

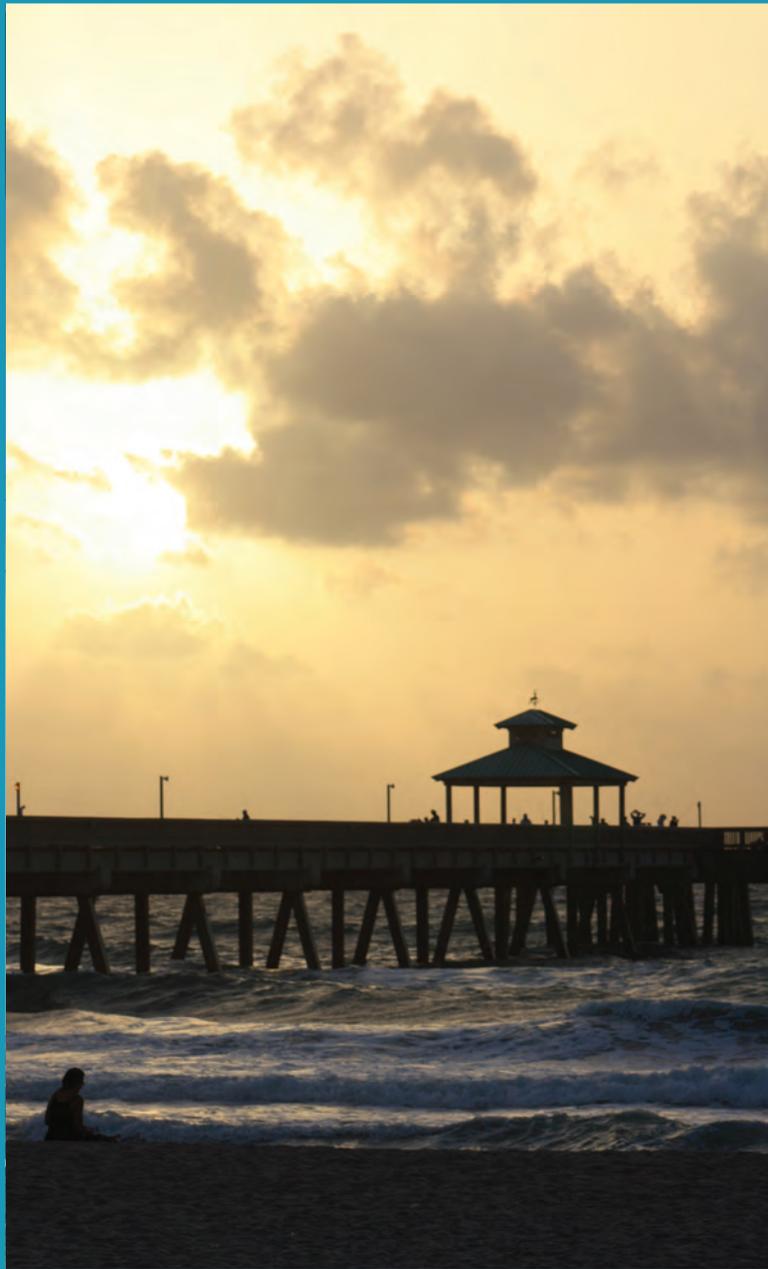
Comprehensive Annual Financial Report

Deerfield Beach, Florida

Fiscal Year ended September 30, 2010



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City of

**DEERFIELD
BEACH**

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

President

A second, more legible handwritten signature in black ink, appearing to read "Jeffrey R. Emen".

Executive Director



CITY OF DEERFIELD BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

Prepared by:
Office of Management and Budget
Hugh B. Dunkley, Director

CITY OF DEERFIELD BEACH, FLORIDA
 Comprehensive Annual Financial Report
 For the Year Ended September 30, 2010

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May 31, 2011

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, 2010.

Local ordinances and state statute require that the City of Deerfield Beach 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.

McGladrey & Pullen, 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, 2010, 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 unqualified opinion that the City of Deerfield Beach's financial statements for the fiscal year ended September 30, 2010, 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

Mayor
Peggy Noland

Vice Mayor
Martin Popelsky

Commissioners
Bill Ganz
Joseph P. Miller
Sylvia Poitier

City Manager
Burgess Hanson



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.

Since 1990, the population within the City limits has increased 46.4%. The size of the City has increased by approximately 4.6 square miles. This boost in population as well as geographic size is due in part to annexations that occurred in 1999 and 2004 as well as the influx of new residents relocating from other areas.

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 North Broward Hospital District, 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 this comparison is presented on page 56 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other supplementary information section.

Factors Affecting Economic Condition

Local Economy

Home to over 73,000 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 has not been immune to the effects of the current economic downturn with a loss of over \$1.9 billion dollars in taxable assessed value since the beginning of Fiscal Year 2009. Likewise, the City has experienced a precipitous decline in the value of new construction during the same time period: from \$52.6 million to \$17.1 million, an almost 67% decline.

The City's unemployment rate (seasonally adjusted) as of September 30, 2010 was 10.5%, as compared to 8.9% at the end of the previous fiscal year. The unemployment rates for the Broward County metropolitan area and for the State of Florida were 10.5% and 11.9%, respectively. Deerfield Beach is not alone in experiencing the effects of the downturn in the housing market: it is expected that a majority

of the municipalities in Broward County, as well as the unincorporated area, will have lower taxable values next year.

Long-Term Financial Planning

As the nation slowly emerges from the recession, all sectors of the economy, including governmental entities, must be prepared to face a “new norm” in which the financial means of providing governmental services will be limited, but the demands for such services will be ever-increasing as a result of the role that governments must play in providing services that will ensure the public welfare of its citizens. In anticipation of the extensive measures that will be required to address the significant decline in property tax revenue, the single largest source of revenue in the general fund, the City has begun the budgetary process for fiscal year 2012. Each functional area is being evaluated for efficiency and effectiveness to reduce expenditures. Revenue opportunities will be presented for consideration during the budget process.

The 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. Although the City Commission adopted a FY2011-15 CIP in excess of \$86 million, a number of projects have been deferred until such time as the economy improves. Furthermore, the City has begun negotiating with its three employee bargaining units in an effort to attain more savings through further employee concessions. Service level reductions are never easy, yet it is incumbent upon the City to be responsible in providing the level of service for which residents and business owners are willing to pay.

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:

- The pier entrance redesign project is currently in the design and development phase. This project encompasses the redesign of the buildings located adjacent to the Deerfield Beach International Fishing Pier. This facility is targeted to become the City’s first LEED certified building. The current pier facility will be repositioned to allow a north/south connection of the Ocean Way Boardwalk, which will offer visitors a sweeping view of the Atlantic Ocean. The estimated construction cost of \$3.5 million has been budgeted, and funding for this project is provided by the City’s Community Redevelopment Agency. Construction is planned to commence in November of 2011.
- Federal stimulus funding has been committed for the construction of the Dixie Flyover. This flyover will consist of a series of bridges that will connect Hillsboro Boulevard by way of Dixie Highway to the Palm Beach County line. Initial discussion of this project began in the late 1980s and after more than two decades the groundbreaking for the project finally occurred in March 2010. The flyover will be constructed at a cost of \$39.5 million with a projected time frame of two years to complete. The City has been conducting visioning sessions with the public to plan for the development of the areas around the flyover.
- Under the American Recovery and Reinvestment Act of 2009, the City has been authorized funds in the amount of \$2,005,699 under the Neighborhood Stabilization Program (NSP1) from the U.S. Department of Housing and Urban Development (HUD) to combat the effects of foreclosures which have resulted from the recession. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided an additional \$1,183,897 under the NSP3 Program. HUD will award grants to states and selected local governments to mitigate the negative impact of the nation’s economic decline and housing market collapse and to stabilize and revitalize communities hardest hit by the housing downturn.
- Secured Fiscal Health Assessment through the U.S. Environmental Protection Agency for guidance on working towards community goals for environmentally responsible, economically healthy development.

- Forged a public-private partnership with a charitable foundation which is related to one of Fortune 100's most storied business enterprises, which led to the funding of school resource deputies in elementary schools citywide; funding of a college tour program, as well as funding for a contract employee position in the City's Police Athletic League.
- The City's west water treatment plant is in the process of being expanded to enable the treatment of brackish raw water from the Floridan Aquifer. This expansion will also enhance the reliability of the City's water supply. The total cost of this project will be \$17 million which was funded by a loan that was secured with water and sewer fees.
- In furthering our efforts for a "cleaner and greener" City, the following has been accomplished:
 - 15,700 cubic yards of sand placed on Deerfield Beach, along with the installation of 10,221 mixed native dune plants as part of our ongoing beach renourishment efforts.
 - Ten percent of the City's estimated 80,000 trees have been inventoried through a citywide tree inventory program.
 - \$2,676,466 in tipping fees were avoided due to a 26% recycling rate of materials from the City's waste stream.

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, 2009. This was the 30th 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 2009-10 for the 14th 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 continuing 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 Management and Budget Department as well as the support of the other City departments. Sincere appreciation is expressed to all for their efforts.

Respectfully submitted,

Burgess Hanson

Burgess Hanson
City Manager

Hugh B. Dunkley

Hugh B. Dunkley
Finance Director

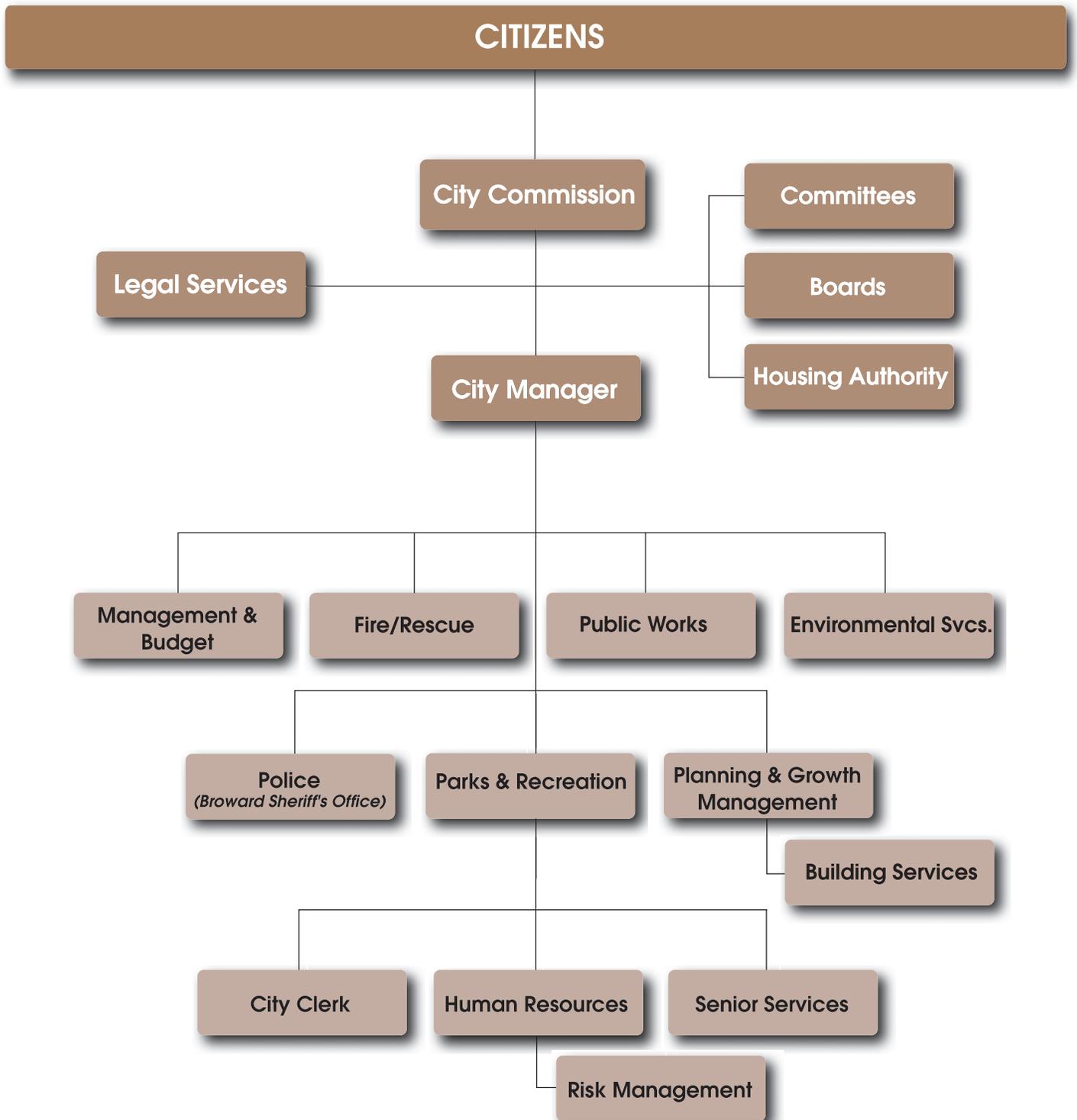


City of

D E E R F I E L D

B E A C H

Deerfield Beach Organizational Chart



City of Deerfield Beach, Florida
List of Elected and Appointed Officials
September 30, 2010

Elected Officials

Mayor	Peggy Noland
Vice Mayor	Joseph P. Miller
Commissioner	Bill Ganz
Commissioner	Sylvia Poitier
Commissioner	Martin Popelsky

Appointed Officials

City Manager	Burgess Hanson
City Attorney	Law Offices of Andrew S. Maurodis, P.L.
City Clerk	Ada Graham-Johnson
Director of Parks & Recreation	Bob Harbin
Finance Director	Hugh B. Dunkley
Fire Chief	Chad Brocato
Director of Human Resources	Michael Milanowski
Director of Planning & Growth Management	Gerald R. Ferguson
Police Chief	Pete Sudler
Director of Public Works	Carl Peter
Director of Environmental Services	Charles DaBrusco
Director of Senior Services	Donna Defronzo

Independent Auditor's Report

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

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Deerfield Beach Municipal Firemen's Pension Trust Fund, City of Deerfield Beach Non-Uniformed Employees' Retirement Plan, and the City of Deerfield Beach Municipal Police Officer's Retirement Plan, which statements represent 93% of the total assets and 80% of the total revenue of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Deerfield Beach Municipal Firemen's Pension Trust Fund, City of Deerfield Beach Non-Uniformed Employees' Retirement Plan, and the City of Deerfield Beach Municipal Police Officer's Retirement Plan is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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 of Deerfield Beach, Florida as of September 30, 2010, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued under separate cover a report dated May 31, 2011 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information, the pension fund schedules of funding progress and employer contributions, and the schedule of funding progress – other post employment benefits as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, combining and individual fund statements and schedules, and statistical section 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 have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Fort Lauderdale, Florida
May 31, 2011

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

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, 2010. This Management's Discussion and Analysis is based on currently known facts, decisions and conditions that existed as of the date of the independent auditor's report. The information presented is in accordance with Governmental Accounting Standards Board Statement Number 34 (GASB 34). 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 - v of this report.

Financial Highlights

- The total assets of the City of Deerfield Beach at September 30, 2010 decreased \$12.2 million from \$246.7 million to \$234.5 million, or 4.95% from the prior year. This decrease was due primarily to the City having to utilize cash carryover to finance operations of the current year, due to declining revenues as a result of the recession. The decrease in total assets was also due to payments made in connection with ongoing capital projects.
- The City's total liabilities decreased \$11.8 million, from \$111.8 million to \$100.0 million from the prior year. This resulted from decreases in accounts payable at year-end for various construction projects as well as a decrease in the long-term portion of insurance claims payable.
- The assets of the City of Deerfield Beach exceeded its liabilities at the close of the most recent fiscal year by \$134.5 million (net assets). Of this amount, \$66.9 million was from governmental activities and \$67.6 million was from business-type activities.
- As of the close of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$31.2 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$11.7 million, or 15.2% of total general fund expenditures. Of the total \$11.7 million unreserved fund balance, \$0.5 million (or 0.6% of total general fund expenditures) has been designated for spending in the 2011 fiscal year.

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 assets presents information on all of the City of Deerfield Beach's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

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, 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 activity 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 14 - 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 61 - 74 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.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

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 - 25 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.

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 - 55 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 56 - 60 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 61 - 74 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Deerfield Beach, assets exceeded liabilities by \$134.5 million at the close of fiscal year 2010.

The largest portion of the City of Deerfield Beach's net assets (67.1%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, utility plants and infrastructure), less any related debt 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.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

City of Deerfield Beach's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$40,181,055	\$48,966,226	\$31,294,937	\$37,106,953	\$71,475,992	\$86,073,179
Capital assets	82,298,090	82,240,840	80,679,049	78,411,312	162,977,139	160,652,152
Total assets	122,479,145	131,207,066	111,973,986	115,518,265	234,453,131	246,725,331
Current liabilities	5,245,999	7,358,144	2,948,622	7,269,592	8,194,621	14,627,736
Long-term liabilities	50,359,589	53,777,855	41,404,225	43,377,116	91,763,814	97,154,971
Total liabilities	55,605,588	61,135,999	44,352,847	50,646,708	99,958,435	111,782,707
Net assets:						
Invested in capital assets, net of related debt	42,523,352	41,572,817	47,731,493	46,197,560	90,254,845	87,770,377
Restricted	19,803,912	17,264,796	-	-	19,803,912	17,264,796
Unrestricted	4,546,293	11,233,454	19,889,646	18,673,997	24,435,939	29,907,451
Total net assets	\$66,873,557	\$70,071,067	\$67,621,139	\$64,871,557	\$134,494,696	\$134,942,624

An additional portion of the City of Deerfield Beach's net assets, approximately 14.7%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$24.4 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The net assets of business-type activities increased by \$2.7 million to \$67.6 million in 2010. This increase was primarily due to a significant decrease in wastewater charge for the Water and Sewer Fund, approximately \$2.0 million. In the previous fiscal year, the City was assessed additional fees by the North Regional Wastewater System (operated by Broward County) for providing reserve capacity within the system that would be sufficient to meet the City's future needs. The City can only use these net assets to finance the continuing operations of the specific enterprise activity to which the fees relate.

The City's current and other assets decreased by \$14.6 million from \$86.1 million to \$71.5 million. Conversely, capital assets increased by \$2.3 million from \$160.7 million to \$163.0 million, or 1.4% from the prior year. Both the decrease in the current and other assets as well as the increase in capital assets were due to the construction of various water and wastewater facilities as well as other roadway improvements, net of depreciation expense for the current year of \$8.4 million.

Current liabilities decreased by 43.8% from \$14.6 million to \$8.2 million. This decrease was due to a decrease in construction obligations at the end of the year, as a result of the near-completion of various major capital improvements during fiscal year 2010.

The City's total noncurrent liabilities decreased by \$5.4 million from \$97.2 million to \$91.8 million, or approximately 5.6%, from the prior year. This was due primarily to a decrease in the City's liability for claims and judgments as well as decreases in bonds and loans payable.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

City of Deerfield Beach's Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 21,887,046	\$ 21,023,925	\$ 39,299,798	\$ 39,508,927	\$ 61,186,844	\$ 60,532,852
Operating grants/contributions	6,999,594	6,877,028	-	-	6,999,594	6,877,028
Capital grants/contributions	925,167	426,674	12,240	1,333,400	937,407	1,760,074
General revenues:						
Taxes	49,881,574	53,820,430	-	-	49,881,574	53,820,430
Grants and contributions not restricted to specific programs and miscellaneous	1,240,010	1,301,385	-	-	1,240,010	1,301,385
Unrestricted investment earnings	160,249	719,477	9,771	314,201	170,020	1,033,678
Total revenues	81,093,640	84,168,919	39,321,809	41,156,528	120,415,449	125,325,447
Expenses:						
General government	18,528,933	22,190,311	-	-	18,528,933	22,190,311
Economic environment	1,415,860	1,964,859	-	-	1,415,860	1,964,859
Public safety	44,400,644	41,915,667	-	-	44,400,644	41,915,667
Human services	2,722,603	2,588,723	-	-	2,722,603	2,588,723
Physical environment	5,875,926	6,164,735	-	-	5,875,926	6,164,735
Transportation	2,911,620	3,138,654	-	-	2,911,620	3,138,654
Culture and recreation	6,465,100	6,607,981	-	-	6,465,100	6,607,981
Interest on long term-debt	1,970,464	1,994,441	-	-	1,970,464	1,994,441
Water and sewer	-	-	21,264,592	23,145,215	21,264,592	23,145,215
Solid waste	-	-	15,307,635	15,588,347	15,307,635	15,588,347
Total expenses	84,291,150	86,565,371	36,572,227	38,733,562	120,863,377	125,298,933
Change in net assets	(3,197,510)	(2,396,452)	2,749,582	2,422,966	(447,928)	26,514
Net assets, October 1	70,071,067	72,467,519	64,871,557	62,448,591	134,942,624	134,916,110
Net assets, September 30	\$ 66,873,557	\$ 70,071,067	\$ 67,621,139	\$ 64,871,557	\$ 134,494,696	\$ 134,942,624

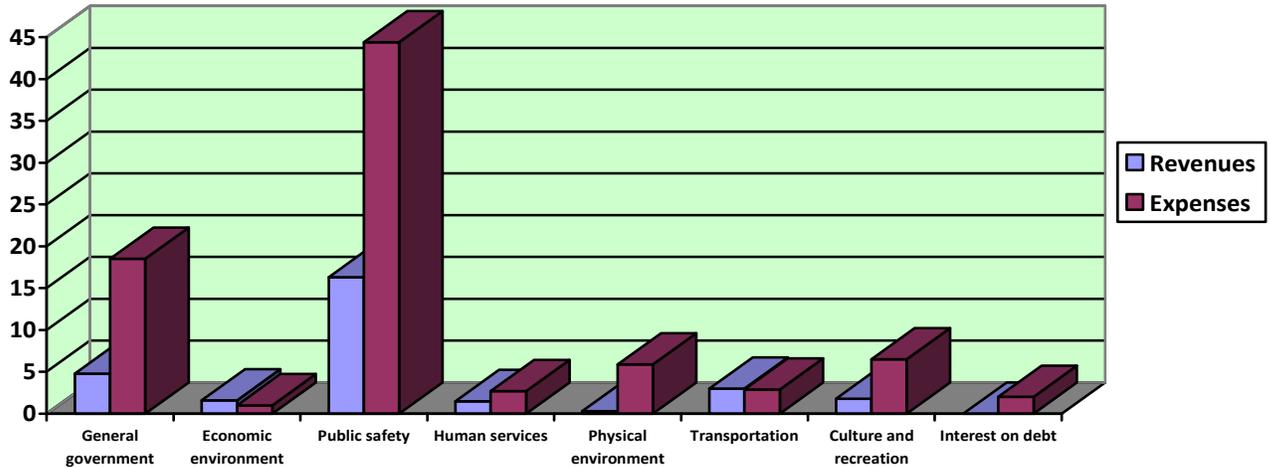
Governmental activities. Governmental activities decreased the City's net assets by \$3.2 million. The City's total revenues amounted to \$81.1 million in governmental activities. Of these revenues, 61.5% is generated from taxes, 27.0% is from charges for services, operating grants/contributions comprise 8.6%, capital grants/contributions make up 1.1%, grants and contributions not restricted to specific programs and miscellaneous revenues equals 1.5%, and unrestricted investment earnings generates 0.3%. Most of the decrease in the City's net assets mentioned above, was primarily due to decrease in collections from ad valorem and franchise taxes, which have been impacted adversely by the global economic downturn.

The City's expenses cover a broad range of services, with approximately 52.7% of governmental activity expenses related to public safety (fire/rescue and police protection). General government expenses constitute the largest component of the change in total expenses due to a decrease in case reserves for insurance claims. Public safety expenses increased as a result of higher costs incurred in connection with the interlocal agreement with the Broward Sheriff's Office, which provides police services to City residents. The increase in public safety expenses was also attributable to increased costs for providing fire protection. The City's governmental activities had 3.9% more expenses than revenues. However, for business-type activities, revenues exceeded expenses by a 7.0% margin.

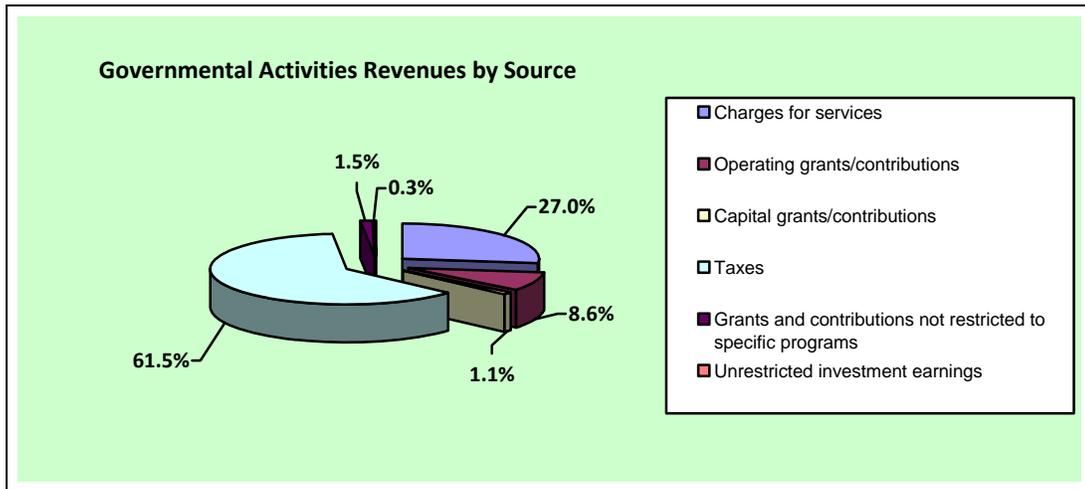
City of Deerfield Beach, Florida
 Management's Discussion and Analysis
 For the Year Ended September 30, 2010

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)



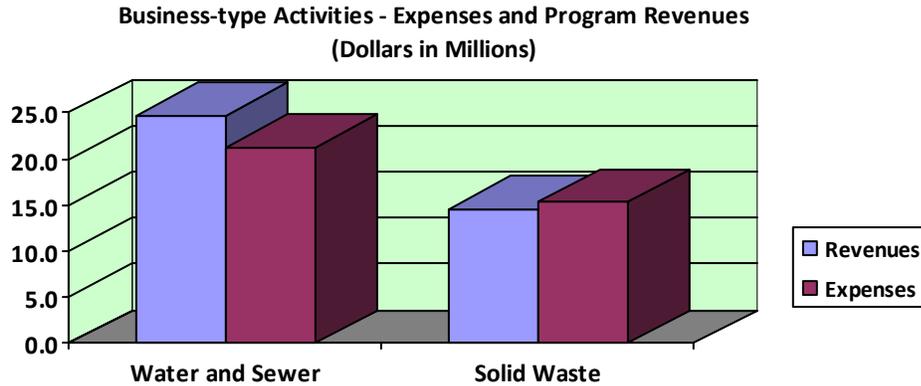
The next chart shows the percent of the total for each source of revenue supporting governmental activities.



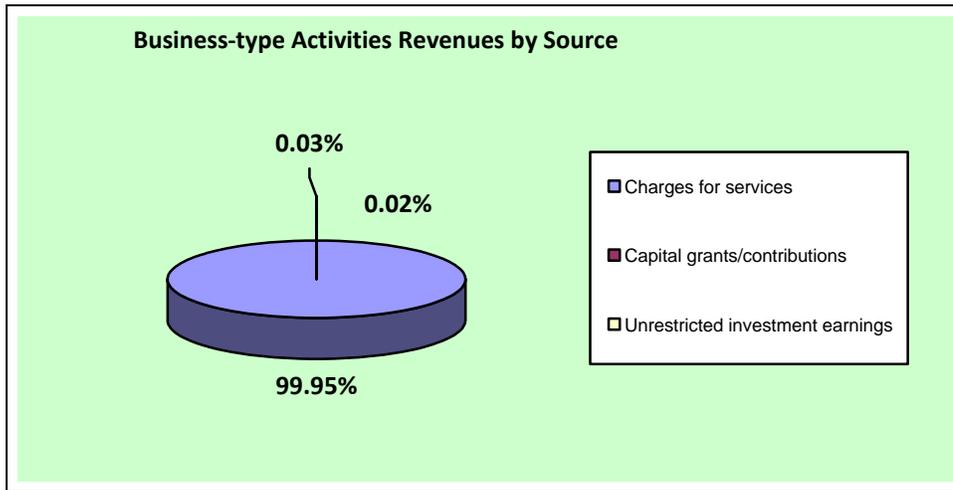
Business-type activities. Business-type activities increased the City's net assets by \$2.7 million. This increase in the net assets of business-type activities was due primarily to a decrease in wastewater processing fees.

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.

City of Deerfield Beach, Florida
 Management's Discussion and Analysis
 For the Year Ended September 30, 2010



The following chart shows that 99.95% 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$31.2 million, a decrease of \$7.1 million from the prior year's ending balances of \$38.3 million. A portion of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$1.3 million), 2) to generate income to pay for the perpetual care of the municipal cemetery (\$2.6 million), or 3) for a variety of other restricted purposes (\$1.5 million).

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

The general fund is the chief operating fund of the City of Deerfield Beach. At the end of the current fiscal year, unreserved fund balance of the general fund was \$11.7 million, while total fund balance reached \$13.3 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15.2% of total general fund expenditures, while total fund balance represents approximately 17.3% of that same amount.

The unreserved fund balance of the City of Deerfield Beach's general fund decreased by \$7.0 million during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue decreased by \$1.2 million as a result of the continued decline in the taxable values of real property.
- Franchise taxes decreased by \$2.1 million as a result of decreased consumer spending.
- Public safety expenditures increased by approximately \$2.0 million due to increased costs incurred for police and fire protection.

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 unreserved fund balance in this fund totaled \$9.8 million, which represents an increase of \$1.1 million from the prior year. This increase was due to collections of incremental tax revenue 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 assets of the water and sewer fund at the end of the year amounted to \$20.2 million. The Solid Waste Fund had an unrestricted net deficit of \$0.3 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

There was no difference between the original budget and the final amended budget, taken as a whole; however, there were interdepartmental budget transfers totaling \$157,760 that required approval of the City Commission, as follows:

- Fire/Rescue – Increase of \$100,000 in appropriations for expenses in connection with the opening of Fire Station 111.
- Public Works – increase of \$5,880 in appropriations for expenses in connection with a lease pursuant to an agreement with the Florida Department of Transportation.
- City Manager/Management & Budget – Increase of \$51,880 to fund transfer of Purchasing Division from Management & Budget Department to Office of the City Manager.
- Other Unclassified (Non-departmental) – decrease of \$105,880 in appropriations as a result of the City not having to expend as much of its budgeted contingency funds.

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

- Franchise taxes – as a result of the current economic downturn, this revenue source was below what was originally anticipated.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

- Sales and use taxes – amount exceeded budget as a result of on-behalf payments received from the State of Florida for excise tax on fire and casualty insurance premiums. These amounts are required to be used for police and firefighter pension benefits.
- Fire/Rescue – expenditures incurred were below amounts budgeted as a result of required pension contributions being less than what was anticipated as well as the implementation of a City-wide hiring freeze.
- Police – expenditures incurred were below amounts budgeted as a result of required pension contributions being less than what was anticipated as well as the contract for police services not being finalized until late into the fiscal year.
- Public Works – expenditures incurred were below amounts budgeted as a result of planned beach re-nourishment project not having commenced until fiscal year 2011 as well as the implementation of a City-wide hiring freeze.
- Insurance/Safety – expenditures incurred exceeded amounts budgeted as a result of increased health and workers' compensation claims costs.
- Other/Unclassified – expenditures exceeded amounts budgeted as a result of the City accounting for police and firefighter pension benefits for on-behalf payments received from the State of Florida.
- Other City departments: Parks & Recreation, Management & Budget, Planning & Growth Management, Senior Services – expenditures incurred were less than amounts budgeted as a result of implementation of a Citywide hiring freeze and overall expenditure restraint in anticipation of further declining revenues.

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, 2010, amounted to \$163.0 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 1.4% (0.1% for governmental activities and 2.9% for business-type activities). The following table summarizes the City's capital assets.

**City of Deerfield Beach's Capital Assets
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 11,595,299	\$ 11,595,299	\$ 50,531	\$ 50,531	\$ 11,645,830	\$ 11,645,830
Buildings	28,793,489	29,529,101	725,174	811,673	29,518,663	30,340,774
Improvements other than buildings	2,414,064	2,529,870	31,998,137	33,065,621	34,412,201	35,595,491
Equipment	3,115,255	3,918,000	3,665,249	4,607,580	6,780,504	8,525,580
Utility plants in service	-	-	22,409,004	23,424,390	22,409,004	23,424,390
Infrastructure	23,178,996	24,668,143	-	-	23,178,996	24,668,143
Construction in progress	13,200,987	10,000,427	21,830,954	16,451,517	35,031,941	26,451,944
Total	\$ 82,298,090	\$ 82,240,840	\$ 80,679,049	\$ 78,411,312	\$ 162,977,139	\$ 160,652,152

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

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

- Construction in progress of the Hillsboro Streetscape Improvements with an estimated cost of \$6 million.
- Construction in progress of the reverse osmosis water treatment plant and various other water and wastewater facility improvements with an estimated cost of \$17 million.
- Construction in progress of the Hillsboro Boulevard intersection improvements with an estimated cost of \$1.3 million.

Additional information on the City of Deerfield Beach's capital assets can be found in Note III (C) on pages 40 - 41 of this report.

Long-term debt. At year-end, the City of Deerfield Beach had \$25.2 million in general obligation bonds outstanding. The City also had \$13.6 million in outstanding covenant bonds (for which the City must "covenant" and appropriate funds necessary to pay the annual debt service), but which are primarily backed by sources other than ad valorem taxes. The business-type activities had \$16.6 million outstanding in revenue bonds and \$20.5 million outstanding in loans payable at the end of the fiscal year. New debt resulted mainly from the City entering into capital lease transactions totaling \$1.1 million.

The City continues to maintain high investment grade ratings from the three major rating agencies. Ratings of A from Fitch Ratings, AA- from Standard and Poor's Corporation and Aa3 from Moody's Investor Service, Inc. remain unchanged from the prior fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds (backed by the City)	\$ 25,209,669	\$ 26,608,199	\$ -	\$ -	\$ 25,209,669	\$ 26,608,199
Revenue bonds	-	-	16,623,792	17,028,786	16,623,792	17,028,786
Covenant bonds	13,560,000	13,980,000	-	-	13,560,000	13,980,000
Add/(subtract) premium/(discount)	729,972	795,736	-	-	729,972	795,736
Capital leases	1,375,734	1,664,810	2,472,783	2,711,733	3,848,517	4,376,543
Loan payable	-	-	20,499,422	21,761,712	20,499,422	21,761,712
Total bonds, loans and leases payable	<u>\$ 40,875,375</u>	<u>\$ 43,048,745</u>	<u>\$ 39,595,997</u>	<u>\$ 41,502,231</u>	<u>\$ 80,471,372</u>	<u>\$ 84,550,976</u>

The City's general obligation debt per capita, excluding enterprise fund debt, was \$334 at the end of fiscal year 2010. The City's outstanding net general obligation debt was 0.25% 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 (H) on pages 44 – 47 of this report.

City of Deerfield Beach, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2010

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 2011 budget:

- The nation's economy will continue to contract amidst a global economic crisis.
- Florida will continue to experience a continued downturn in the housing market therefore limiting increases in the taxable value of property.
- State-shared revenues (namely, the one-half cent sales tax as well as the State revenue sharing funds) are estimated to be 12.1% and 11.4% lower, respectively, in fiscal year 2011.
- Property tax revenue will decrease by 1.1% due to state mandated limitations on the amount of revenue that may be collected from this source as well as the decrease in the taxable value of property within City limits.
- The City's population will remain stable.
- Salaries and related benefits will remain constant.
- Water and sewer as well as solid waste rates will remain constant.

During the current fiscal year, unreserved fund balance in the general fund increased to \$11.7 million. The City plans to appropriate \$0.5 million of this amount for spending in the 2011 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Deerfield Beach's finances for all those with an interest in the 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 Management and Budget, City of Deerfield Beach, 150 N.E. 2nd Avenue, Deerfield Beach, Florida 33441.

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,464,115	\$ 4,375,708	\$ 8,839,823
Investments	6,609,156	14,141,643	20,750,799
Receivables (net of allowances)	2,503,832	6,119,174	8,623,006
Due from other governments	1,989,687	92,491	2,082,178
Inventories	539,077	166,525	705,602
Prepays	904,418	26,739	931,157
Deferred charges	641,184	-	641,184
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	6,349,513	6,372,657	12,722,170
Investments	12,159,057	-	12,159,057
Due from other governments	2,300,398	-	2,300,398
Real estate held for resale	520,425	-	520,425
Permanently restricted:			
Investments	1,200,193	-	1,200,193
Capital assets:			
Nondepreciable	24,796,286	21,881,485	46,677,771
Depreciable (net)	57,501,804	58,797,564	116,299,368
Total assets	<u>122,479,145</u>	<u>111,973,986</u>	<u>234,453,131</u>
LIABILITIES			
Accounts payable	1,889,947	1,316,165	3,206,112
Accrued liabilities	1,571,794	951,557	2,523,351
Accrued interest payable	776,775	196,589	973,364
Due to other governments	24,955	-	24,955
Unearned revenue	394,477	-	394,477
Payable from restricted assets:			
Accounts payable	539,017	-	539,017
Accrued liabilities	49,034	-	49,034
Customer deposits	-	484,311	484,311
Non-current liabilities:			
Due within one year:			
Compensated absences	2,488,200	762,818	3,251,018
Insurance claims payable	1,351,000	-	1,351,000
Due to other governments	8,000	-	8,000
Bonds, loans and leases payable	2,404,909	2,759,397	5,164,306
Due in more than one year:			
Compensated absences	882,816	877,208	1,760,024
Net OPEB liability	577,824	168,202	746,026
Insurance claims payable	3,789,086	-	3,789,086
Due to other governments	387,288	-	387,288
Bonds, loans and leases payable	38,470,466	36,836,600	75,307,066
Total liabilities	<u>55,605,588</u>	<u>44,352,847</u>	<u>99,958,435</u>
NET ASSETS			
Invested in capital assets, net of related debt	42,523,352	47,731,493	90,254,845
Restricted for:			
Debt service	152,566	-	152,566
Perpetual care:			
Nonexpendable	1,200,193	-	1,200,193
Expendable	1,403,326	-	1,403,326
Economic environment	12,130,548	-	12,130,548
Public safety	1,211,794	-	1,211,794
Human services	261,529	-	261,529
Physical environment	118,477	-	118,477
Transportation	2,760,229	-	2,760,229
Culture and recreation	565,250	-	565,250
Unrestricted	4,546,293	19,889,646	24,435,939
Total net assets	<u>\$ 66,873,557</u>	<u>\$ 67,621,139</u>	<u>\$ 134,494,696</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, 2010

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 18,528,933	\$ 4,770,617	\$ -	\$ -
Economic environment	1,415,860	-	1,589,348	-
Public safety	44,400,644	13,277,004	2,999,641	-
Human services	2,722,603	488,947	1,529,322	-
Physical environment	5,875,926	258,722	51,804	-
Transportation	2,911,620	1,581,055	523,928	925,167
Culture and recreation	6,465,100	1,510,701	305,551	-
Interest and fiscal charges	1,970,464	-	-	-
Total governmental activities	<u>84,291,150</u>	<u>21,887,046</u>	<u>6,999,594</u>	<u>925,167</u>
Business-Type activities:				
Water and sewer	21,264,592	24,675,663	-	12,240
Solid waste	15,307,635	14,624,135	-	-
Total business-type activities	<u>36,572,227</u>	<u>39,299,798</u>	<u>-</u>	<u>12,240</u>
Total	<u>\$120,863,377</u>	<u>\$ 61,186,844</u>	<u>\$ 6,999,594</u>	<u>\$ 937,407</u>

General revenues:

- Property taxes
- Incremental property taxes
- Sales taxes
- Franchise taxes
- Motor fuel taxes
- Alcoholic beverage/mobile home license taxes
- Grants and contributions not restricted to specific programs
- Unrestricted investment earnings
- Miscellaneous
- Total general revenues and transfers
- Change in net assets
- Net assets - beginning
- Net assets - ending

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

**Net (Expense) Revenue and
Changes in Net Assets**

Governmental Activities	Business-Type Activities	Total
\$ (13,758,316)	\$ -	\$ (13,758,316)
173,488	-	173,488
(28,123,999)	-	(28,123,999)
(704,334)	-	(704,334)
(5,565,400)	-	(5,565,400)
118,530	-	118,530
(4,648,848)	-	(4,648,848)
(1,970,464)	-	(1,970,464)
<u>(54,479,343)</u>	<u>-</u>	<u>(54,479,343)</u>
-	3,423,311	3,423,311
<u>-</u>	<u>(683,500)</u>	<u>(683,500)</u>
-	2,739,811	2,739,811
<u>(54,479,343)</u>	<u>2,739,811</u>	<u>(51,739,532)</u>
33,593,409	-	33,593,409
1,500,220	-	1,500,220
3,693,667	-	3,693,667
9,767,204	-	9,767,204
1,271,279	-	1,271,279
55,795	-	55,795
1,174,449	-	1,174,449
160,249	9,771	170,020
65,561	-	65,561
<u>51,281,833</u>	<u>9,771</u>	<u>51,291,604</u>
(3,197,510)	2,749,582	(447,928)
70,071,067	64,871,557	134,942,624
<u>\$ 66,873,557</u>	<u>\$ 67,621,139</u>	<u>\$ 134,494,696</u>

CITY OF DEERFIELD BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 4,464,115	\$ 3,239,986	\$ 3,109,527	\$ 10,813,628
Investments	6,609,156	6,791,205	6,568,045	19,968,406
Receivables (net):				
Accounts	2,500,525	-	254	2,500,779
Assessments	842	-	-	842
Interest	2,191	11	9	2,211
Due from other funds	2,302,795	405,409	-	2,708,204
Due from other governments	1,989,687	-	2,300,398	4,290,085
Inventories	539,077	-	-	539,077
Real estate held for resale	-	-	520,425	520,425
Prepaid items	473,576	885	-	474,461
Total assets	<u>\$ 18,881,964</u>	<u>\$ 10,437,496</u>	<u>\$ 12,498,658</u>	<u>\$ 41,818,118</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,889,947	\$ 118,868	\$ 420,149	\$ 2,428,964
Accrued liabilities	1,934,685	7,306	49,034	1,991,025
Due to other funds	-	-	2,708,204	2,708,204
Due to other governments	24,955	-	-	24,955
Unearned/deferred revenue	1,747,572	-	1,669,426	3,416,998
Total liabilities	<u>5,597,159</u>	<u>126,174</u>	<u>4,846,813</u>	<u>10,570,146</u>
Fund balances:				
Reserved for:				
Encumbrances	590,892	552,694	175,580	1,319,166
Prepaid items	473,576	885	-	474,461
Inventories	539,077	-	-	539,077
Real estate held for resale	-	-	520,425	520,425
Perpetual care	-	-	2,603,519	2,603,519
Unreserved, reported in:				
General fund:				
Designated for FY10/11 budget	474,910	-	-	474,910
Undesignated	11,206,350	-	-	11,206,350
Special revenue funds	-	9,757,743	2,483,901	12,241,644
Debt service funds	-	-	288,157	288,157
Capital projects funds	-	-	1,580,263	1,580,263
Total fund balances	<u>13,284,805</u>	<u>10,311,322</u>	<u>7,651,845</u>	<u>31,247,972</u>
Total liabilities and fund balances	<u>\$ 18,881,964</u>	<u>\$ 10,437,496</u>	<u>\$ 12,498,658</u>	<u>\$ 41,818,118</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 ASSETS
SEPTEMBER 30, 2010

Fund balances, total governmental funds: \$ 31,247,972

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	139,316,490	
Less: accumulated depreciation	<u>(57,018,400)</u>	
Net capital assets		82,298,090

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	(776,775)	
Bonds and notes payable	(38,769,669)	
Due to other governments	(395,288)	
Capital leases payable	(1,375,734)	
Insurance claims payable	(4,769,889)	
Net OPEB liability	(577,824)	
Compensated absences	<u>(3,371,016)</u>	
Total		(50,036,195)

Deferred revenue in the funds is susceptible to full accrual.

Revenues previously deferred increases net assets.	3,022,521
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The pension assets are not considered current financial resources and are therefore not reported in the funds.

429,957

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, must be capitalized and amortized over the life of the bonds in the government-wide financial statements.

Bond premium, beginning	(795,736)	
Amortization	<u>65,764</u>	
Unamortized premium, September 30, 2010		(729,972)

Financing costs related to the issuance of long-term debt are expensed by governmental funds in the fund financial statements; under full accrual accounting, these amounts are treated as an asset and are amortized over the life of the debt in the government-wide financial statements.

Bond issuance costs, beginning	685,397	
Amortization	<u>(44,213)</u>	
Unamortized deferred charges, September 30, 2010		<u>641,184</u>

Net assets of governmental activities	<u>\$ 66,873,557</u>
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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, 2010

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 33,602,451	\$ 1,500,220	\$ -	\$ 35,102,671
Sales and use taxes	5,036,695	-	-	5,036,695
Fire assessment fees	5,998,886	-	-	5,998,886
Franchise fees	9,921,939	-	-	9,921,939
Local option gas tax	-	-	1,271,279	1,271,279
Local business taxes/permits	1,673,573	-	-	1,673,573
Intergovernmental	3,979,750	-	2,834,190	6,813,940
Charges for services	7,775,894	12	83,527	7,859,433
Fines and forfeitures	1,253,742	-	254,855	1,508,597
Investment earnings	82,188	22,332	56,153	160,673
Miscellaneous:				
Donations/contributions	1,860,373	-	57,976	1,918,349
Administrative fees	2,622,862	-	386,636	3,009,498
Other	378,462	-	133,525	511,987
Total revenues	<u>74,186,815</u>	<u>1,522,564</u>	<u>5,078,141</u>	<u>80,787,520</u>
EXPENDITURES				
Current:				
General government	20,312,385	-	-	20,312,385
Economic environment	-	236,117	674,086	910,203
Public safety	43,239,257	-	167,946	43,407,203
Human services	2,318,227	-	448,729	2,766,956
Physical environment	4,929,969	-	113,066	5,043,035
Transportation	148,962	-	1,850,944	1,999,906
Culture and recreation	5,219,634	-	390,326	5,609,960
Capital outlay	-	294,049	3,347,448	3,641,497
Debt service:				
Principal	627,565	-	1,904,829	2,532,394
Interest and fiscal charges	40,366	-	1,960,494	2,000,860
Total expenditures	<u>76,836,365</u>	<u>530,166</u>	<u>10,857,868</u>	<u>88,224,399</u>
Excess (deficiency) of revenues over expenditures	<u>(2,649,550)</u>	<u>992,398</u>	<u>(5,779,727)</u>	<u>(7,436,879)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	261,100	-	163,688	424,788
Transfers in	856,503	1,216,726	3,940,424	6,013,653
Transfers out	<u>(5,147,150)</u>	<u>(638,579)</u>	<u>(227,924)</u>	<u>(6,013,653)</u>
Total other financing sources (uses)	<u>(4,029,547)</u>	<u>578,147</u>	<u>3,876,188</u>	<u>424,788</u>
Net change in fund balances	(6,679,097)	1,570,545	(1,903,539)	(7,012,091)
Fund balances - beginning	19,963,902	8,740,777	9,555,384	38,260,063
Fund balances - ending	<u>\$ 13,284,805</u>	<u>\$ 10,311,322</u>	<u>\$ 7,651,845</u>	<u>\$ 31,247,972</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, 2010

Net change in fund balances-total governmental funds \$ (7,012,091)

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	4,154,039	
Less: current year's depreciation	<u>(4,096,789)</u>	57,250

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 306,122

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:

decrease in long-term portion of insurance claims payable	1,230,608
decrease in net pension asset	(79,295)
Increase in net OPEB liability	(157,361)

Some of the capital assets acquired this year were financed with capital leases.

The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net assets. (424,788)

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 used, \$2,636,456, exceeded the amount earned, \$1,921,911. 714,545

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 assets. Also, governmental funds report the effect of issuance costs, 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.

Debt issued or incurred:	
Due to other governments, U.S. Department of Housing & Urban Development	(395,288)
Debt retired:	
Principal repayments	2,532,394

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 notes payable. 30,394

Change in net assets of governmental activities \$ (3,197,510)

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

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Water and Sewer Fund	Solid Waste Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,332,720	\$ 42,988	\$ 4,375,708
Investments	14,141,643	-	14,141,643
Restricted cash and cash equivalents:			
Customer deposits	419,649	64,662	484,311
Receivables (net):			
Accounts	3,953,402	1,925,985	5,879,387
Delinquent assessments	40,948	-	40,948
Interest	198,839	-	198,839
Due from other funds	950,401	-	950,401
Due from other governments	-	92,491	92,491
Inventories	166,525	-	166,525
Prepaid items	26,739	-	26,739
Total current assets	24,230,866	2,126,126	26,356,992
Noncurrent assets:			
Restricted cash and cash equivalents:			
Revolving loan covenant accounts	708,040	-	708,040
Bond construction accounts	5,180,306	-	5,180,306
Capital assets:			
Land	50,531	-	50,531
Buildings	1,810,875	-	1,810,875
Utility plants in service	35,059,134	-	35,059,134
Improvements other than buildings	61,361,789	48,500	61,410,289
Equipment	6,143,544	12,780,473	18,924,017
Construction in progress	21,830,954	-	21,830,954
Less accumulated depreciation	(48,469,317)	(9,937,434)	(58,406,751)
Total capital assets (net of accumulated depreciation)	77,787,510	2,891,539	80,679,049
Total noncurrent assets	83,675,856	2,891,539	86,567,395
Total assets	107,906,722	5,017,665	112,924,387

(Continued)

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	Water and Sewer Fund	Solid Waste Fund	Total
LIABILITIES			
Current liabilities:			
Accounts payable	941,167	374,998	1,316,165
Accrued liabilities	715,815	235,742	951,557
Due to other funds	-	950,401	950,401
Customer deposits payable	419,649	64,662	484,311
Compensated absences	464,503	298,315	762,818
Matured interest payable	196,589	-	196,589
Capital leases payable - current	-	823,257	823,257
Bonds payable, current	604,676	-	604,676
Loan payable, current	1,331,464	-	1,331,464
Total current liabilities	4,673,863	2,747,375	7,421,238
Noncurrent liabilities:			
Compensated absences	469,307	407,901	877,208
Net OPEB liability	88,579	79,623	168,202
Capital leases payable	-	1,649,526	1,649,526
Bonds payable	16,019,116	-	16,019,116
Loan payable	19,167,958	-	19,167,958
Total noncurrent liabilities	35,744,960	2,137,050	37,882,010
Total liabilities	40,418,823	4,884,425	45,303,248
NET ASSETS			
Invested in capital assets, net of related debt	47,312,737	418,756	47,731,493
Unrestricted	20,175,162	(285,516)	19,889,646
Total net assets	\$ 67,487,899	\$ 133,240	\$ 67,621,139

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 ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<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	\$ 15,085,682	\$ -	\$ 15,085,682
Sewer charges pledged as security for revolving loans	8,841,030	-	8,841,030
Solid waste charges	-	14,178,600	14,178,600
Engineering fees	94,747	-	94,747
Miscellaneous	654,204	445,535	1,099,739
Total operating revenues	<u>24,675,663</u>	<u>14,624,135</u>	<u>39,299,798</u>
Operating expenses:			
Personal services	6,003,337	4,652,581	10,655,918
Contractual services	672,382	90,562	762,944
Electricity	890,331	-	890,331
Insurance	1,210,687	942,410	2,153,097
Fixed charges	52,551	25,856	78,407
County wastewater charge	4,939,768	-	4,939,768
County raw water charge	59,599	-	59,599
Disposal fees	-	6,442,979	6,442,979
General administrative charge	2,048,652	894,145	2,942,797
Commodities	1,671,061	925,205	2,596,266
Depreciation	3,113,149	1,222,972	4,336,121
Fiscal charges	3,813	-	3,813
Total operating expenses	<u>20,665,330</u>	<u>15,196,710</u>	<u>35,862,040</u>
Operating income (loss)	<u>4,010,333</u>	<u>(572,575)</u>	<u>3,437,758</u>
Non-operating revenues (expenses):			
Investment earnings	9,771	-	9,771
Interest charges	(599,262)	(77,758)	(677,020)
Loss on disposal of fixed assets	-	(33,167)	(33,167)
Total non-operating expenses	<u>(589,491)</u>	<u>(110,925)</u>	<u>(700,416)</u>
Income (loss) before contributions and transfers	3,420,842	(683,500)	2,737,342
Capital contributions - tap fees	12,240	-	12,240
Change in net assets	3,433,082	(683,500)	2,749,582
Total net assets - beginning	<u>64,054,817</u>	<u>816,740</u>	<u>64,871,557</u>
Total net assets - ending	<u>\$ 67,487,899</u>	<u>\$ 133,240</u>	<u>\$ 67,621,139</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, 2010

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 24,670,017	\$ 14,404,995	\$ 39,075,012
Payments to suppliers	(14,861,941)	(9,914,807)	(24,776,748)
Payments to employees	(6,026,445)	(4,624,705)	(10,651,150)
Net cash provided by (used in) operating activities	<u>3,781,631</u>	<u>(134,517)</u>	<u>3,647,114</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Collection (repayment) of interfund loans	(386,682)	386,682	-
Net cash provided by (used in) non-capital financing activities	<u>(386,682)</u>	<u>386,682</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributed from connection fees	12,240	-	12,240
Acquisition and construction of capital assets	(6,070,868)	(496)	(6,071,364)
Principal paid on:			
Capital lease	-	(902,164)	(902,164)
Loan	(1,262,290)	-	(1,262,290)
Interest paid on:			
Capital lease	-	(76,150)	(76,150)
Loan	(1,037,301)	-	(1,037,301)
Deposits	(10,392)	(1,608)	(12,000)
Collection of special assessment levies	150	-	150
Net cash used in capital and related financing activities	<u>(8,368,461)</u>	<u>(980,418)</u>	<u>(9,348,879)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	19,119,577	335,903	19,455,480
Purchase of investments	(14,141,643)	-	(14,141,643)
Interest and dividends received	33,409	-	33,409
Net cash provided by investing activities	<u>5,011,343</u>	<u>335,903</u>	<u>5,347,246</u>
Net increase (decrease) in cash and cash equivalents	37,831	(392,350)	(354,519)
Cash and cash equivalents, beginning of year	10,602,884	500,000	11,102,884
Cash and cash equivalents, end of year	<u>\$ 10,640,715</u>	<u>\$ 107,650</u>	<u>\$ 10,748,365</u>
Cash and cash equivalents	\$ 4,332,720	\$ 42,988	\$ 4,375,708
Cash and cash equivalents - restricted (current)	419,649	64,662	484,311
Cash and cash equivalents - restricted (noncurrent)	5,888,346	-	5,888,346
Cash and cash equivalents, end of year	<u>\$ 10,640,715</u>	<u>\$ 107,650</u>	<u>\$ 10,748,365</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, 2010

	Water and Sewer Fund	Solid Waste Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 4,010,333	\$ (572,575)	\$ 3,437,758
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	3,113,149	1,222,972	4,336,121
Changes in assets and liabilities:			
Increase in accounts receivable, net of allowances	(20,321)	(201,371)	(221,692)
Decrease in inventories	145,064	-	145,064
Decrease in prepaid items	184,779	107,833	292,612
Increase in customer deposits	14,675	8,151	22,826
Decrease in accounts payable and accrued liabilities	(3,604,783)	(694,135)	(4,298,918)
Net increase in OPEB liability	25,081	22,131	47,212
Decrease in compensated absences payable	(86,346)	(27,523)	(113,869)
Total adjustments	(228,702)	438,058	209,356
Net cash provided by (used in) operating activities	\$ 3,781,631	\$ (134,517)	\$ 3,647,114
 Non-cash investing, capital and financing activities:			
Net appreciation in the value of investments reported at fair value	\$ 29,729	\$ -	\$ 29,729
Capital assets acquired through vouchers payable	286,841	-	286,841
Capital assets acquired through capital lease	-	663,214	663,214
Total non-cash investing, capital and financing activities	\$ 316,570	\$ 406,628	\$ 723,198

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2010

	<u>Fiduciary Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 9,075,986
Investments:	
Mutual funds	70,481,037
U.S. Government securities	18,747,003
Corporate equities	54,081,196
Corporate bonds and notes	<u>14,252,257</u>
Total investments	<u>157,561,493</u>
Receivables:	
Interest and dividends	393,412
Due from brokers	<u>308,381</u>
Total receivables	<u>701,793</u>
Total assets	167,339,272
LIABILITIES:	
Accounts payable	<u>2,729,068</u>
Total liabilities	2,729,068
NET ASSETS:	
Held in trust for pension benefits	<u>\$ 164,610,204</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 ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Fiduciary Funds</u>
ADDITIONS:	
Contributions:	
Employer	\$ 4,547,219
Plan members	1,251,535
State of Florida	<u>1,343,028</u>
Total contributions	<u>7,141,782</u>
Investment earnings:	
Interest and dividends	3,366,744
Net increase in the fair value of investments	<u>10,681,034</u>
Total investment earnings	14,047,778
Less investment expense	<u>(782,404)</u>
Net investment earnings	<u>13,265,374</u>
Other miscellaneous income	<u>130,635</u>
Total additions	<u>20,537,791</u>
 DEDUCTIONS:	
Benefits paid	12,865,222
Administrative expenses	<u>461,170</u>
Total deductions	<u>13,326,392</u>
Change in net assets	7,211,399
Net assets held in trust for pension benefits:	
Beginning of year	<u>157,398,805</u>
End of year	<u>\$ 164,610,204</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, 2010

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CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Deerfield Beach'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. This 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. The City, which was incorporated in June, 1925, is approximately 16.5 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 73,216 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 North Broward Hospital 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 Statement No. 39) 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"), 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. The CRA is 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 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.

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The Northeast Focal Point CASA, Inc (hereinafter referred to as "CASA"), is a nonprofit entity which was 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 assets 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.

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

CITY OF DEERFIELD BEACH, FLORIDA
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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.

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to apply subsequent private-sector guidance.

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
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D. Assets, Liabilities, and Net Assets 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 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.

Deferred charges on new debt issued are recorded as prepaid items in the government-wide financial statements. Further, 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.

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4. Restricted Assets – Certain resources of the City’s Water and Sewer enterprise fund are classified as restricted assets on the balance sheet 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, 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 market 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 capitalized interest costs in the amount of \$830,461 during the fiscal year.

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

<u>Asset Type</u>	<u>Years</u>
Buildings	40
Building improvements	20
Roads	40
Bridges	50
Other infrastructure	20 - 50
Equipment	5 - 7

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

6. 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.

7. Long-term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

CITY OF DEERFIELD BEACH, FLORIDA
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Bond issuance costs are reported as deferred charges and amortized over the term 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.

8. Fund Equity/Net Assets – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets (net of related debt) – is intended to reflect the portion of net assets which is associated with capital assets (net of accumulated depreciation), less outstanding capital asset related debt, net of unspent bond proceeds.

Restricted Net Assets – have 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 assets reports \$19,803,912 of restricted net assets of which \$13,151,125 is restricted by enabling legislation.

Unrestricted Net Assets – have no third-party limitations on their use. The City Commission has the unrestricted authority to revisit or alter these managerial decisions.

9. 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 and liabilities 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.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations – For the year ended September 30, 2010, expenditures exceeded appropriations in two of the City's departments, the legal level of budgetary control. The City Attorney's Office, the Insurance/Safety Department, as well as the Other/Unclassified Department exceeded their budgets by \$196,596 and \$811,670 and \$888,167, respectively.

B. Deficit Fund Equity – At September 30, 2010, the Capital Projects Grants Fund had a deficit fund balance of \$659,029. The Miscellaneous Grants Fund also had a deficit fund balance in the amount of \$205,032. Deficits in these funds are expected to be funded by future grant reimbursements, which were not susceptible to accrual at September 30, 2010.

CITY OF DEERFIELD BEACH, FLORIDA
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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, 2010, the carrying amount of the City's deposits totaled \$21,559,355.

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, 2010 represented less than 1% of the total investment assets of the SBA. The SBA investments are allocated among two funds, Fund A and Fund B (hereinafter referred to as "LGIP-A" and "LGIP-B"). For LGIP-A, 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, 2010, the City's investment in LGIP-A was that of \$14,799. LGIP-B is accounted for as a fluctuating NAV pool. The balance of the City's investment in LGIP-B at year end amounted to \$2,278 with a net asset value factor of 0.70705840.

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

In acquiring these investments on behalf of the various plans, the trustees are required to exercise a level of care, which persons of prudence, discretion and intelligence would exercise when acquiring these same investments for their own (personal) accounts. As of September 30, 2010, the City had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida Local			
Government Investment Trust:			
Pool A shares	\$ -	\$ 14,799	\$ 14,799
Pool B shares	-	2,278	2,278
Investment in Florida Municipal			
Investment Trust	-	3,098,335	3,098,335
Money market funds	-	598,858	598,858
Mutual funds:			
Bond funds	16,977,313	-	16,977,313
International corporate equities	4,677,638	-	4,677,638
Other mutual funds	48,826,086	80,432	48,906,518
U.S. Government and agency securities	18,747,003	30,315,347	49,062,350
Domestic corporate bonds and notes	14,252,257	-	14,252,257
Domestic corporate equities	54,081,196	-	54,081,196
Total	<u>\$ 157,561,493</u>	<u>\$ 34,110,049</u>	<u>\$ 191,671,542</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.

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

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(City General Investments)

Investment Type	Fair Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Fl. Local Gov't. Invest. Tr.	\$ 14,799	\$ 14,799	\$ -	\$ -	\$ -
U.S. Treasuries	12,908,031	12,908,031	-	-	-
U.S. Agencies	17,407,316	17,407,316	-	-	-
Total	<u>\$ 30,330,146</u>	<u>\$ 30,330,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Pension Trust Funds)

Investment Type	Fair Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Bond funds	\$ 16,977,313	\$ 234,354	\$ 6,231,682	\$ 9,179,721	\$ 1,331,556
U.S. Treasuries	2,836,093	398,544	1,285,325	747,131	405,093
U.S. Agencies	15,910,910	87,329	3,343,360	4,613,290	7,866,931
Domestic corporate bonds and notes	14,252,257	188,865	3,700,598	8,408,006	1,954,788
Total	<u>\$ 49,976,573</u>	<u>\$ 909,092</u>	<u>\$ 14,560,965</u>	<u>\$ 22,948,148</u>	<u>\$ 11,558,368</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 (and those of its pension plans) 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. The following table discloses credit ratings by investment type, at September 30, 2010, as applicable:

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Quality Credit Rating

S & P	Moody's	Fair Value
AAAm		\$ 14,799
AAA		1,761,106
AA+		327,444
A+		655,105
A		5,549,165
A-		1,294,652
BBB+		460,640
	Aaa	18,360,198
	Aa	479,360
	Aa1	615,827
	Aa2	1,731,626
	Aa3	1,097,243
	A	1,118,507
	A1	2,869,428
	A2	2,547,091
	A3	1,534,957
	Baa	969,373
	Baa1	565,584
		41,952,105
Total credit risk securities		41,952,105
U.S. govt and agency securities explicitly guaranteed		38,354,614
Total fixed income/credit risk securities		\$ 80,306,719
Total fixed income/credit risk securities - City		\$ 30,330,146
Total fixed income securities - pension trust funds		49,976,573
Total		\$ 80,306,719

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, 2010. The various pension plans limit their exposure through diversification of investments by security type and institution and limit holdings in any one type of investment with any one issuer with various durations of maturities.

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, equities and mutual funds 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 insured or registered in the City's name as of year-end.

CITY OF DEERFIELD BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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B. Receivables and Payables – The City reports the General, General Construction, Community Redevelopment Agency (CRA), Water & Sewer and Solid Waste funds as major funds. Receivables at September 30, 2010 were as follows:

Governmental Activities

	General	CRA	Other Governmental Funds	Total
Receivables:				
Accounts	\$ 3,954,460	\$ -	\$ 254	\$ 3,954,714
Assessments	842	-	-	842
Interest	2,191	11	9	2,211
Gross receivables	3,957,493	11	263	3,957,767
Less: allowance for uncollectibles	(1,453,935)	-	-	(1,453,935)
Net receivables	<u>\$ 2,503,558</u>	<u>\$ 11</u>	<u>\$ 263</u>	<u>\$ 2,503,832</u>

Business-type Activities

	Water and Sewer	Solid Waste	Total
Receivables:			
Accounts	\$ 4,363,678	\$ 2,106,723	\$ 6,470,401
Assessments	40,948	-	40,948
Interest	198,839	-	198,839
Gross receivables	4,603,465	2,106,723	6,710,188
Less: allowance for uncollectibles	(410,276)	(180,738)	(591,014)
Net receivables	<u>\$ 4,193,189</u>	<u>\$ 1,925,985</u>	<u>\$ 6,119,174</u>

Revenues of the General Fund, Water and Sewer and Solid Waste Enterprise Funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectible related to water sales	\$ 305,393
Uncollectible related to sewer charges	104,883
Uncollectible related to solid waste charges	180,738
Total uncollectibles for the current fiscal year	<u>\$ 591,014</u>

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Payables at September 30, 2010 are as follows:

	<u>Vendors</u>	<u>Salaries & Benefits</u>	<u>Retainage</u>	<u>Accrued Interest</u>	<u>Total Payables</u>
Governmental activities:					
General	\$ 1,889,947	\$ 1,934,685	\$ -	\$ -	\$ 3,824,632
CRA	118,868	7,306	-	-	126,174
Other governmental	236,878	49,034	183,271	-	469,183
Reconciliation of balances in fund financial statements to government-wide financial statements	<u>-</u>	<u>-</u>	<u>-</u>	<u>776,775</u>	<u>776,775</u>
Total - governmental activities	<u>\$ 2,245,693</u>	<u>\$ 1,991,025</u>	<u>\$ 183,271</u>	<u>\$ 776,775</u>	<u>\$ 5,196,764</u>
Business-type activities:					
Water and sewer	\$ 941,167	\$ 309,349	\$ -	\$ 603,055	\$ 1,853,571
Solid Waste	<u>374,998</u>	<u>235,742</u>	<u>-</u>	<u>-</u>	<u>610,740</u>
Total - business-type activities	<u>\$ 1,316,165</u>	<u>\$ 545,091</u>	<u>\$ -</u>	<u>\$ 603,055</u>	<u>\$ 2,464,311</u>

C. Capital Assets – The following is a summary of capital asset activity for the year ended September 30, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Total</u>
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,595,299	\$ -	\$ -	\$ 11,595,299
Construction in progress	<u>10,000,427</u>	<u>3,301,491</u>	<u>100,931</u>	<u>13,200,987</u>
<i>Total capital assets not being depreciated</i>	<u>21,595,726</u>	<u>3,301,491</u>	<u>100,931</u>	<u>24,796,286</u>
<i>Capital assets being depreciated:</i>				
Buildings	36,595,113	181,273	-	36,776,386
Improvements other than buildings	3,792,085	52,422	-	3,844,507
Equipment	19,117,962	520,669	524,055	19,114,576
Infrastructure	<u>54,585,620</u>	<u>199,115</u>	<u>-</u>	<u>54,784,735</u>
<i>Total capital assets being depreciated</i>	<u>114,090,780</u>	<u>953,479</u>	<u>524,055</u>	<u>114,520,204</u>
<i>Less: accumulated depreciation for:</i>				
Buildings	7,066,012	916,885	-	7,982,897
Improvements other than buildings	1,262,215	168,228	-	1,430,443
Equipment	15,199,962	1,323,414	524,055	15,999,321
Infrastructure	<u>29,917,477</u>	<u>1,688,262</u>	<u>-</u>	<u>31,605,739</u>
<i>Total accumulated depreciation</i>	<u>53,445,666</u>	<u>4,096,789</u>	<u>524,055</u>	<u>57,018,400</u>
Total capital assets being depreciated, net	<u>60,645,114</u>	<u>(3,143,310)</u>	<u>-</u>	<u>57,501,804</u>
Governmental activities capital assets, net	<u>\$ 82,240,840</u>	<u>\$ 158,181</u>	<u>\$ 100,931</u>	<u>\$ 82,298,090</u>

CITY OF DEERFIELD BEACH, FLORIDA
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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	16,451,517	5,379,437	-	21,830,954
<i>Total capital assets not being depreciated</i>	<u>16,502,048</u>	<u>5,379,437</u>	<u>-</u>	<u>21,881,485</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,810,875	-	-	1,810,875
Utility plants in service	35,075,763	-	16,629	35,059,134
Improvements other than buildings	60,718,859	691,430	-	61,410,289
Equipment	19,332,972	663,710	1,072,665	18,924,017
<i>Total capital assets being depreciated</i>	<u>116,938,469</u>	<u>1,355,140</u>	<u>1,089,294</u>	<u>117,204,315</u>
<i>Less: accumulated depreciation for:</i>				
Buildings	999,202	59,678	(26,821)	1,085,701
Utility plants in service	11,651,373	1,025,578	26,821	12,650,130
Improvements other than buildings	27,653,238	1,758,914	-	29,412,152
Equipment	14,725,392	1,491,951	958,575	15,258,768
<i>Total accumulated depreciation</i>	<u>55,029,205</u>	<u>4,336,121</u>	<u>958,575</u>	<u>58,406,751</u>
Total capital assets being depreciated, net	<u>61,909,264</u>	<u>(2,980,981)</u>	<u>130,719</u>	<u>58,797,564</u>
 Business-type activities capital assets, net	 <u>\$ 78,411,312</u>	 <u>\$ 2,398,456</u>	 <u>\$ 130,719</u>	 <u>\$ 80,679,049</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 200,120
Public safety	1,169,376
Human services	50,893
Physical environment	823,576
Transportation	933,214
Culture and recreation	919,610
Total depreciation expense - governmental activities	<u>\$ 4,096,789</u>
 Business-type activities:	
Water and sewer	\$ 3,113,149
Solid waste	1,222,972
Total depreciation expense - business-type activities	<u>\$ 4,336,121</u>

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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D. 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, 2010:

Project	Amount Outstanding
Hillsboro Boulevard - Streetscape Improvements	\$ 918,604
West Water Treatment Plant Reverse Osmosis Plant	374,187
West Water Treatment Plant Expansion	1,014,697
	\$ 2,307,488

E. Unearned/Deferred Revenue – Unearned revenue in the General Fund includes \$390,372 for local business taxes (formerly referred to as occupational licenses) relating to fiscal year 2011. Deferred revenue in the General Fund includes ambulance transport fees of \$885,093 as well as local communications services taxes of \$206,313 which were not collected within 90 days of year-end; deferred property taxes of \$261,689 that were levied during the current fiscal year but were not received within 60 days of year-end and thus were not considered “available.”

The Miscellaneous Grants non-major special revenue fund had \$785,781 of deferred revenue which represents grant reimbursements which the City did not receive within 90 days of fiscal year-end. The remaining \$224,616 was considered unearned revenue because the City received the funds in advance, but all the conditions for recognizing the revenue had not been satisfied at September 30, 2010. The Capital Grants non-major capital projects fund had \$659,029 in deferred revenue at September 30, 2010. This amount represents reimbursements from the Florida Inland Navigation District (\$47,256), and the Florida Department of Transportation (\$611,773) for amounts incurred by the City in connection with improvements to the City’s parks as well as to road and street facilities, which the City did not receive within 90 days of fiscal year end.

F. 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, 2010 is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 2,302,795
Community Redevelopment Agency	General Construction Fund	405,409
Water and Sewer Fund	Solid Waste Fund	950,401
Total		\$ 3,658,605

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Interfund Transfers:

	Transfers to:			
	General	CRA Fund	Nonmajor Governmental	Total
<u>Transfers from:</u>				
General	\$ -	\$ 1,216,726	\$ 3,930,424	\$ 5,147,150
CRA Fund	638,579	-		638,579
Nonmajor Governmental	217,924	-	10,000	227,924
Total	\$ 856,503	\$ 1,216,726	\$ 3,940,424	\$ 6,013,653

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 the CRA represent tax incremental property tax revenues collected on behalf of the CRA. Transfers to the nonmajor governmental funds represent payment of debt service as well as payment for the City's match in connection with grants that require that the City participate in cost sharing for the funded project.

G. 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, 2010, were as follows:

Fiscal Year	Governmental Activities	Business-Type Activities	Total
2011	\$ 525,282	\$ 883,041	\$ 1,408,323
2012	422,396	667,404	1,089,800
2013	256,297	564,893	821,190
2014	153,799	358,792	512,591
2015	81,422	123,156	204,578
Total Minimum lease payments	1,439,196	2,597,286	4,036,482
Less: amount representing interest	(63,462)	(124,503)	(187,965)
Present value of future minimum lease payments	\$ 1,375,734	\$ 2,472,783	\$ 3,848,517

As of September 30, 2010, the equipment held under capital leases for governmental activities and business-type activities were \$2,326,009 and \$4,121,987, respectively. Accumulated depreciation for equipment held under capital leases was \$543,548 and \$1,565,903 for governmental and business-type activities, respectively, as of September 30, 2010.

CITY OF DEERFIELD BEACH, FLORIDA
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H. 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, 2010:

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, \$9,314,668, 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 2003A* – The original amount of this issue was \$5,140,000, the proceeds of which were used for refunding two previously issued general obligation bonds, namely Series 1993 and 1995. The outstanding bonds of the issue, \$2,425,000, have interest rates that range from 3.00% to 5.00%. Principal is due annually on May 1st and interest is payable semi-annually on May 1st and November 1st, with the final maturity date being May 1, 2016.
- *General Obligation Bonds, Series 2003B* – The original amount of this issue was \$15,410,000, which proceeds were used for the acquisition and construction of a public works facility, a fire station, neighborhood right-of-way improvements, and improvements to parks and recreational facilities. The interest rates on the bonds range from 1.32% to 4.77%. Principal is due annually on December 1st and interest is payable semi-annually on June 1st and December 1st, with the final maturity date being December 1, 2028. The remaining outstanding bonds of this issue total \$13,470,000.
- *Covenant Bonds, Series 2003A* – These bonds were issued in connection with the City’s General Obligation Bonds, Series 2003A, described previously. The principal amount of the loan was \$6,825,000, which was issued for the purpose of financing streetscape improvements in the City’s Community Redevelopment Area. The remaining outstanding bonds of this issue, \$5,895,000, have interest rates that range from 3.00% to 5.00%. Principal is due annually on May 1st and interest is payable semi-annually on May 1st and November 1st, with the final maturity date being May 1, 2028. The City is required to budget and appropriate non-ad valorem tax revenues to pay the annual debt service on this issue.
- *Covenant Bonds, Series 2003B* – These bonds were issued in connection with the City’s General Obligation Bonds, Series 2003B, described previously. The principal amount of the loan was \$2,480,000, which was issued for the purpose of financing improvements in the City’s beach district, more commonly described as “Ocean Way Improvements.” The remaining outstanding bonds of this issue, \$2,090,000, have an interest rate that is similar to the general obligation debt issue. The interest and principal payments, as well as the final maturity dates, are identical to those of the general obligation issue.

CITY OF DEERFIELD BEACH, FLORIDA
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- *Covenant Bond, 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 \$5,575,000. 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 \$392,269 were paid. Electric franchise fees amounted to \$5,100,276 for fiscal year 2010.
- *Due to Other Governments - U.S. Department of Housing & Urban Development (HUD)* – During the fiscal year, HUD's Office of Inspector General conducted an audit of the City's Community Development Division, which administers the Community Development Block Grant Program (CDBG), State Housing Initiative Partnership Program, and the Neighborhood Stabilization Program, among other programs. During the audit, it was discovered that expenditures totaling \$395,288 which had already been reimbursed under the CDBG Program were unallowable and would require repayment to HUD. The repayment agreement with HUD is interest-free and amounts are due in varying installments as follows: \$8,000 (FY2011); \$123,763 (FY2012); \$131,763 (FY2013); and \$131,762 (FY2014).

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, 2010, the aggregate outstanding principal amount of these loans totaled \$20,499,422. 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, 2010 was \$13,120,927. 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, 2010, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were \$1,321,071 and \$6,057,424, 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 \$1,894,601. Net revenues of the water and sewer system amounted to \$9,181,905 for the year ended September 30, 2010.
- *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 \$16,623,792. 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 \$1,215,704.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 26,608,199	\$ -	\$ 1,398,530	\$ 25,209,669	\$ 1,412,235
Covenant bonds	13,980,000	-	420,000	13,560,000	435,000
Plus: Deferred amounts for premiums/discounts	795,736	-	65,764	729,972	65,009
Total bonds payable	41,383,935	-	1,884,294	39,499,641	1,912,244
Capital leases	1,664,810	424,788	713,864	1,375,734	492,665
Net OPEB liability	420,463	157,361	-	577,824	-
Claims and judgments	6,223,086	7,324,066	8,407,066	5,140,086	1,351,000
Due to other governments	-	395,288	-	395,288	8,000
Compensated absences	4,085,561	1,921,911	2,636,456	3,371,016	2,488,200
Total governmental activities long-term liabilities	<u>\$ 53,777,855</u>	<u>\$ 10,223,414</u>	<u>\$ 13,641,680</u>	<u>\$ 50,359,589</u>	<u>\$ 6,252,109</u>
Business-type activities:					
Capital leases	\$ 2,711,733	\$ 663,214	\$ 902,164	\$ 2,472,783	\$ 823,257
Net OPEB liability	120,990	47,212	-	168,202	-
Compensated absences	1,753,895	630,675	744,544	1,640,026	762,818
Bonds payable	17,028,786	-	404,994	16,623,792	604,676
Loan payable	21,761,712	-	1,262,290	20,499,422	1,331,464
Total business-type activities long-term liabilities	<u>\$ 43,377,116</u>	<u>\$ 1,341,101</u>	<u>\$ 3,313,992</u>	<u>\$ 41,404,225</u>	<u>\$ 3,522,215</u>

The governmental activities claims and judgments as well as compensated absences are generally liquidated by the General Fund.

4. Summary of Annual Debt Service Requirements – The annual debt service requirements to maturity for debt outstanding as of September 30, 2010 are as follows:

Year Ending September 30	Governmental Activities Debt			
	<i>General Obligation Bonds</i>		<i>Covenant Bonds</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,412,235	\$ 1,244,334	\$ 435,000	\$ 640,063
2012	1,427,497	1,229,447	455,000	621,141
2013	1,436,568	1,216,875	470,000	601,069
2014	1,226,262	1,477,400	495,000	578,794
2015	1,183,414	1,470,736	520,000	554,863
2016-2020	5,396,354	7,880,990	3,000,000	2,344,502
2021-2025	5,385,441	7,887,575	3,820,000	1,536,413
2026-2030	7,741,898	2,883,110	3,610,000	594,944
2031-2033	-	-	755,000	51,300
Total	<u>\$ 25,209,669</u>	<u>\$ 25,290,467</u>	<u>\$ 13,560,000</u>	<u>\$ 7,523,089</u>

CITY OF DEERFIELD BEACH, FLORIDA
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Business-Type Activities Debt

<u>Year Ending</u> <u>September 30</u>	<i>Revolving Loans</i>		<i>Revenue Bonds</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,331,464	\$ 563,136	\$ 604,676	\$ 810,710
2012	1,369,938	524,662	592,344	781,221
2013	1,409,547	485,053	599,389	754,395
2014	1,450,328	444,272	630,957	723,102
2015	1,492,312	402,288	662,017	692,332
2016-2020	8,136,055	1,336,945	3,830,229	2,946,376
2021-2025	4,376,959	314,012	4,870,097	1,916,199
2026-2030	932,819	24,863	4,834,083	603,683
Total	<u>\$ 20,499,422</u>	<u>\$ 4,095,231</u>	<u>\$ 16,623,792</u>	<u>\$ 9,228,018</u>

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, 2010:

<u>Governmental Activities</u>	<u>Total</u>
Community Redevelopment Agency Funds	\$ 10,031,191
Cemetery reserve endowments	2,603,260
Local option gas tax	1,970,374
Impact fees	329,768
Grant funds	2,951,870
Law Enforcement/Crime Prevention /Other Trust Funds	1,194,812
Bond construction account	3,160,154
Loan debt service accounts	288,157
Total governmental activities restricted assets	<u>\$ 22,529,586</u>

Business-Type Activities

	<u>Water and</u> <u>Sewer Fund</u>	<u>Solid</u> <u>Waste Fund</u>	<u>Total</u>
Customer deposits	\$ 419,649	\$ 64,662	\$ 484,311
Bond construction account	5,180,306	-	5,180,306
Revolving loan covenant accounts	708,040	-	708,040
Total business-type activities restricted assets	<u>\$ 6,307,995</u>	<u>\$ 64,662</u>	<u>\$ 6,372,657</u>

CITY OF DEERFIELD BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

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B. 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 \$100,000 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 \$100,000 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.

At September 30, 2010, the amount of these liabilities was \$5,140,086. Changes in the reported liability since September 30, 2009 resulted from the following:

<u>Fiscal Year</u>	Claims Payable <u>October 1</u>	Current Year's Claims and Changes in Estimates	Claims Payments	Liability <u>September 30</u>
2010	\$ 6,223,086	\$ 7,324,066	\$ (8,407,066)	\$ 5,140,086
2009	\$ 4,392,755	\$ 8,674,674	\$ (6,844,343)	\$ 6,223,086

C. 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. Other than the Due To Other Governments amount indicated in the Long-Term Debt footnote, 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.

D. Pension Information – The following information is provided in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and GASB Statement No. 50, *Pension Disclosures – an Amendment of GASB Statements No. 25 and 27*. These statements prescribe standards for the measurement, recognition and display of pension expenditures/expenses and related liabilities, assets and note disclosures in the financial statements of state and local governmental employers.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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: Tegrity 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.

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 2010, the state contributed \$835,016 and \$508,012 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.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

3. Funded Status and Funding Progress – The following is funded status information for each defined benefit pension plan as of September 30, 2009, the most recent actuarial valuation date:

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (Excess of Assets over AAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll {(b-a)/c}
Fire	\$ 86,680,011	\$ 95,806,258	\$ 9,126,247	90.5%	\$ 11,376,090	80.2%
Police	38,457,881	49,724,746	11,266,865	77.3	-	N/A
Non-Uniformed*	56,887,766	61,610,579	4,722,813	92.3	3,295,395	143.3

**Effective October 1, 2000, the actuarial cost method was changed from the Entry Age Normal Cost Method to the Aggregate Cost Method, which does not produce a UAAL. As the ARC was calculated using the aggregate cost method, the information in the schedule of funding progress is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.*

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the AAL for benefits.

4. Annual Required Contributions – The City's annual required contribution for the current year and related information for each plan is as follows:

	Fire	Police	Non-uniformed
Contribution rates:			
City	19.70%	N/A	49.23%
Plan members	9.00%	0.00%	9.00%
Annual required contribution	\$3,076,012	\$1,265,223	\$1,622,159
Percentage contributed	100%	100%	100%
Actuarial valuation date	10/01/09	10/01/09	10/01/09
Actuarial cost method	Entry age	Entry age	Aggregate cost
Amortization method	Level percentage of pay, closed	Level percentage of pay, closed	Level percentage of pay, closed
Remaining amortization period	30 years	20 years	15 years
Asset valuation method	5 year smoothed market	4 year smoothed market	4 year smoothed market
Actuarial assumptions:			
Investment rate of return	7.625%	7.000%	7.500%
Projected salary increases	5% to 11%	N/A	6.00%
Includes inflation of	4.00%	3% to 3.5%	4.00%
Cost of living adjustments	None	None	None

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Information regarding fiscal year 2010 participant data for the three pension plans is as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>	<u>Total</u>
<i>Number of plan members:</i>				
<i>Retirees and beneficiaries</i>				
currently receiving benefits	53	77	110	240
Vested terminated employees	0	0	11	11
<i>Active employees:</i>				
Fully vested	57	0	43	100
Non-vested	72	0	0	72
<i>Benefit provisions:</i>				
<i>Normal retirement benefit equals:</i>				
Average salary for years shown	3	3	3	
At the rate of/per year of service	(b)	3.00%	3.00%	
Maximum years of service	30	30	30	
<i>Normal retirement eligibility:</i>				
Age/service years	52/10	47/10	65/10	
(Alternative)	N/A/20	47/20	55/25	
<i>Early retirement eligibility:</i>				
Age/service years	47/10	47/10	55/10	

(b) The Fire Pension Plan's accrual rate is 3% for the first 10 years of service and 3.25% thereafter.

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 percent 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 four/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.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

5. Three-Year Trend Information – The Annual Pension Cost (“APC”) is a measure of the periodic cost of an employer’s participation in a defined benefit pension plan. As of the valuation dates indicated, three year historical trend information on the plans is presented in the table below:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
Fire			
2010	\$ 3,067,935	100.3%	\$ (347,376)
2009	\$ 2,822,022	97.5%	\$ (339,299)
2008	\$ 2,240,611	103.9%	\$ (409,785)
Police			
2010	\$ 1,265,223	103.2%	\$ (82,581)
2009	\$ 1,249,843	101.2%	\$ (43,278)
2008	\$ 1,260,350	102.1%	\$ (28,658)
Non-uniformed			
2010	\$ 1,622,159	100.0%	\$ -
2009	\$ 802,633	100.0%	\$ (448,936)
2008	\$ 532,938	184.2%	\$ (448,936)

The derivation of the net pension asset for the Fire, Police and Non-uniformed Pension plans as of September 30, 2010 follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-Uniform</u>
a. Annual required contribution ("ARC")	\$ 3,076,012	\$ 1,265,223	\$ 1,622,159
b. Interest on Net Pension Obligation/(Asset) ("NPO"/"NPA")	(25,872)	(3,029)	-
c. Adjustment to ARC	17,795	3,818	-
d. Annual pension cost (a+b+c)	3,067,935	1,266,012	1,622,159
e. Actual contributions	3,076,012	1,305,315	1,173,223
f. NPO at beginning of year	(339,299)	(43,278)	(448,936)
g. Increase (decrease) in NPO/(NPA) (d-e)	(8,077)	(39,303)	448,936
h. NPO/(NPA) at end of year (f+g)	(347,376)	(82,581)	-

E. 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, 2010 of \$1,558,076. 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 \$779,038.

CITY OF DEERFIELD BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

F. 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.

G. Other Post-employment Benefits – The City's Other Post Employment Benefits (OPEB) are presented in accordance with GASB Statement 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The provisions of this pronouncement were implemented prospectively with the actuarially determined liability of \$19,720,497 at the October 1, 2008 date of transition being amortized over 30 years.

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 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, 2010, there were 189 retired employees receiving a monthly benefit with an additional 517 eligible for participation in the future. Benefit payments totaled \$1,506,487 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, 2010 follow:

Annual required contribution	\$ 1,706,033
Interest on plan obligation	24,365
Adjustment to ARC	<u>(19,338)</u>
Annual OPEB cost (AOC)	1,711,060
Actual contributions made	<u>(1,506,487)</u>
Increase in NOO	204,573
NOO - Beginning of year	<u>541,453</u>
NOO - End of year	<u>\$ 746,026</u>

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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
2008	N/A	N/A	N/A	N/A
2009	\$ 1,702,300	\$ 1,160,847	68.2%	\$ 541,453
2010	\$ 1,711,060	\$ 1,506,487	88.0%	\$ 746,026

As of the October 1, 2008 valuation date, the actuarial accrued liability for benefits was \$19,720,497 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$19,720,497. The payroll for active participating employees for that period was approximately \$34,796,278 and the unfunded actuarial accrued liability as a percentage of payroll was 56.7%.

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 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, 2008
Actuarial cost method:	Individual Entry-age
Amortization method:	Level percent, open
Remaining amortization period:	30 Years
Investment rate of return/discount rate:	4.50%
Projected salary increases:	5.0% - 11.0%
Medical trend rate of inflation:	4.0%

One year historical trend information is presented in a supplementary schedule following these notes (see Page 59).

H. New Accounting Pronouncements Adopted – GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, was issued June 2007. This Statement establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The provisions of this Statement became effective during the fiscal year.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was issued in June 2008. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The provisions of this Statement became effective during the fiscal year.

I. New Accounting Pronouncements Not Yet Adopted – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was issued in March 2009. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2011.

GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, was issued in December 2009. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit certain OPEB plans to use an alternative measurement method. Consistent with this change to the employer-reporting requirements, this Statement also amends a Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2012.

GASB Statement 59, *Financial Instruments Omnibus*, was issued in June 2010. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2011.

GASB Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*, was issued in November 2010. The objective of this Statement is to provide accounting and financial reporting guidance by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement 61, *Financial Reporting Entity: Omnibus*, was issued in November 2010. This Statement amends Statement 14, *The Financial Reporting Entity*, as well as Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The primary purpose of this Statement is to improve financial reporting for governmental entities. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued in December 2010. The objective of this Statement is to incorporate into the GASB's authoritative literature certain additional accounting and financial reporting guidance that was issued before November 30, 1989. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2013.

The City's management has not yet determined the effect that these statements will have on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEERFIELD BEACH, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,505,272	\$ 1,505,272	\$ 1,500,220	\$ (5,052)
Charges for services	-	-	12	12
Investment earnings	75,000	75,000	22,332	(52,668)
Total revenues	1,580,272	1,580,272	1,522,564	(57,708)
EXPENDITURES				
Current:				
Economic environment	1,007,566	1,007,566	207,073	800,493
Capital outlay	10,188,890	10,188,890	785,555	9,403,335
Total expenditures	11,196,456	11,196,456	992,628	10,203,828
Excess (deficiency) of revenues over expenditures	(9,616,184)	(9,616,184)	529,936	10,146,120
OTHER FINANCING SOURCES (USES)				
Transfers in	1,109,008	1,109,008	1,216,726	107,718
Transfers out	(692,824)	(692,824)	(638,579)	54,245
Total other financing sources (uses)	416,184	416,184	578,147	161,963
Net change in fund balances	\$ (9,200,000)	\$ (9,200,000)	\$ 1,108,083	\$ 10,308,083

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
<u>Reconciliation of Budget and Actual:</u>			
Current expenditures	\$ 236,117	\$ (29,044)	\$ 207,073
Capital outlay	294,049	491,506	785,555
Total expenditures	\$ 530,166	\$ 462,462	\$ 992,628

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2010 and the outstanding encumbrances as of September 30, 2009 which were paid during fiscal year 2010.

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
DEFINED BENEFIT PENSION PLANS

Schedules of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)/ (UFAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
FIRE						
10/1/2004	\$ 58,806,662	\$ 70,106,558	\$ 11,299,896	83.9%	\$ 8,085,192	139.8 %
10/1/2005	62,669,274	71,467,107	8,797,833	87.7	9,622,066	91.4
10/1/2006	69,710,124	78,919,232	9,209,108	88.3	9,862,619	93.4
10/1/2007	79,039,657	85,119,420	6,079,763	92.9	10,513,383	57.8
10/1/2008	83,960,958	89,280,606	5,319,648	94.0	10,950,967	48.6
10/1/2009	86,680,011	95,806,258	9,126,247	90.5	11,376,000	80.2
POLICE						
10/1/2004	\$ 37,288,853	\$ 44,789,665	\$ 7,500,812	83.3%	\$ 1,706,000	439.7 %
10/1/2005	37,464,257	46,938,691	9,474,434	79.8	1,718,000	551.5
10/1/2006	39,055,355	48,645,417	9,590,062	80.3	1,453,000	660.0
10/1/2007	40,720,997	50,605,719	9,884,722	80.5	1,062,000	930.8
10/1/2008	40,087,946	50,658,055	10,570,109	79.1	493,035	2,143.9
10/1/2009	38,457,881	49,724,746	11,266,865	77.3	-	N/A
NON-UNIFORMED						
10/1/2004	\$ 47,922,779	\$ 50,738,747	\$ 2,815,968	94.5%	\$ 3,472,804	81.1 %
10/1/2005	49,622,534	53,515,913	3,893,379	92.7	3,886,192	100.2
10/1/2006	53,625,201	58,124,569	4,499,368	92.3	3,865,828	116.4
10/1/2007	57,912,904	58,925,527	1,012,623	98.3	3,651,655	27.7
10/1/2008	58,340,299	60,294,318	1,954,019	96.8	3,480,914	56.1
10/1/2009	56,887,766	61,610,579	4,722,813	92.3	3,295,395	143.3

Schedules of Contributions from Employer and Other Contributing Entities

Year Ended September 30	Fire		Police		Non-uniformed	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2005	\$ 2,234,092	100%	\$ 1,145,716	100%	\$ 741,914	100%
2006	2,248,302	100	1,297,521	100	1,133,773	100
2007	2,399,350	100	1,297,720	103	1,299,342	100
2008	2,605,958	100	1,260,350	103	532,938	100
2009	2,750,854	100	1,249,843	100	802,633	100
2010	3,076,012	100	1,265,223	100	1,622,159	100

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS – OTHER POST EMPLOYMENT BENEFITS
CURRENT FISCAL YEAR

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAAL as a Percentage of of Covered Payroll
10/1/2008*	\$ -	\$ 19,720,497	\$ 19,720,497	0.0 %	\$ 34,796,278	56.7 %

*Valuation is performed every two years. The next valuation is for the fiscal year ending September 30, 2011.

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2010

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 reservations 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 2010, there were no supplemental appropriations.

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	Net	Non-GAAP
	Actual	Encumbrances	Basis Actual
Current expenditures	\$ 76,168,434	\$ 409,057	\$ 76,577,491
Debt service	<u>667,931</u>	<u>-</u>	<u>667,931</u>
Total expenditures	<u>\$ 76,836,365</u>	<u>\$ 409,057</u>	<u>\$ 77,245,422</u>

In the above reconciliation, “net encumbrances” represents the difference between the encumbrances outstanding as of September 30, 2010 and the outstanding encumbrances as of September 30, 2009, which were paid during fiscal year 2010.

C. Excess of Expenditures Over Appropriations – For the year ended September 30, 2010, expenditures exceeded appropriations in three of the City’s departments, the legal level of budgetary control. The City Attorney’s Office, the Insurance/Safety Department as well as the Unclassified Department exceeded their budgets by \$196,596, \$811,670, and \$888,167, respectively. Available fund balance was utilized to offset these amounts.

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 2000, 2003 and 2006 Florida Municipal Loan Council Revenue bonds with remaining principal and interest due in varying amounts until maturity in 2031.

CAPITAL PROJECTS FUNDS

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.

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

PERMANENT FUNDS

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

Perpetual Care Permanent Fund – to account for moneys 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, 2010

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ 2,261,119	\$ -	\$ 350,050
Investments	1,364,882	288,157	2,810,104
Receivables (net):			
Accounts	-	-	-
Interest	4	-	-
Due from other governments	1,623,022	-	677,376
Real estate held for resale	520,425	-	-
Total assets	<u>\$ 5,769,452</u>	<u>\$ 288,157</u>	<u>\$ 3,837,530</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 189,103	\$ -	\$ 231,046
Accrued liabilities	49,034	-	-
Due to other funds	1,341,012	-	1,367,192
Unearned/deferred revenue	1,010,397	-	659,029
Total liabilities	<u>2,589,546</u>	<u>-</u>	<u>2,257,267</u>
Fund balances (deficit):			
Reserved for:			
Encumbrances	175,580	-	-
Real estate held for resale	520,425	-	-
Perpetual care	-	-	-
Unreserved	2,483,901	288,157	1,580,263
Total fund balances	<u>3,179,906</u>	<u>288,157</u>	<u>1,580,263</u>
Total liabilities and fund balances	<u>\$ 5,769,452</u>	<u>\$ 288,157</u>	<u>\$ 3,837,530</u>

Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
\$ 498,358	\$ 3,109,527
2,104,902	6,568,045
254	254
5	9
-	2,300,398
-	520,425
<u>\$ 2,603,519</u>	<u>\$ 12,498,658</u>
\$ -	\$ 420,149
-	49,034
-	2,708,204
-	1,669,426
<u>-</u>	<u>4,846,813</u>
-	175,580
-	520,425
2,603,519	2,603,519
-	4,352,321
<u>2,603,519</u>	<u>7,651,845</u>
<u>\$ 2,603,519</u>	<u>\$ 12,498,658</u>

CITY OF DEERFIELD BEACH, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Projects Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Local option gas tax	\$ 1,271,279	\$ -	\$ -
Intergovernmental	2,587,159	-	247,031
Charges for services	83,527	-	-
Fines and forfeitures	254,855	-	-
Investment earnings	10,590	103	42,307
Miscellaneous:			
Cemetery plot sales	-	-	-
Donations/contributions	57,976	-	-
Administrative fees	<u>386,636</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,652,022</u>	<u>103</u>	<u>289,338</u>
 EXPENDITURES			
Current:			
Economic environment	674,086	-	-
Public safety	167,946	-	-
Human services	448,729	-	-
Physical environment	113,066	-	-
Transportation	1,850,944	-	-
Culture and recreation	390,326	-	-
Capital outlay	695,432	-	2,652,016
Debt service:			
Principal	86,298	1,818,531	-
Interest and fiscal charges	<u>3,383</u>	<u>1,957,111</u>	<u>-</u>
Total expenditures	<u>4,430,210</u>	<u>3,775,642</u>	<u>2,652,016</u>
Excess (deficiency) of revenues over expenditures	<u>221,812</u>	<u>(3,775,539)</u>	<u>(2,362,678)</u>
 OTHER FINANCING SOURCES (USES)			
Capital lease proceeds	163,688	-	-
Transfers in	162,717	3,777,707	-
Transfers out	<u>(227,924)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>98,481</u>	<u>3,777,707</u>	<u>-</u>
 Net change in fund balances	320,293	2,168	(2,362,678)
Fund balances - beginning	<u>2,859,613</u>	<u>285,989</u>	<u>3,942,941</u>
Fund balances - ending	<u>\$ 3,179,906</u>	<u>\$ 288,157</u>	<u>\$ 1,580,263</u>

<u>Perpetual Care Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 1,271,279
-	2,834,190
-	83,527
-	254,855
3,153	56,153
133,525	133,525
-	57,976
-	<u>386,636</u>
<u>136,678</u>	<u>5,078,141</u>
-	674,086
-	167,946
-	448,729
-	113,066
-	1,850,944
-	390,326
-	3,347,448
-	1,904,829
-	<u>1,960,494</u>
-	<u>10,857,868</u>
<u>136,678</u>	<u>(5,779,727)</u>
-	163,688
-	3,940,424
-	<u>(227,924)</u>
-	<u>3,876,188</u>
136,678	(1,903,539)
2,466,841	9,555,384
<u>\$ 2,603,519</u>	<u>\$ 7,651,845</u>

CITY OF DEERFIELD BEACH, FLORIDA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2010

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund
ASSETS				
Cash and cash equivalents	\$ 458,755	\$ -	\$ 72,037	\$ 205,747
Investments	1,364,882	-	-	-
Receivables (net):				
Interest	4	-	-	-
Due from other governments	146,737	169,516	-	1,306,769
Real estate held for resale	-	-	-	520,425
Total assets	<u>\$ 1,970,378</u>	<u>\$ 169,516</u>	<u>\$ 72,037</u>	<u>\$ 2,032,941</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 102,656	\$ -	\$ 21,590	\$ 56,080
Accrued liabilities	49,034	-	-	-
Due to other funds	-	169,516	-	1,171,496
Unearned/deferred revenue	-	-	-	1,010,397
Total liabilities	<u>151,690</u>	<u>169,516</u>	<u>21,590</u>	<u>2,237,973</u>
 Fund balances (deficit):				
Reserved for:				
Encumbrances	146,886	-	-	28,694
Real estate held for resale	-	-	-	520,425
Unreserved	<u>1,671,802</u>	-	<u>50,447</u>	<u>(754,151)</u>
Total fund balances (deficit)	<u>1,818,688</u>	-	<u>50,447</u>	<u>(205,032)</u>
Total liabilities and fund balances	<u>\$ 1,970,378</u>	<u>\$ 169,516</u>	<u>\$ 72,037</u>	<u>\$ 2,032,941</u>

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
\$ 329,768	\$ 503,619	\$ 116,209	\$ 48,112	\$ 520,934	\$ 5,938	\$ 2,261,119
-	-	-	-	-	-	1,364,882
-	-	-	-	-	-	4
-	-	-	-	-	-	1,623,022
-	-	-	-	-	-	520,425
<u>\$ 329,768</u>	<u>\$ 503,619</u>	<u>\$ 116,209</u>	<u>\$ 48,112</u>	<u>\$ 520,934</u>	<u>\$ 5,938</u>	<u>\$ 5,769,452</u>
\$ -	\$ 6,596	\$ -	\$ -	\$ 2,051	\$ 130	\$ 189,103
-	-	-	-	-	-	49,034
-	-	-	-	-	-	1,341,012
-	-	-	-	-	-	1,010,397
-	6,596	-	-	2,051	130	2,589,546
-	-	-	-	-	-	175,580
-	-	-	-	-	-	520,425
<u>329,768</u>	<u>497,023</u>	<u>116,209</u>	<u>48,112</u>	<u>518,883</u>	<u>5,808</u>	<u>2,483,901</u>
<u>329,768</u>	<u>497,023</u>	<u>116,209</u>	<u>48,112</u>	<u>518,883</u>	<u>5,808</u>	<u>3,179,906</u>
<u>\$ 329,768</u>	<u>\$ 503,619</u>	<u>\$ 116,209</u>	<u>\$ 48,112</u>	<u>\$ 520,934</u>	<u>\$ 5,938</u>	<u>\$ 5,769,452</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, 2010

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund
REVENUES				
Local option gas tax	\$ 1,271,279	\$ -	\$ -	\$ -
Intergovernmental	480,913	300,860	22,982	1,782,404
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	2,809	-	424	-
Miscellaneous:				
Donations/contributions	-	5,823	-	-
Administrative fees	386,636	-	-	-
Total revenues	<u>2,141,637</u>	<u>306,683</u>	<u>23,406</u>	<u>1,782,404</u>
EXPENDITURES				
Current:				
Economic environment	-	182,758	152,744	338,584
Public safety	-	-	-	-
Human services	-	110,000	-	338,729
Physical environment	-	2,045	-	95,579
Transportation	1,850,944	-	-	-
Culture and recreation	-	-	-	336,824
Capital outlay	262,792	11,880	-	380,156
Debt service:				
Principal	86,298	-	-	-
Interest and fiscal charges	3,383	-	-	-
Total expenditures	<u>2,203,417</u>	<u>306,683</u>	<u>152,744</u>	<u>1,489,872</u>
Excess (deficiency) of revenues over expenditures	<u>(61,780)</u>	<u>-</u>	<u>(129,338)</u>	<u>292,532</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	163,688	-	-	-
Transfers in	-	-	-	162,717
Transfers out	<u>(216,367)</u>	<u>-</u>	<u>-</u>	<u>(11,557)</u>
Total other financing sources (uses)	<u>(52,679)</u>	<u>-</u>	<u>-</u>	<u>151,160</u>
Net change in fund balances	(114,459)	-	(129,338)	443,692
Fund balances (deficit) - beginning	<u>1,933,147</u>	<u>-</u>	<u>179,785</u>	<u>(648,724)</u>
Fund balances (deficit) - ending	<u>\$ 1,818,688</u>	<u>\$ -</u>	<u>\$ 50,447</u>	<u>\$ (205,032)</u>

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,271,279
-	-	-	-	-	-	2,587,159
-	77,272	-	6,255	-	-	83,527
-	-	114,756	-	139,136	963	254,855
1,663	2,541	456	254	2,418	25	10,590
-	24,678	-	3,075	-	24,400	57,976
-	-	-	-	-	-	386,636
<u>1,663</u>	<u>104,491</u>	<u>115,212</u>	<u>9,584</u>	<u>141,554</u>	<u>25,388</u>	<u>4,652,022</u>
-	-	-	-	-	-	674,086
-	82,924	-	-	62,143	22,879	167,946
-	-	-	-	-	-	448,729
-	4,292	-	11,150	-	-	113,066
-	-	-	-	-	-	1,850,944
-	53,502	-	-	-	-	390,326
-	-	-	-	40,604	-	695,432
-	-	-	-	-	-	86,298
-	-	-	-	-	-	3,383
-	<u>140,718</u>	<u>-</u>	<u>11,150</u>	<u>102,747</u>	<u>22,879</u>	<u>4,430,210</u>
<u>1,663</u>	<u>(36,227)</u>	<u>115,212</u>	<u>(1,566)</u>	<u>38,807</u>	<u>2,509</u>	<u>221,812</u>
-	-	-	-	-	-	163,688
-	-	-	-	-	-	162,717
-	-	-	-	-	-	(227,924)
-	-	-	-	-	-	98,481
1,663	(36,227)	115,212	(1,566)	38,807	2,509	320,293
328,105	533,250	997	49,678	480,076	3,299	2,859,613
<u>\$ 329,768</u>	<u>\$ 497,023</u>	<u>\$ 116,209</u>	<u>\$ 48,112</u>	<u>\$ 518,883</u>	<u>\$ 5,808</u>	<u>\$ 3,179,906</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, 2010

	<u>Budgeted Amounts</u>		<u>(Budgetary Basis)</u> <u>Actual Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local option gas tax	\$ 1,321,624	\$ 1,321,624	\$ 1,271,279	\$ (50,345)
Intergovernmental	447,181	447,181	480,913	33,732
Investment earnings	51,377	51,377	2,809	(48,568)
Miscellaneous:				
Administrative fees	<u>386,636</u>	<u>386,636</u>	<u>386,636</u>	<u>-</u>
Total revenues	<u>2,206,818</u>	<u>2,206,818</u>	<u>2,141,637</u>	<u>(65,181)</u>
EXPENDITURES				
Current:				
Transportation	2,143,815	2,143,815	1,997,830	145,985
Capital outlay	316,000	316,000	262,792	53,208
Debt service:				
Principal	86,250	86,250	86,298	(48)
Interest	<u>5,220</u>	<u>5,220</u>	<u>3,383</u>	<u>1,837</u>
Total expenditures	<u>2,551,285</u>	<u>2,551,285</u>	<u>2,350,303</u>	<u>200,982</u>
Excess (deficiency) of revenues over expenditures	<u>(344,467)</u>	<u>(344,467)</u>	<u>(208,666)</u>	<u>135,801</u>
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	216,000	216,000	163,688	(52,312)
Transfers in	334,834	334,834	-	(334,834)
Transfers out	<u>(206,367)</u>	<u>(206,367)</u>	<u>(216,367)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>344,467</u>	<u>344,467</u>	<u>(52,679)</u>	<u>(397,146)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (261,345)</u>	<u>\$ (261,345)</u>

	GAAP Basis	Net	Non-GAAP
	Actual	Encumbrances*	Basis Actual
<u>Reconciliation of Budget and Actual:</u>			
Current expenditures	\$ 1,850,944	\$146,886	\$ 1,997,830
Capital outlay	262,792	-	262,792
Debt service	<u>89,681</u>	<u>-</u>	<u>89,681</u>
Total expenditures	<u>\$ 2,203,417</u>	<u>\$ 146,886</u>	<u>\$ 2,350,303</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2010 and the outstanding encumbrances as of September 30, 2009, which were paid during fiscal year 2010.

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, 2010

	<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	\$ 742,692	\$ 742,692	\$ 300,860	\$ (441,832)
Other	-	-	5,823	5,823
Total revenues	<u>742,692</u>	<u>742,692</u>	<u>306,683</u>	<u>(436,009)</u>
EXPENDITURES				
Current:				
Economic environment	482,750	482,750	182,758	299,992
Human services	111,404	111,404	110,000	1,404
Physical environment	-	-	2,045	(2,045)
Capital outlay	-	-	11,880	(11,880)
Total expenditures	<u>594,154</u>	<u>594,154</u>	<u>306,683</u>	<u>287,471</u>
Excess (deficiency) of revenues over expenditures	<u>148,538</u>	<u>148,538</u>	<u>-</u>	<u>(148,538)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(148,538)</u>	<u>(148,538)</u>	<u>-</u>	<u>148,538</u>
Total other financing sources (uses)	<u>(148,538)</u>	<u>(148,538)</u>	<u>-</u>	<u>148,538</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF DEERFIELD BEACH, FLORIDA

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2010

	General Construction Fund	Capital Grants Capital Projects Fund	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$350,050	\$ -	\$ 350,050
Investments	2,810,104	-	2,810,104
Due from other governments	-	677,376	677,376
Total assets	<u>\$ 3,160,154</u>	<u>\$ 677,376</u>	<u>\$ 3,837,530</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$202,066	\$28,980	\$ 231,046
Due to other funds	718,796	648,396	1,367,192
Unearned/deferred revenue	-	659,029	659,029
Total liabilities	<u>920,862</u>	<u>1,336,405</u>	<u>2,257,267</u>
Fund balances (deficit):			
Unreserved	<u>2,239,292</u>	<u>(659,029)</u>	<u>1,580,263</u>
Total fund balances (deficit)	<u>2,239,292</u>	<u>(659,029)</u>	<u>1,580,263</u>
Total liabilities and fund balances	<u>\$ 3,160,154</u>	<u>\$ 677,376</u>	<u>\$ 3,837,530</u>

CITY OF DEERFIELD BEACH, FLORIDA

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General Construction Fund	Capital Grants Capital Projects Fund	Total Nonmajor Capital Projects Governmental Funds
REVENUES			
Intergovernmental	\$ -	\$ 247,031	\$ 247,031
Investment earnings	42,307	-	42,307
Total revenues	<u>42,307</u>	<u>247,031</u>	<u>289,338</u>
EXPENDITURES			
Capital outlay	2,121,986	530,030	2,652,016
Total expenditures	<u>2,121,986</u>	<u>530,030</u>	<u>2,652,016</u>
Excess (deficiency) of revenues over expenditures	<u>(2,079,679)</u>	<u>(282,999)</u>	<u>(2,362,678)</u>
Net change in fund balances	(2,079,679)	(282,999)	(2,362,678)
Fund balances (deficit) - beginning	4,318,971	(376,030)	3,942,941
Fund balances (deficit) - ending	<u>\$ 2,239,292</u>	<u>\$ (659,029)</u>	<u>\$ 1,580,263</u>

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
SEPTEMBER 30, 2010

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ASSETS:				
Cash and cash equivalents	\$ 8,086,399	\$ 503,135	\$ 486,452	\$ 9,075,986
Investments:				
Mutual funds	27,450,682	14,231,182	28,799,173	70,481,037
U.S. Government securities	11,376,232	2,670,298	4,700,473	18,747,003
Corporate equities	24,555,833	14,686,912	14,838,451	54,081,196
Corporate bonds and notes	7,276,953	3,723,247	3,252,057	14,252,257
Total investments	<u>70,659,700</u>	<u>35,311,639</u>	<u>51,590,154</u>	<u>157,561,493</u>
Receivables:				
Interest and dividends	177,931	80,223	135,258	393,412
Due from brokers	145,261	163,120	-	308,381
Total receivables	<u>323,192</u>	<u>243,343</u>	<u>135,258</u>	<u>701,793</u>
Total assets	79,069,291	36,058,117	52,211,864	167,339,272
LIABILITIES:				
Accounts payable	<u>2,654,200</u>	<u>74,868</u>	-	<u>2,729,068</u>
Total liabilities	<u>2,654,200</u>	<u>74,868</u>	-	<u>2,729,068</u>
NET ASSETS:				
Held in trust for pension benefits	<u>\$ 76,415,091</u>	<u>\$ 35,983,249</u>	<u>\$ 52,211,864</u>	<u>\$ 164,610,204</u>

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ADDITIONS:				
Contributions:				
Employer	\$ 2,269,956	\$ 1,100,000	\$ 1,177,263	\$ 4,547,219
Plan members	1,033,935	-	217,600	1,251,535
State of Florida	<u>835,016</u>	<u>508,012</u>	<u>-</u>	<u>1,343,028</u>
Total contributions	<u>4,138,907</u>	<u>1,608,012</u>	<u>1,394,863</u>	<u>7,141,782</u>
Investment earnings:				
Interest and dividends	1,447,214	643,474	1,276,056	3,366,744
Net increase in the fair value of investments	<u>3,841,325</u>	<u>2,475,343</u>	<u>4,364,366</u>	<u>10,681,034</u>
Total investment earnings	5,288,539	3,118,817	5,640,422	14,047,778
Less investment expense	<u>(317,864)</u>	<u>(227,754)</u>	<u>(236,786)</u>	<u>(782,404)</u>
Net investment earnings	<u>4,970,675</u>	<u>2,891,063</u>	<u>5,403,636</u>	<u>13,265,374</u>
Other miscellaneous income (loss)	<u>15,263</u>	<u>107,472</u>	<u>7,900</u>	<u>130,635</u>
Total additions	<u>9,124,845</u>	<u>4,606,547</u>	<u>6,806,399</u>	<u>20,537,791</u>
DEDUCTIONS:				
Benefits paid	4,821,586	4,475,865	3,567,771	12,865,222
Administrative expenses	<u>284,552</u>	<u>91,748</u>	<u>84,870</u>	<u>461,170</u>
Total deductions	<u>5,106,138</u>	<u>4,567,613</u>	<u>3,652,641</u>	<u>13,326,392</u>
Change in net assets	4,018,707	38,934	3,153,758	7,211,399
Net assets held in trust for pension benefits:				
Beginning of year	<u>72,396,384</u>	<u>35,944,315</u>	<u>49,058,106</u>	<u>157,398,805</u>
End of year	<u>\$ 76,415,091</u>	<u>\$ 35,983,249</u>	<u>\$ 52,211,864</u>	<u>\$ 164,610,204</u>

STATISTICAL SECTION

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.

<u>Contents</u>	<u>Page</u>
Financial Trends <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>	78
Revenue Capacity <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>	84
Debt Capacity <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>	91
Demographic and Economic Information <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>	96
Operating Information <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>	98

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 ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year*							
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:								
Invested in capital assets, net of related debt	\$ 27,235,314	\$ 28,352,211	\$ 33,334,631	\$ 36,427,927	\$ 40,835,672	\$ 41,694,017	\$ 41,572,817	\$ 42,523,352
Restricted	4,397,424	7,240,711	5,166,154	8,343,884	10,098,177	13,071,373	17,264,796	19,803,912
Unrestricted	(2,467,724)	2,730,352	5,260,129	6,629,059	13,167,465	17,702,129	11,233,454	4,546,293
Total governmental activities net assets	<u>\$ 29,165,014</u>	<u>\$ 38,323,274</u>	<u>\$ 43,760,914</u>	<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>
Business-type activities:								
Invested in capital assets, net of related debt	\$ 38,530,457	\$ 40,412,891	\$ 44,493,424	\$ 43,564,678	\$ 43,524,426	\$ 44,080,196	\$ 46,197,560	\$ 47,731,493
Restricted	5,904,187	8,843,666	4,404,024	3,700,000	-	-	-	-
Unrestricted	8,212,106	7,406,184	8,729,211	11,472,388	14,999,740	18,368,395	18,673,997	19,889,646
Total business-type activities net assets	<u>\$ 52,646,750</u>	<u>\$ 56,662,741</u>	<u>\$ 57,626,659</u>	<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>
Primary government:								
Invested in capital assets, net of related debt	\$ 65,765,771	\$ 68,765,102	\$ 77,828,055	\$ 79,992,605	\$ 84,360,098	\$ 85,774,213	\$ 87,770,377	\$ 90,254,845
Restricted	10,301,611	16,084,377	9,570,178	12,043,884	10,098,177	13,071,373	17,264,796	19,803,912
Unrestricted	5,744,382	10,136,536	13,989,340	18,101,447	28,167,205	36,070,524	29,907,451	24,435,939
Total primary government net assets	<u>\$ 81,811,764</u>	<u>\$ 94,986,015</u>	<u>\$ 101,387,573</u>	<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>

*Information not available for fiscal years preceding fiscal year 2003.

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

	Fiscal Year*							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
<i>Governmental activities:</i>								
General government	\$ 12,772,118	\$ 13,173,248	\$ 16,465,472	\$ 16,392,601	\$ 21,310,205	\$ 19,402,059	\$ 22,190,311	\$ 18,528,933
Economic environment	841,411	1,209,660	1,104,229	1,083,068	2,748,846	2,095,672	1,964,859	1,415,860
Public safety	26,211,599	29,863,193	34,156,399	48,317,723	38,092,021	39,946,697	41,915,667	44,400,644
Human services	2,197,139	2,338,711	2,489,242	2,447,371	2,283,091	3,007,015	2,588,723	2,722,603
Physical environment	3,493,509	3,642,515	4,640,670	5,063,502	5,476,504	5,583,768	6,164,735	5,875,926
Transportation	2,374,763	2,476,519	2,839,192	3,121,928	2,861,275	3,042,067	3,138,654	2,911,620
Culture and recreation	3,734,646	3,781,281	4,777,558	5,682,273	5,795,840	6,138,096	6,607,981	6,465,100
Interest on long-term debt	1,026,374	1,512,795	1,713,398	1,790,112	2,058,992	1,911,289	1,994,441	1,970,464
Total governmental activities expenses	\$ 52,651,559	\$ 57,997,922	\$ 68,186,160	\$ 83,898,578	\$ 80,626,774	\$ 81,126,663	\$ 86,565,371	\$ 84,291,150
<i>Business-type activities:</i>								
Water and sewer	14,232,165	15,564,964	18,577,991	17,699,651	20,325,211	20,123,711	23,145,215	21,264,592
Solid waste	11,507,115	11,621,977	14,118,216	15,495,440	15,717,636	15,522,193	15,588,347	15,307,635
Total business-type activities expenses	\$ 25,739,280	\$ 27,186,941	\$ 32,696,207	\$ 33,195,091	\$ 36,042,847	\$ 35,645,904	\$ 38,733,562	\$ 36,572,227
Total primary government expenses	\$ 78,390,839	\$ 85,184,863	\$ 100,882,367	\$ 117,093,669	\$ 116,669,621	\$ 116,772,567	\$ 125,298,933	\$ 120,863,377
Program Revenues								
<i>Governmental activities:</i>								
Charges for services:								
General government	\$ 3,044,776	\$ 3,222,004	\$ 4,522,561	\$ 4,861,186	\$ 4,850,457	\$ 4,271,872	\$ 3,994,889	\$ 4,770,617
Public safety	7,648,419	7,972,744	9,730,171	11,216,934	10,887,195	14,200,414	12,951,771	13,277,004
Human services	498,903	521,681	590,202	621,291	530,763	619,546	508,744	488,947
Physical environment	249,869	233,985	236,985	182,875	247,415	186,153	289,262	258,722
Transportation	1,130,876	1,283,784	1,213,092	1,395,776	1,543,358	1,566,684	1,519,532	1,581,055
Culture and recreation	750,577	599,528	981,510	1,179,948	1,181,555	1,426,646	1,759,727	1,510,701
Operating grants and contributions	3,163,889	5,229,862	4,459,951	14,957,903	8,221,289	4,612,921	6,877,028	6,999,594
Capital grants and contributions	2,305,850	2,470,520	1,521,244	732,532	1,700,423	820,248	426,674	925,167
Total governmental activities program revenues	\$ 18,793,159	\$ 21,534,108	\$ 23,255,716	\$ 35,148,445	\$ 29,162,455	\$ 27,704,484	\$ 28,327,627	\$ 29,811,807

	Fiscal Year*							
	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:								
Charges for services:								
Water and sewer	18,518,349	18,980,659	19,001,300	19,026,919	18,870,533	22,667,068	25,001,144	24,675,663
Solid waste	11,629,628	12,822,688	14,169,586	14,508,283	16,023,140	15,942,312	14,507,783	14,624,135
Capital grants and contributions	127,001	213,360	111,760	224,577	174,208	591,520	1,333,400	12,240
Total business-type activities program revenues	30,274,978	32,016,707	33,282,646	33,759,779	35,067,881	39,200,900	40,842,327	39,312,038
Total primary government program revenues	\$ 49,068,137	\$ 53,550,815	\$ 56,538,362	\$ 68,908,224	\$ 64,230,336	\$ 66,905,384	\$ 69,169,954	\$ 69,123,845
Net (expense)/revenue								
Governmental activities	\$ (33,858,400)	\$ (36,463,814)	\$ (44,930,444)	\$ (48,750,133)	\$ (51,464,319)	\$ (53,422,179)	\$ (58,237,744)	\$ (54,479,343)
Business-type activities	4,535,698	4,829,766	586,439	564,688	(974,966)	3,554,996	2,108,765	2,739,811
Total primary government net expense	\$ (29,322,702)	\$ (31,634,048)	\$ (44,344,005)	\$ (48,185,445)	\$ (52,439,285)	\$ (49,867,183)	\$ (56,128,979)	\$ (51,739,532)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes	\$ 24,385,094	\$ 27,601,682	\$ 31,779,407	\$ 35,641,797	\$ 41,783,736	\$ 39,040,869	\$ 36,685,924	\$ 35,093,629
Sales taxes	3,774,962	3,786,457	3,970,596	4,777,520	4,555,929	4,282,151	3,832,424	3,693,667
Franchise fees	7,511,692	8,465,117	9,082,753	10,779,607	12,477,400	12,540,651	11,908,808	9,767,204
Local option gas taxes	1,130,453	1,348,128	1,239,308	1,417,779	1,384,787	1,369,644	1,336,986	1,271,279
Alcoholic beverage/mobile home license taxes	-	-	54,143	53,554	56,304	55,940	56,288	55,795
Unrestricted grants and contributions	1,951,679	2,276,438	2,779,545	1,791,559	1,589,751	2,947,124	1,213,534	1,174,449
Unrestricted investment earnings	374,558	497,863	1,183,078	1,913,598	2,254,270	1,505,692	719,477	160,249
Miscellaneous	114,182	72,457	279,254	14,675	52,586	46,313	87,851	65,561
Transfers	620,000	960,000	-	-	10,000	-	-	-
Total governmental activities	39,862,620	45,008,142	50,368,084	56,390,089	64,164,763	61,788,384	55,841,292	51,281,833
Business-type activities:								
Unrestricted investment earnings	154,473	146,225	377,479	545,719	772,066	369,429	314,201	9,771
Transfers	(620,000)	(960,000)	-	-	(10,000)	-	-	-
Total business-type activities	(465,527)	(813,775)	377,479	545,719	762,066	369,429	314,201	9,771
Total primary government	39,397,093	44,194,367	50,745,563	56,935,808	64,926,829	62,157,813	56,155,493	51,291,604
Change in Net Assets								
Governmental activities	6,004,220	8,544,328	5,437,640	7,639,956	12,700,444	8,366,205	(2,396,452)	(3,197,510)
Business-type activities	4,070,171	4,015,991	963,918	1,110,407	(212,900)	3,924,425	2,422,966	2,749,582
Total primary government	\$ 10,074,391	\$ 12,560,319	\$ 6,401,558	\$ 8,750,363	\$ 12,487,544	\$ 12,290,630	\$ 26,514	\$ (447,928)

*Information not available for fiscal years preceding fiscal year 2003.

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

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2001	\$ 19,090,178	\$ 3,555,078	\$ 4,505,254	\$ 1,200,877	\$ 53,337	\$ 28,404,724
2002	22,548,974	3,662,369	5,798,169	1,223,132	48,048	33,280,692
2003	24,385,094	3,774,962	7,511,692	1,130,453	48,029	36,850,230
2004	27,601,682	3,786,457	8,465,117	1,348,128	58,009	41,259,393
2005	31,779,407	3,970,596	9,082,753	1,239,308	54,143	46,126,207
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

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 678,630	\$ 776,958	\$ 935,746	\$ 1,532,890	\$ 2,178,213	\$ 2,172,010	\$ 1,785,062	\$ 1,512,466	\$ 1,236,143	\$ 1,603,545
Unreserved	291,497	2,630,821	4,934,115	6,204,389	9,354,151	9,704,079	18,447,814	21,960,612	18,727,759	11,681,260
Total general fund	\$ 970,127	\$ 3,407,779	\$ 5,869,861	\$ 7,737,279	\$ 11,532,364	\$ 11,876,089	\$ 20,232,876	\$ 23,473,078	\$ 19,963,902	\$ 13,284,805
All other governmental funds										
Reserved	\$ 1,858,294	\$ 2,163,048	\$ 18,286,562	\$ 33,542,063	\$ 2,150,567	\$ 3,038,771	\$ 2,935,906	\$ 3,551,684	\$ 3,678,313	\$ 3,853,103
Unreserved, reported in:										
Special revenue funds	1,621,097	1,696,069	260,894	344,506	3,295,186	5,809,033	7,484,980	9,535,257	11,371,568	12,241,644
Debt service funds	188,981	143,428	148,262	151,186	166,762	4,280	242,033	282,601	285,989	288,157
Capital projects funds	11,545,089	8,790,057	(1,959,534)	(1,660,782)	20,327,204	8,656,228	9,340,550	7,945,378	2,960,291	1,580,263
Total all other governmental funds	\$ 15,213,461	\$ 12,792,602	\$ 16,736,184	\$ 32,376,973	\$ 25,939,719	\$ 17,508,312	\$ 20,003,469	\$ 21,314,920	\$ 18,296,161	\$ 17,963,167

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues										
Property taxes	\$ 19,090,178	\$ 22,548,974	\$ 24,385,094	\$ 27,601,682	\$ 31,779,407	\$ 35,641,797	\$ 41,675,355	\$ 38,915,090	\$ 36,649,353	\$ 35,102,671
Sales taxes	3,555,078	3,662,369	3,774,962	3,786,457	3,970,596	4,777,520	4,555,929	4,713,093	3,832,424	5,036,695
Fire assessment fees	-	2,188,669	2,956,946	2,862,874	3,432,997	3,662,090	3,767,989	6,081,708	6,142,612	5,998,886
Franchise fees	4,505,254	5,798,169	7,511,692	8,465,117	9,082,753	10,779,607	12,477,400	11,645,505	12,011,964	9,921,939
Local option gas tax	1,200,877	1,223,132	1,130,453	1,348,128	1,239,308	1,417,779	1,384,787	1,369,644	1,336,986	1,271,279
Licenses and permits	1,439,905	1,677,301	1,567,473	1,619,185	1,420,371	2,595,719	2,394,634	2,116,220	1,638,823	1,673,573
Intergovernmental	4,058,116	3,441,169	5,646,977	6,646,581	8,151,325	17,663,255	10,906,891	5,861,670	7,969,279	6,813,940
Charges for services	5,249,764	5,037,560	4,895,715	4,874,660	6,294,641	6,591,097	6,436,229	6,911,507	7,515,348	7,859,433
Fines and forfeitures	1,204,497	1,126,129	1,226,663	1,500,637	1,463,170	1,398,343	1,348,088	1,851,372	1,161,701	1,508,597
Investment earnings	1,541,038	1,165,452	403,787	497,863	1,262,404	2,107,992	2,422,453	1,531,661	724,805	160,673
Miscellaneous	3,873,836	4,232,765	4,536,017	4,719,506	5,338,199	5,718,596	5,950,033	6,728,838	4,902,049	5,439,834
Total revenues	45,718,543	52,101,689	58,035,779	63,922,690	73,435,171	92,353,795	93,319,788	87,726,308	83,885,344	80,787,520
Expenditures										
General government	12,906,517	13,324,384	13,775,845	16,178,208	14,800,858	17,762,324	19,284,351	19,855,801	20,081,498	20,312,385
Economic environment	739,004	567,645	840,763	1,209,012	1,103,581	1,082,420	2,748,198	2,095,672	1,964,001	910,203
Public safety	21,076,694	22,243,484	26,014,787	30,303,355	33,818,934	48,610,412	38,650,648	39,162,132	41,341,005	43,407,203
Human services	1,894,364	1,986,327	2,135,110	2,227,748	2,384,248	2,366,688	2,587,844	2,948,669	2,506,240	2,766,956
Physical environment	2,365,368	2,535,156	3,138,612	3,493,836	4,299,381	4,856,488	5,346,214	4,831,311	5,754,973	5,043,035
Transportation	1,566,461	1,631,333	1,593,641	1,539,200	1,913,574	2,081,321	1,837,419	2,100,056	2,221,345	1,999,906
Culture and recreation	3,014,426	3,137,326	3,354,044	3,552,922	4,504,233	5,092,025	5,340,932	5,282,485	5,717,699	5,609,960
Capital outlay	3,141,280	4,580,320	5,720,628	5,038,057	10,573,713	14,459,905	8,673,815	2,721,325	6,744,382	3,641,497
Debt service										
Principal	2,060,964	2,203,602	2,305,944	2,021,994	2,552,915	2,896,919	2,427,913	2,560,050	2,622,732	2,532,394
Interest	818,595	788,482	722,607	1,292,586	1,677,340	1,817,507	1,839,525	2,033,398	2,016,157	2,000,860
Other charges	99,845	16,636	268,660	321,552	-	116,982	-	-	-	-
Total expenditures	49,683,518	53,014,695	59,870,641	67,178,470	77,628,777	101,026,009	88,853,841	83,590,899	90,970,032	88,224,399
Excess of revenues over (under) expenditures	(3,964,975)	(913,006)	(1,834,862)	(3,255,780)	(4,193,606)	(8,672,214)	4,465,947	4,135,409	(7,084,688)	(7,436,879)
Other financing sources (uses)										
Transfers in	2,574,916	2,667,537	2,971,727	5,017,178	5,559,140	5,609,200	7,074,670	6,513,791	6,611,397	6,013,653
Transfers out	(2,089,916)	(2,128,301)	(2,351,727)	(4,057,178)	(5,559,140)	(5,609,200)	(7,064,670)	(6,513,791)	(6,611,397)	(6,013,653)
Refunding bonds issued	-	-	5,140,000	-	-	-	-	-	-	-
Bonds issued	2,820,183	-	6,825,000	17,890,000	-	-	5,965,000	-	-	-
Premium on bonds issued	-	-	702,164	464,820	-	-	32,679	-	-	-
Payment to refunding bond escrow agent	-	-	(5,399,498)	-	-	-	-	-	-	-
Capital leases	578,421	390,563	352,860	1,449,167	1,551,437	584,532	378,318	416,244	726,733	424,788
Note proceeds	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	3,883,604	929,799	8,240,526	20,763,987	1,551,437	584,532	6,385,997	416,244	726,733	424,788
Net change in fund balances	(81,371)	16,793	6,405,664	17,508,207	(2,642,169)	(8,087,682)	10,851,944	4,551,653	(6,357,955)	(7,012,091)
Debt service as a percentage of noncapital expenditures	6.4%	6.2%	6.4%	6.0%	6.4%	5.5%	5.6%	5.8%	5.6%	5.5%

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

Fiscal Year	Property Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2001	\$ 19,090,178	\$ 3,555,078	\$ 4,505,254	\$ 1,200,877	\$ 53,337	\$ 28,404,724
2002	22,548,974	3,662,369	5,798,169	1,223,132	48,048	33,280,692
2003	24,385,094	3,774,962	7,511,692	1,130,453	48,029	36,850,230
2004	27,601,682	3,786,457	8,465,117	1,348,128	58,009	41,259,393
2005	31,779,407	3,970,596	9,082,753	1,239,308	54,143	46,126,207
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

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
2001	\$ 3,515,069,400	\$ 414,027,950	\$ 710,391,738	\$ 3,218,705,612	6.2278	\$ 4,747,175,136	67.803%
2002	3,846,816,131	430,489,171	808,244,319	3,469,060,983	5.7677	5,154,089,551	67.307
2003	4,324,211,207	446,180,128	1,004,355,731	3,766,035,604	6.8506	5,725,112,968	65.781
2004	4,936,266,652	425,590,298	1,234,941,029	4,126,915,921	6.8369	6,383,194,465	64.653
2005	6,018,875,925	419,582,346	1,587,405,865	4,851,052,406	6.8301	7,602,508,726	63.809
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

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

Fiscal Year	City of Deerfield Beach					County					School District					Overlapping Rates				
	Operating Millage	Service Millage	Debt Millage	Total		Operating Millage	Service Millage	Debt Millage	Total		Operating Millage	Service Millage	Debt Millage	Total Millage	Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	Total Direct & Overlapping Rates	
				City Millage	County Millage				City Millage	County Millage										City Millage
2001	5.6910	0.5368	0.0511	6.2278	6.8903	0.6347	0.4143	8.5410	0.4143	8.9553	-	2.4803	0.6970	0.0410	25.9264					
2002	5.7166	0.0511	5.7677	7.4005	6.6677	0.7328	0.3951	8.3590	0.3951	8.7541	0.3055	2.4803	0.6970	0.0385	25.4436					
2003	6.3546	0.4960	6.8506	7.3650	6.6685	0.6965	0.3415	8.5410	0.3415	8.8825	0.3316	2.4803	0.6970	0.0385	26.6455					
2004	6.3819	0.4550	6.8369	7.1880	6.6065	0.5815	0.2936	8.1240	0.2936	8.4176	0.3920	2.5000	0.6970	0.0385	26.0700					
2005	6.5205	0.3096	6.8301	7.0230	6.4831	0.5399	0.2555	8.0140	0.2555	8.2695	0.4231	2.4803	0.6970	0.0385	25.7615					
2006	5.9949	0.5051	6.5000	6.7830	6.2942	0.4888	0.2213	7.8410	0.2213	8.0623	0.4231	2.1746	0.6970	0.0385	24.6785					
2007	5.8250	0.4250	6.2500	6.0661	5.6433	0.4228	0.1897	7.6790	0.1897	7.8687	0.4073	1.8317	0.6970	0.0385	23.1593					
2008	4.9537	0.3963	5.3500	5.2868	4.8889	0.3979	0.1714	7.4770	0.1714	7.6484	0.3572	1.6255	0.6240	0.0345	20.9264					
2009	4.9072	0.3928	5.3000	5.3145	4.8889	0.4256	-	7.4170	-	7.4170	0.3754	1.7059	0.6240	0.0345	20.7713					
2010	5.3499	0.4401	5.7900	5.3889	4.8889	0.5000	-	7.4310	-	7.4310	0.4243	1.7059	0.6240	0.0345	21.3986					

Source: Broward County, Florida Property Appraiser.

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
1. Publix Supermarket	\$ 69,994,010	1	1.15%	\$ 56,161,030	1	1.74%
2. City National Bank of FL, Trustee	60,000,000	2	0.99	-	-	-
3. Florida Power & Light Co.	48,904,060	3	0.80	-	-	-
4. CP Deerfield LLC	43,593,790	4	0.72	-	-	-
5. News and Sun Sentinel	44,545,909	5	0.73	-	-	-
6. Quiet Waters Business Park LLC	41,628,660	6	0.68	-	-	-
7. Felcor/CSS Holdings LP	38,981,090	7	0.64	27,883,350	3	0.87
8. City National Bank of Florida	37,416,643	8	0.61	-	-	-
9. Land TR	35,165,292	9	0.58	-	-	-
10. Crown Diversified Ind Corp	30,833,618	10	0.51	-	-	-
11. HBC/JPI Deer Creek Ltd.	-	-	-	36,153,000	2	1.12
12. Deerfield Retail/LLC	-	-	-	21,832,790	4	0.68
13. Security Capital Atlantic	-	-	-	17,350,450	5	0.55
14. CMD Southwest Inc.	-	-	-	17,077,760	6	0.53
15. TMT Pointe at Crystal Lake Inc.	-	-	-	16,612,640	7	0.52
16. SPTMRT Properties Trust	-	-	-	16,408,750	8	0.51
17. FGI Financing I Corp.	-	-	-	15,145,620	9	0.47
18. Tivoli Lakes Club Investors LLC	-	-	-	15,004,320	10	0.46
Totals	\$ 451,063,072		6.27%	\$ 239,629,710		7.45%

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
2001	2000	\$ 19,070,974	\$ 18,812,319	98.6 %	\$ 50,084	\$ 18,862,403	98.9 %
2002	2001	22,462,744	22,349,036	99.5	58,739	22,407,775	99.8
2003	2002	24,263,239	24,008,013	98.9	255,226	24,263,239	100.0
2004	2003	27,585,317	26,620,437	96.5	107,055	26,727,492	96.9
2005	2004	31,019,035	30,855,828	99.5	163,207	31,019,035	100.0
2006	2005	34,450,571	34,393,559	99.8	57,012	34,450,571	100.0
2007	2006	39,462,009	39,613,127	100.4	167,194	39,780,321	100.8
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

*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 FIVE FISCAL YEARS

(in thousands of gallons)

<u>Type of Customer</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
Residential - Single Family	1,149,325	1,009,215	853,997	869,554	828,961
Residential - Multi-Family	1,293,297	1,248,119	1,079,640	1,056,023	1,119,125
Commercial	698,500	637,803	595,610	557,264	518,014
Irrigation	995,724	500,496	386,885	466,396	532,637
Hydrants	274	5,194	1,343	368	777
Total	4,137,120	3,400,827	2,917,475	2,949,605	2,999,514
Total direct rate per 1,000 gallons	\$ 1.70	\$ 1.80	\$ 2.65	\$ 2.65	\$ 2.65

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
2001	\$ 8.08	\$ 1.24	\$ 8.75	\$ 1.63
2002	12.28	1.66	8.75	1.63
2003	12.57	1.70	8.96	1.67
2004	12.57	1.70	8.96	1.67
2005	12.57	1.70	8.96	1.67
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

Note: Rates are based on 3/4" meter, which is the standard household meter size. The City charges a tiered rate based upon specified levels of demand.

Source: City of Deerfield Beach, Management & Budget Department

CITY OF DEERFIELD BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Improvement Revenue Bonds	Covenant Bonds	Capital Leases	Loans and Notes	Water and Sewer Bonds	Capital Leases	Loans and Notes					
2001	\$ 21,269,104	\$ 2,245,000	\$ -	\$ 1,937,078	\$ 241,384	\$ 6,640,000	\$ 1,578,507	\$ 11,726,979	\$ 45,638,052	*	\$ 703		
2002	20,215,364	1,840,000	-	1,635,683	188,479	4,740,000	1,645,560	16,325,662	46,590,748	*	711		
2003	18,873,774	1,420,000	6,825,000	1,255,325	132,300	4,740,000	1,289,866	17,716,322	52,252,587	*	807		
2004	33,482,219	970,000	9,305,000	1,934,053	132,300	3,385,000	1,641,904	17,182,818	68,033,294	*	916		
2005	32,281,189	500,000	9,245,000	2,663,606	-	420,000	2,118,674	16,541,287	63,769,756	*	828		
2006	30,850,943	-	9,005,000	2,521,465	-	420,000	2,363,988	18,076,252	63,237,648	2.99%	813		
2007	29,427,756	-	14,725,000	2,140,057	-	-	2,042,346	21,070,548	69,405,707	3.15%	883		
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		
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		
2010	25,209,669	-	13,560,000	1,375,734	-	16,623,792	2,472,783	20,499,422	79,741,400	4.48%	1,089		

*Personal income data not available for fiscal years 2000 - 2005.

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>
2001	\$ 21,269,104	\$ 52,278	\$ 21,216,826	44.69%	\$ 326.67
2002	20,215,364	-	20,215,364	0.39	308.63
2003	18,873,774	280,655	18,593,119	0.32	287.16
2004	33,482,219	282,391	33,199,828	0.52	446.81
2005	32,281,189	297,967	31,983,222	0.42	415.16
2006	30,850,943	4,280	30,846,663	0.34	396.45
2007	29,427,756	242,033	29,185,723	0.27	371.44
2008	28,013,411	140,000	27,873,411	0.23	356.50
2009	26,608,199	150,000	26,458,199	0.23	341.55
2010	25,209,669	155,000	25,054,669	0.25	342.20

Source: City of Deerfield Beach, Department of Management & Budget

CITY OF DEERFIELD BEACH, FLORIDA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF SEPTEMBER 30, 2010

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
General obligation bonds			\$ 25,209,669
Covenant bonds (1)			13,560,000
Capital leases			1,375,734
Total direct debt			40,145,403
Overlapping Debt:			
School Board of Broward County, Florida:			
Certificates of participation	1,921,583,000 (3)	4.10% *	78,784,903
Capital leases	34,816,000 (3)	4.10% *	1,427,456
Broward County, Florida (2)	393,665,000 (3)	4.10% *	16,140,265
Subtotal, overlapping debt			96,352,624
Total direct and overlapping debt			\$ 136,498,027

(1) \$5,965,000 of covenant bonds are secured by and payable from the Florida, Power and Light Company electric franchise fees. The remaining balance of covenant bonds are payable from all governmental activities revenue sources of the City, except for ad valorem taxes.

(2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2010.

(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)	
2000	\$ 16,269,400	\$ 8,009,955	\$ 8,259,445	\$ 1,155,000	\$ 491,154	\$ 1,646,154	5.02
2001	17,014,773	8,915,308	8,099,465	1,225,000	422,994	1,647,994	4.91
2002	17,466,593	9,359,920	8,106,673	1,275,000	368,418	1,643,418	4.93
2003	18,672,822	9,700,131	8,972,691	1,355,000	290,325	1,645,325	5.45
2004	19,126,884	10,368,745	8,758,139	1,440,000	207,331	1,647,331	5.32
2005	19,352,251	12,529,261	6,822,990	1,525,000	119,130	1,644,130	4.15
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	1,262,290	1,452,922	2,715,212	3.38

- A) Gross revenue for the purpose of determining debt service coverage, is equal to the sum of the operating revenues of the Water and Sewer Fund and total interest earnings.
- B) Expenses, for the purpose of determining debt service coverage, are equal to the total operating expenses of the Water and Sewer Fund less depreciation and less the general administrative charge.
- C) The debt service requirement for the Florida Municipal Loan Council Revenue bonds, Series 2008A is set forth in the tri-partite loan agreement between the City ("the Borrower"); Banc of America Public Capital Corporation ("the Purchaser"); and the Florida Municipal Loan Council ("the Issuer").

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 LOAN COUNCIL REVENUE BONDS, SERIES 2006
 PLEDGED-REVENUE COVERAGE
 LAST FOUR 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

- 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) No applicable operating expenses are directly chargeable to the City's franchise fees.
- C) The debt service requirements for the Series 2006 revenue bonds are set forth in the loan agreement between the City and the Florida Municipal Loan Council, dated December 1, 2006.
- D) The pledge revenue coverage for fiscal years prior to fiscal 2007 are not applicable, since the Series 2006 revenue bonds were issued during fiscal year 2007.

CITY OF DEERFIELD BEACH, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST FIVE 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

Sources

(1) City of Deerfield Beach, Planning & Growth Mgmt Dept.

(2) U.S. Bureau of Labor, BEA, Florida Agency for Workforce Innovation-Labor Market Statistics Center

(3) School Board of Broward County, Florida.

*This information is not available for fiscal years 2000 through 2005.

**Personal income data expressed in thousands.

CITY OF DEERFIELD BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR

<u>Employer</u>	2010		
	Employees	Rank	Percentage of Total City Employment
Publix Corporation	1,599	1	4.03%
North Broward Hospital	1,455	2	3.67%
JM Family Enterprises	1,010	3	2.55%
City of Deerfield Beach	662	4	1.67%
Sun-Sentinel	617	5	1.55%
UPS	504	6	1.27%
List Industries	231	7	0.58%
Medics Ambulance Service	174	8	0.44%
MAPEI	145	9	0.37%
Embassy Suites-Deerfield Beach	144	10	0.36%
	6,541		16.48%

*Sources: Employer's Human Resource Department
City of Deerfield Beach, Planning & Growth Management Department
Florida Agency for Workforce Innovation*

This information is not available for fiscal years 2000 through 2005.

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

Function/Programs	Full-time Equivalent Employees as of September 30									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government	58	60	64	67	71	78	67	66	66	58
Public Safety										
Police										
Uniformed	100	100	108	108	123	129	129	129	129	123
Civilians	53	53	55	55	62	68	53	53	53	43
Fire/Rescue										
Firefighters and Officers	130	130	133	133	149	151	151	150	149	140
Bldg. Inspection Services	15	15	17	18	21	22	22	21	21	20
Civilians	15	15	19	17	18	20	17	20	20	20
Economic Environment	1	1	1	1	1	1	1	0	1	1
Culture and Recreation	46	48	58	58	117	75	75	84	94	86
Human Services	45	48	47	50	50	46	40	41	37	40
Physical Environment										
Public Works Administration	3	3	4	4	4	4	4	4	4	3
Grounds Maintenance	43	43	34	38	39	42	40	39	39	21
Parks	14	14	21	27	44	44	39	41	44	11
Water & Sewer	78	78	83	90	87	87	74	75	74	68
Solid Waste	53	55	56	59	71	71	65	67	67	60
Transportation										
Street Maintenance	13	13	13	15	15	15	14	15	15	13

Source: City of Deerfield Beach, Management and Budget Department

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

Function	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
Public Safety					
<i>Police:</i>					
Physical arrests	4,070	4,768	4,815	4,775	4,195
Parking violations	23,871	21,758	15,281	19,654	19,638
Traffic violations	17,213	18,435	22,329	21,403	17,068
<i>Fire/Rescue:</i>					
Number of emergency responses		18,739	19,664	19,554	20,395
Number of incidents	14,949		13,969	14,388	15,159
Inspections	3,756	4,298	4,147	7,839	6,099
Fires extinguished	256	245	289	146	147
Transportation					
<i>Streets Maintenance:</i>					
Streets resurfacing (miles)	3	1	0	0	2.5
Potholes repaired	88	1,998*	2,209	2,313	2,212
<i>Transit Services</i>					
Total route miles	105,252	113,879	116,379	126,638	92,167
Number of trips	12,253	13,909	10,188	29,506**	27,672
Physical Environment					
Number of burials	150	123	128	209	118
Culture and Recreation					
Athletics field permits issued	68	75	11	32	73
Number of participants in arts & education classes	20,948	25,000	27,500	32,000	11,922***
Number of special event permits issued	70	180	112	97	59
Attendance at special events	359,665	400,000	400,000	350,000	244,750***
Water					
New connections	48	59	35	27	15
Water main breaks	41	107	120	65	63
Average daily consumption (millions of gallons)	23,889	10.55 mgd	9.41 mgd	9.60 mgd	9.49 mgd
Permitted Raw Water withdrawl		12.8 mgd	12.8 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
Solid Waste					
Refuse collected (tons/day)	207	366	247	189	248
Recyclables collected (tons/day)	111	32	33	22.8	26.7
Human Services					
<i>Childcare:</i>					
Average daily attendance	25	30	28	19	16
Number of meals served	26,250	31,250	29,500	24,648	27,997
<i>Adult Daycare:</i>					
Average daily attendance	10	10	10	10	7
<i>Alzheimer's Daycare:</i>					
Average daily attendance	20	30	25	24	27

Source: Various City departments

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

* - The City changed its system of accounting for potholes during fiscal year 2007

**The number of trips are higher than the previous years since they include both paratransit and local service program transportation services. transportation trips for 2007 – 38,216 trips and for 2008 - 33,520 trips.

*** Reduction due to economic downfall in participation and event cancellations.

This information is not available for fiscal years 1998 through 2005.

CITY OF DEERFIELD BEACH, FLORIDA
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST FIVE FISCAL YEARS

<u>Function</u>	<u>Fiscal Year 2006</u>	<u>Fiscal Year 2007</u>	<u>Fiscal Year 2008</u>	<u>Fiscal Year 2009</u>	<u>Fiscal Year 2010</u>
<i>Public Safety</i>					
<i>Police</i>					
Stations	2	2	2	2	2
Patrol units	173	162	162	162	129
<i>Fire/Rescue</i>					
Stations	4	4	4	4	5**
Rescue ambulances	8	8	8	8	8
Fire engines	6	6	6	6	6
Ladder/heavy squad trucks	2	2	2	2	2
<i>Transportation</i>					
Streets (miles)	146	146	146	146	146
Sidewalks (miles)	135	135	135	135	135
Streetlights (poles)	296	4,400*	4,400	5,200	5,200
Traffic signals	64	68	68	68	68
<i>Culture and Recreation</i>					
Parks acreage	125	125	125	140	140
Parks	29	29	29	31	33
Swimming Pools	1	1	1	1	1
Tennis Courts	5	6	12	12	12
Community Centers	2	3	3	2	3
<i>Water</i>					
Water Main (miles)	230	230	232	232	232
Fire hydrants	1,937	1,941	2,041	2,044	2,044
Maximum daily capacity (millions of gallons)	34,800 (a)	34.8 mgd	34.8 mgd	34.8 mgd	34.8 mgd
<i>Sewer</i>					
Sanitary sewers (miles)	135	135	136	136	136
Storm sewers (miles)	37	37	37	47.7	48.0
Average Daily treatment capacity (thousands of gallons)	7,000	7,000	7,000	7,000	7,400
<i>Solid Waste</i>					
Collection trucks	40	41	43	40	41

Source: Various City Departments.

(a)- thousandths

* - The City changed its system of accounting for streetlight poles during fiscal year 2007

** - Temporary housing trailer station

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

Data reported hereon was not available for fiscal years 1998 through 2005.