76,389	1,776,923	23,262	44.2	8,422	6.5
2013	76,473	1,836,793	24,019	43.3	7,496	5.8
2014	77,361	1,829,286	23,646	43.2	7,442	4.6
2015	76,662	1,779,325	23,210	42.1	7,961	4.6

Sources

- (1) BEBR Bureau of Economic and Business Research
- (2) American Factfinder & Quickfacts Census.gov
- (3) School Board of Broward County, Florida.
- (4) Florida Jobs - Local Area Unemployment Statistics

**Personal income data expressed in thousands.

CITY OF DEERFIELD BEACH, FLORIDA

PRINCIPAL EMPLOYERS

CURRENT FISCAL YEAR

<u>Employer</u>	<u>2015</u>			<u>2006</u>
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Rank</u>
Publix Corporation	1,725	1	4.50%	N/A*
JM Family Enterprises	1,215	2	3.17%	N/A*
Broward Health North	1,119	3	2.92%	N/A*
UPS	511	4	1.33%	N/A*
City of Deerfield Beach	440	5	1.15%	N/A*
Sun-Sentinel	502	6	1.31%	N/A*
Target	365	7	0.95%	N/A*
Republic National Distribution	356	8	0.93%	N/A*
Peoples Trust	340	9	0.89%	N/A*
Broward Sheriff Office	290	10	0.76%	N/A*
	<u>6,863</u>		<u>17.89%</u>	

*Note: Information for fiscal year 2006 is unavailable

*Sources: Employer's Human Resource Department
Florida Department of Economic Opportunity*

CITY OF DEERFIELD BEACH, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function/Programs	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	78	67	66	66	58	62	66	64	63	73
Public Safety										
Police										
Uniformed	129	129	129	129	123	126	126	126	126	127
Civilians	68	53	53	53	43	43	43	46	45	45
Fire/Rescue										
Firefighters and Officers	151	151	150	149	140	140	154	143	147	138
Bldg. Inspection Services	22	22	21	21	20	17	18	19	16	0
Civilians	20	17	20	20	20	20	2	2	6	5
Economic Environment	1	1	0	1	1	1	1	1	1	1
Culture and Recreation	75	75	84	94	86	65	64	70	66	72
Human Services	46	40	41	37	40	37	38	39	40	39
Physical Environment										
Public Works Administration	4	4	4	4	3	1	0	0	0	0
Grounds Maintenance	42	40	39	39	21	42	38	31	37	36
Parks	44	39	41	44	11	11	7	7	10	10
Water & Sewer	87	74	75	74	68	65	60	58	58	60
Solid Waste	71	65	67	67	60	49	53	55	54	64
Transportation										
Street Maintenance	15	14	15	15	13	11	10	10	11	12

Source: City of Deerfield Beach, Financial Services Department

CITY OF DEERFIELD BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
<i>Police:</i>										
Physical arrests	4,070	4,768	4,815	4,775	4,195	2,926	2,432	2,435	2,729	2,563
Parking violations	23,871	21,758	15,281	19,654	19,638	17,446	16,603	15,248	15,315	20,084
Traffic violations	17,213	18,435	22,329	21,403	17,068	15,023	17,357	11,214	17,382	17,631
<i>Fire/Rescue:</i>										
Number of emergency responses		18,739	19,664		20,395	20,473	22,916	21,005	14,606	15,217
Inspections	3,756	4,298	4,147	7,839	6,099	6,147	7,033	5,400	5,332	7,653
Fires extinguished	256	245	289	146	147	156	115	162	152	139
Transportation										
<i>Streets Maintenance:</i>										
Streets resurfacing (miles)	3	1	0	0	2.5	2.2	0	13	28	22
Potholes repaired	88	1,998*	2,209	2,313	2,212	2,212	1,800	800	556	204
Sidewalk repaired (feet)				1,800	2,700	3,200	13,900	12,000	5,705	8,555
<i>Transit Services</i>										
Total route miles	105,252	113,879	116,379	126,638	92,167	83,458	99,846	64,570	142,690	106,942
Number of trips	12,253	13,909	10,188	29,506*	27,672	23,329	25,368	87,205*	97,743	91,902
Physical Environment										
Number of burials	150	123	128	209	118	130	84	113	122	110
Culture and Recreation										
Athletics field permits issued	68	75	11	32	73	70	99	65	246	493
Number of participants in arts & education classes	20,948	25,000	27,500	32,000	11,922	12,000	3,500	13,625	5,498	5,684
Number of special event permits issued	70	180	112	97	59	70	129	121	192	88
Attendance at special events	359,665	400,000	400,000	350,000	244,750	240,000	224,000	231,995	298,530	285,500
Water										
New connections	48	59	35	27	15	32	12	8	10	10
Water main breaks	41	107	120	65	63	65	39	53	12	13
Average daily consumption (millions of gallons)	23,889	10.55 mgd	9.41 mgd	9.60 mgd	9.49 mgd	9.49 mgd	9.49 mgd	9.49 mgd	9.48 mgd	9.49 mgd
Permitted Raw Water withdrawal		12.8 mgd	12.8 mgd	14.1 mgd	14.1 mgd	14.1 mgd	14.1 mgd	14.1 mgd	14.1 mgd	14.1 mgd
Sewer										
Average daily sewage treatment (thousands of gallons)	6,500	6,500	6,500	7,400	7,000	7,000	7,000	7,000	7,000	7,000
Solid Waste										
Refuse collected (tons/day)	207	366	247	189	248	196	246	251	274	276
Recyclables collected (tons/day)	111	32	33	22.8	26.7	37.4	24.6	28.8	32.5	27
Human Services										
<i>Childcare:</i>										
Average daily attendance	25	30	28	19	16	13	13	15	15	10
Number of meals served	26,250	31,250	29,500	24,648	27,997	18,956	15,639	20,491	15,785	18,381
<i>Adult Daycare:</i>										
Average daily attendance	10	10	10	10	7	6	7	8	7	7
<i>Alzheimer's Daycare:</i>										
Average daily attendance	20	30	25	24	27	23	18	25	27	24

Source: Various City departments

Note: Indicators are not available for the general government function.

*The number of trips are higher than the previous years since they include both paratransit and local service program transportation services.
 Transportation- Community Bus Shuttles (DBE I & II)

CITY OF DEERFIELD BEACH, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

Function	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Public Safety</i>										
<i>Police</i>										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	173	162	162	162	129	126	126	126	126	130
<i>Fire/Rescue</i>										
Stations	4	4	4	4	5	6	6	6	6	6
Rescue ambulances	8	8	8	8	8	8	8	6	6	6
Fire engines	6	6	6	6	6	6	6	4	4	4
Ladder/heavy squad trucks	2	2	2	2	2	2	1	1	1	1
<i>Transportation</i>										
Streets (miles)	146	146	146	146	146	146	146	146	146	146
Sidewalks (miles)	135	135	135	135	135	135	135	136	136	136
Streetlights (poles)	296	4,400*	4,400*	5,200	5,200	7,000	7,000	7,000	7000	7000
Traffic signals	64	68	68	68	68	68	68	68	68	68
<i>Culture and Recreation</i>										
Parks acreage	125	125	125	140	140	324	324	317	338	345
Parks	29	29	29	31	33	33	33	34	35	44
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	6	6	12	12	12	12	12	12	12
Community Centers	2	3	3	2	3	2	2	2	2	3
<i>Water</i>										
Water Main (miles)	230	230	230	232	232	232	232	232	232	232
Maximum daily capacity (millions of gallons)	34,800 (a)	34.8 mgd	34.8 mgd	34.8 mgd	34.8 mgd	34.8 mgd	34.8 mgd	34.8 mgd	23.6 mgd	23.6 mgd
<i>Sewer</i>										
Sanitary sewers (miles)	135	135	135	136	136	137	137	137	137	137
Storm sewers (miles)	7	37	37	47.7	48.0	48.0	48.0	48.0	48.0	48.0
Average Daily treatment capacity (thousands of gallons)	7000	7,000	7,000	7,000	7,400	7,400	7,400	7,400	7,400	7,400
<i>Solid Waste</i>										
Collection trucks	40	41	41	40	41	38	32	32	28	23

Source: Various City Departments.

(a)- thousandths

Note: No Capital Asset Indicators are available for the general government function.