

CITY OF DEERFIELD BEACH, FL



COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2014



City of
**DEERFIELD
BEACH**



Government Finance Officers Association

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Presented to

**City of Deerfield Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



CITY OF DEERFIELD BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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

CITY OF DEERFIELD BEACH, FLORIDA
 Comprehensive Annual Financial Report
 For the Year Ended September 30, 2014

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March 31, 2015

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, 2014.

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

This report consists of management's representations concerning the finances of the City. Consequently, the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to safeguard City assets from loss, theft or misappropriation and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. We believe that the data as presented is accurate in all material aspects; that it fairly presents the City's financial position and the results of operations and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

McGladrey 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, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Deerfield Beach's financial statements for the fiscal year ended September 30, 2014, 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
Jean M. Robb

Vice Mayor
Ben Preston

Commissioners
Bill Ganz
Joseph P. Miller
Richard S. Rosenzweig

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.

The City of Deerfield Beach provides a broad range of municipal services. These services include public safety, sanitation, water and sewer, recreational and cultural activities, public improvements, planning, zoning, highways and streets and general administrative services. It does not provide primary or secondary education or health care, as these are the responsibility of the Broward County School District and Broward Health North, respectively. Both of these entities are independent special districts that are not part of the City of Deerfield Beach. As such, financial data for them or for any other government has not been included in the financial statements in this report.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Community Redevelopment Agency (CRA) is reported as a special revenue fund of the primary government.

For financial planning and control, the City prepares and adopts an annual operating budget in accordance with Florida Statute Chapter 166.241. The legally adopted budget is at the departmental level for current expenditures with separate appropriations established for debt service, interfund transfers, intergovernmental expenditures and miscellaneous fiscal transactions. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund this comparison is presented on page 68 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 76,000 residents, Deerfield Beach is located on the east coast of Florida in Broward County. The City is primarily a residential community and offers commercial development such as shopping facilities, office buildings, restaurants, tourist lodgings and light industry.

The City continues to make some noticeable economic progress since the effects of the Great Recession. Major revenue sources of the City, such as property and sales taxes as well as utility taxes, which were impacted severely by the effects of the economic downturn, are now maintaining some buoyancy. Likewise, the median sales price for a home in Deerfield Beach. According to the Thomson Reuters/University of Michigan's *Surveys of Consumers*, "Consumers now hold the most favorable economic expectations since 2007." The latest survey data indicate that the economy will finally return to annual growth rate of just over 3% for 2015. This would be the first time in ten years since the economy expanded at that rate, the last time being in 2005 when the gross domestic product advanced by 3.3%. Indeed, positive economic trends, such as the steady improvement in the unemployment rate, as evidenced by increases in net hiring both locally and nationally, coupled with a 2.4% increase in the nation's real gross domestic product during 2014, have all helped to boost consumer confidence. The University of Michigan's Index of Consumer Sentiment has increased steadily throughout the fiscal year. This index was 88.2 during the fourth quarter of 2014. This represents a 15% change from the previous year.

Foreclosure filings have also decreased significantly for the City of Deerfield Beach and for Broward County as a whole. Foreclosure filings had reached recessionary peaks of 18,427 for the County and 927 for the City, respectively.

Further, building permit activity has been increasing incrementally. The total valuation of building permits issued during the fiscal year amounted to \$143,546,726, an almost 50.2% increase in valuation from the previous year. The total number of permits issued during this period amounted to 8,008.

Long-Term Financial Planning

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

During the fiscal year, the City's rating from Standard & Poor's Ratings Services (S&P) for its General Obligation Refunding Bonds, Series 2012B-2 was upgraded from an "A+" to a "AA-" with a stable outlook. Standard & Poor's also upgraded the Series 2012B-1 Refunding and Improvement Revenue bonds from "A" to "A+." Fitch Ratings affirmed its ratings of "A-" and "A" for the 2012B-1 and 2012B-2 bonds.

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. For fiscal years 2015 – 2019, the City Commission adopted a CIP budget in excess of \$58.1 million.

Major Initiatives

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

- Continuation of the City's street resurfacing program, with a total estimated cost of approximately \$7 million.
- Completion of the Quiet Waters Athletic Park facility, an improvement that is located on a 5-acre property adjacent to Quiet Waters Elementary School.
- Completion of the Pompano Beach Highlands community center, a 2,400 square foot facility which was funded in part by a \$1 million grant from Broward County.
- Commencement of the permitting process for the expansion and redevelopment of Sullivan Park. Among other things, this project will double the size of a currently existing City park and also create a pedestrian linkage along the Intracoastal Waterway to the recently improved Cove Shopping Center.

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, 2013. This was the 34th 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.

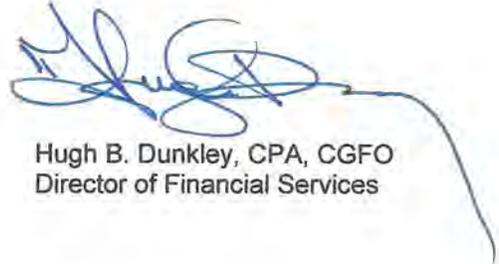
Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2014-15 for the 18th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Thank you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. This report could not have been prepared without the dedicated service of all of the employees of the Department of Financial Services as well as the support of the other City departments. Special appreciation is also extended to Ms. Sophia Henderson Taylor, Assistant Director of Financial Services, whose dedicated service made the completion of this report all the more possible.

Respectfully submitted,

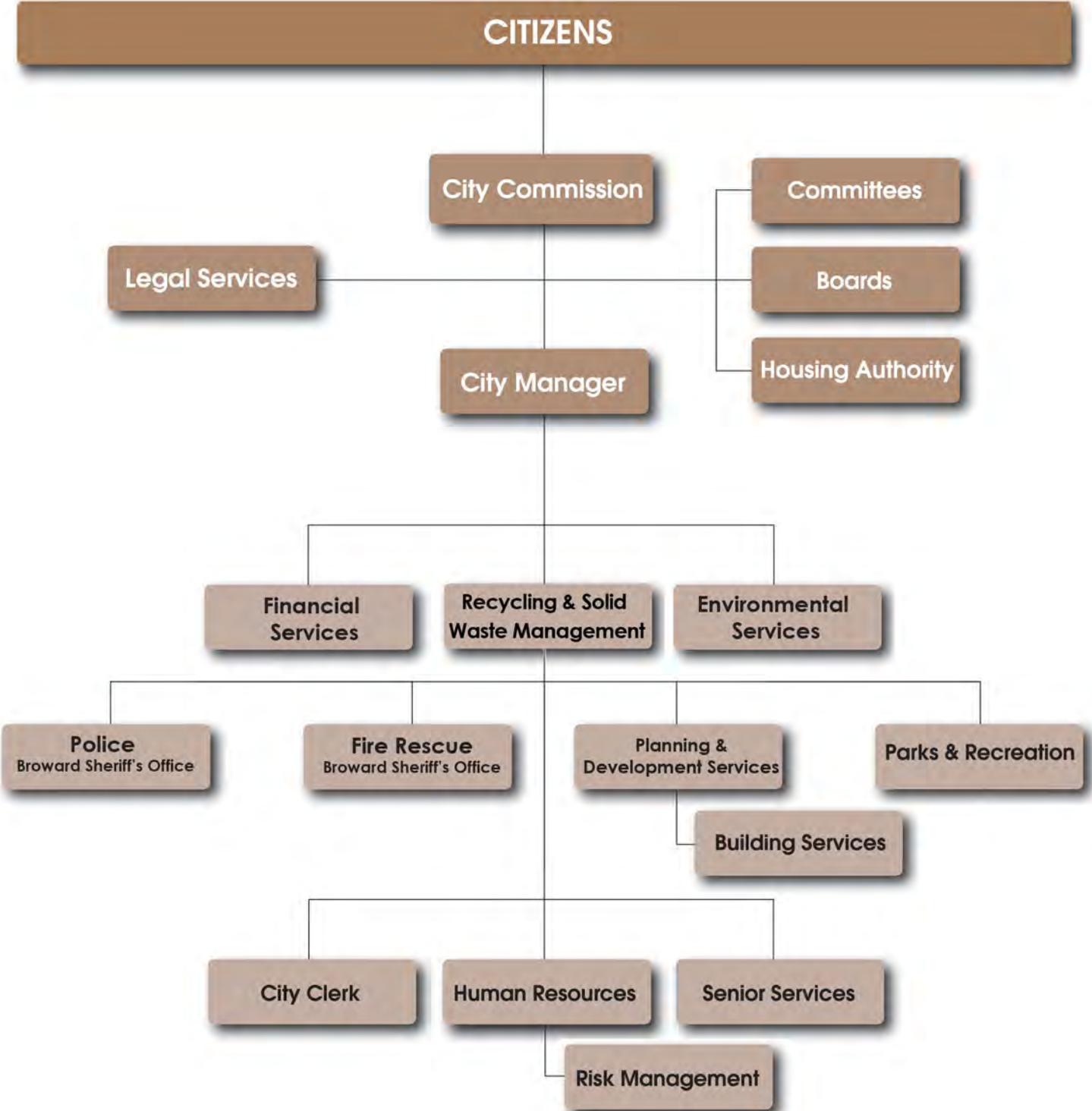


Burgess Hanson
City Manager



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

Deerfield Beach Organizational Chart



City of Deerfield Beach, Florida
List of Elected and Appointed Officials
September 30, 2014

Elected Officials

Mayor
Vice Mayor
Commissioner
Commissioner
Commissioner

Jean M. Robb
Ben Preston
Bill Ganz
Joseph P. Miller
Richard S. Rosenzweig

Appointed Officials

City Manager
City Attorney

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

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

Chad Grecsek
Richard Sievers
Robert Schnakenberg



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deerfield Beach Florida (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Firefighter's Pension Fund, Non-Uniformed Employees' Retirement Fund and Police Officers' Retirement Fund which represent 96% of the total assets and total net position/fund balance and 84% of the total revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Deerfield Beach, Municipal Firefighter's Pension Fund, Non-Uniformed Employees' Retirement Fund and Police Officers' Retirement Fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City of Deerfield Beach Police Officers' Retirement Pension Fund were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deerfield Beach, Florida, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis ("MD&A"), budgetary comparison information for the general fund and community redevelopment agency fund, and schedules of funding progress and schedules of contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 27, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McGladrey LLP

Fort Lauderdale, Florida
March 27, 2015

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2014

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, 2014. 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 - iv of this report.

Financial Highlights

- The total assets of the City of Deerfield Beach at September 30, 2014 increased \$6.3 million from \$250.1 million to \$256.4 million, or 2.5% from the prior year.
- The City's total liabilities decreased by \$0.7 million, from \$105.0 million to \$104.3 million from the prior year.
- The assets and other deferred outflows of resources of the City exceeded its liabilities and other deferred inflows of resources at the close of the most recent fiscal year by \$151.5 million (net position). Of this amount, \$66.5 million was from governmental activities and \$85.0 million was from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$32.3 million, an increase of \$0.4 million, in comparison with the amount reported for the prior fiscal year. Of this amount, \$1.9 million was non-spendable; \$17.3 million was restricted; \$4.5 million was assigned, and \$8.6 million was unassigned and therefore available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$8.8 million, or 10.6% of total General Fund expenditures and transfers. The City has a reserve policy of maintaining an amount in reserves that is at least 10% and 5%, respectively, of total General Fund expenditures and transfers for unassigned and committed fund balance.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2014

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 services and solid waste services.

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

The government-wide financial statements can be found on pages 15 - 17 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 76 - 87 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 18 and 24 of this report.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2014

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 24 - 28 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 29 - 30 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 31 - 67 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 68 – 75 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 76 - 89 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Deerfield Beach, assets exceeded liabilities by \$151.5 million at the close of fiscal year 2014.

The largest portion of the City of Deerfield Beach's net position (71.5%) 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 (Unaudited)
For the Year Ended September 30, 2014

Summary Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$40,373,724	\$37,330,335	\$42,720,496	\$41,112,611	\$83,094,220	\$78,442,946
Capital assets	94,854,123	92,424,775	78,500,802	79,199,950	173,354,925	171,624,725
Total assets	<u>135,227,847</u>	<u>129,755,110</u>	<u>121,221,298</u>	<u>120,312,561</u>	<u>256,449,145</u>	<u>250,067,671</u>
Current liabilities	7,145,550	4,371,843	2,278,743	2,418,083	9,424,293	6,789,926
Long-term liabilities	60,969,327	62,184,154	33,938,257	36,047,877	94,907,584	98,232,031
Total liabilities	<u>68,114,877</u>	<u>66,555,997</u>	<u>36,217,000</u>	<u>38,465,960</u>	<u>104,331,877</u>	<u>105,021,957</u>
Deferred inflows of resources	<u>596,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596,490</u>	<u>-</u>
Net position:						
Net investment in capital assets	57,468,114	58,120,088	50,924,663	48,869,742	108,392,777	106,989,830
Restricted	9,663,870	10,058,524	743,838	743,838	10,407,708	10,802,362
Unrestricted	(615,504)	(4,979,499)	33,335,797	32,233,021	32,720,293	27,253,522
Total net position	<u>\$66,516,480</u>	<u>\$63,199,113</u>	<u>\$85,004,298</u>	<u>\$81,846,601</u>	<u>\$151,520,778</u>	<u>\$145,045,714</u>

An additional portion of the City of Deerfield Beach's net position, approximately 6.9%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$32.7 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The net position of business-type activities increased by \$3.2 million to \$85.0 million in 2014. This increase was primarily due to decreases in disposal fees in the Solid Waste Fund as well as the overall excess of system revenues over expenses.

The City's current and other assets increased by \$4.7 million from \$78.4 million to \$83.1 million. Capital assets also increased by \$1.8 million from \$171.6 million to \$173.4 million, or 1.0% from the prior year. The increases in the City's current and other assets were primarily due to the excess of revenue over expenditures.

Current liabilities increased from \$6.8 million to \$9.4 million. This increase was primarily attributable to amounts due the Broward Sheriff's Office for police and fire protection services. The City's total noncurrent liabilities decreased from \$98.2 million to \$94.9 million, or approximately 3.4%, from the prior year, due largely to scheduled principal maturities on bonds, notes and leases.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2014

Summary Statement of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 25,208,301	\$ 21,191,749	\$ 39,381,342	\$ 40,092,309	\$ 64,589,643	\$ 61,284,058
Operating grants/contributions	6,253,912	7,588,761	-	-	6,253,912	7,588,761
Capital grants/contributions	285,142	1,630,221	45,899	111,699	331,041	1,741,920
General revenues:						
Taxes	56,548,328	50,220,354	-	-	56,548,328	50,220,354
Grants and contributions not restricted to specific programs and miscellaneous						
	1,789,152	1,637,915	-	-	1,789,152	1,637,915
Unrestricted investment earnings	56,617	64,333	55,312	45,401	111,929	109,734
Total revenues	90,141,452	82,333,333	39,482,553	40,249,409	129,624,005	122,582,742
Expenses:						
General government	12,353,311	11,821,874	-	-	12,353,311	11,821,874
Economic environment	2,832,290	1,981,715	-	-	2,832,290	1,981,715
Public safety	55,555,149	52,604,329	-	-	55,555,149	52,604,329
Human services	2,159,042	2,136,865	-	-	2,159,042	2,136,865
Physical environment	3,974,644	4,978,883	-	-	3,974,644	4,978,883
Transportation	3,375,247	2,906,127	-	-	3,375,247	2,906,127
Culture and recreation	4,032,285	4,358,166	-	-	4,032,285	4,358,166
Interest on long term-debt	2,807,078	3,024,834	-	-	2,807,078	3,024,834
Water and sewer	-	-	22,210,582	20,899,520	22,210,582	20,899,520
Solid waste	-	-	13,849,313	14,354,330	13,849,313	14,354,330
Total expenses	87,089,046	83,812,793	36,059,895	35,253,850	123,148,941	119,066,643
Change in net position	3,052,406	(1,479,460)	3,422,658	4,995,559	6,475,064	3,516,099
Transfers	264,961	1,678,071	(264,961)	(1,678,071)	-	-
Change in net position	3,317,367	198,611	3,157,697	3,317,488	6,475,064	3,516,099
Net position, October 1	63,199,113	63,000,502	81,846,601	78,529,113	145,045,714	141,529,615
Net position, September 30	\$ 66,516,480	\$ 63,199,113	\$ 85,004,298	\$ 81,846,601	\$ 151,520,778	\$ 145,045,714

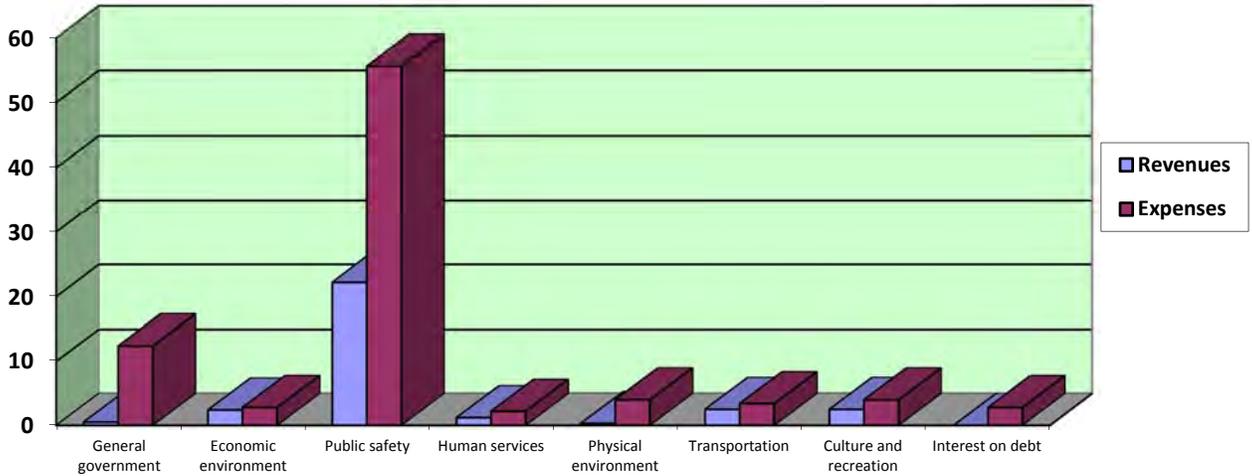
Governmental activities. Governmental activities increased the City's net position by \$3.3 million. The City's total revenues amounted to \$90.1 million in governmental activities. Of these revenues, 62.7% is generated from taxes, 28.0% is from charges for services, operating grants/contributions comprise 6.9%, capital grants/contributions make up 0.3%, grants and contributions not restricted to specific programs and miscellaneous revenues equals 2.0%, and unrestricted investment earnings generates approximately 0.1%. Most of the increase in the City's net position mentioned above was primarily due to an increase in the rate for fire assessment fees, increase in the taxable values of properties as well as increase in building permit revenue.

The City's expenses cover a broad range of services, with approximately 63.8% of governmental activity expenses related to public safety (fire/rescue and police protection). Public safety expenses constitute the largest component of the change in total expenses due to wage and benefit increases in connection with the Broward Sheriff's Office collective bargaining agreements. The City's governmental activities had 3.8% more revenues than expenses, and for business-type activities, revenues exceeded expenses by an 8.8% margin.

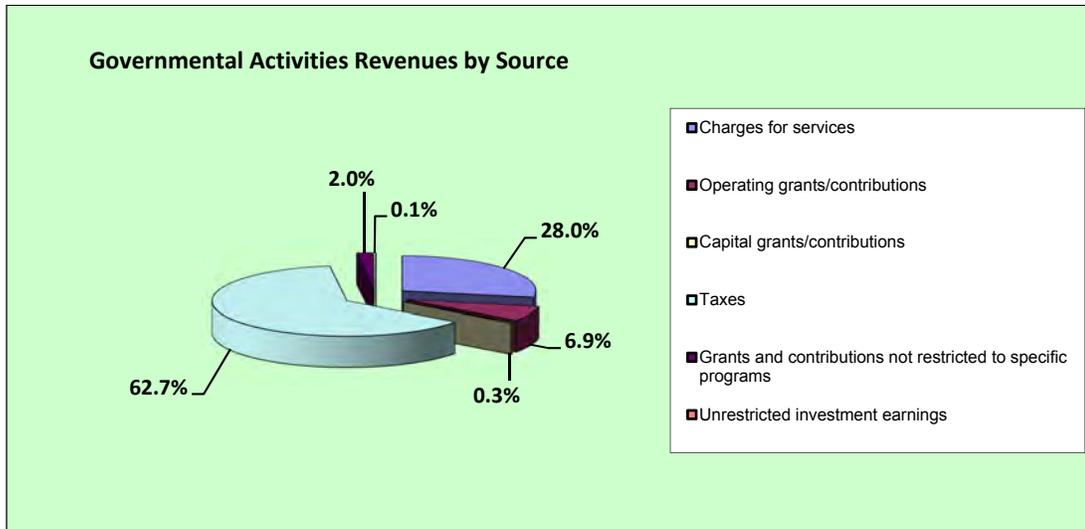
City of Deerfield Beach, Florida
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended September 30, 2014

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)



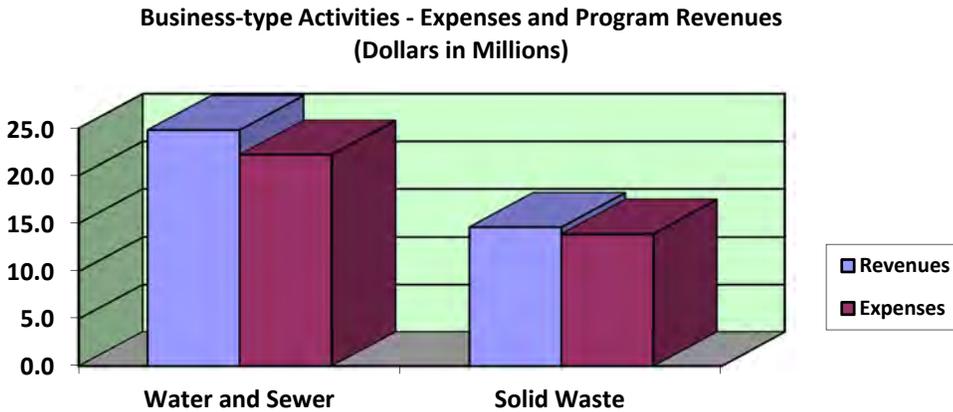
The next chart shows the percent of the total for each source of revenue supporting governmental activities.



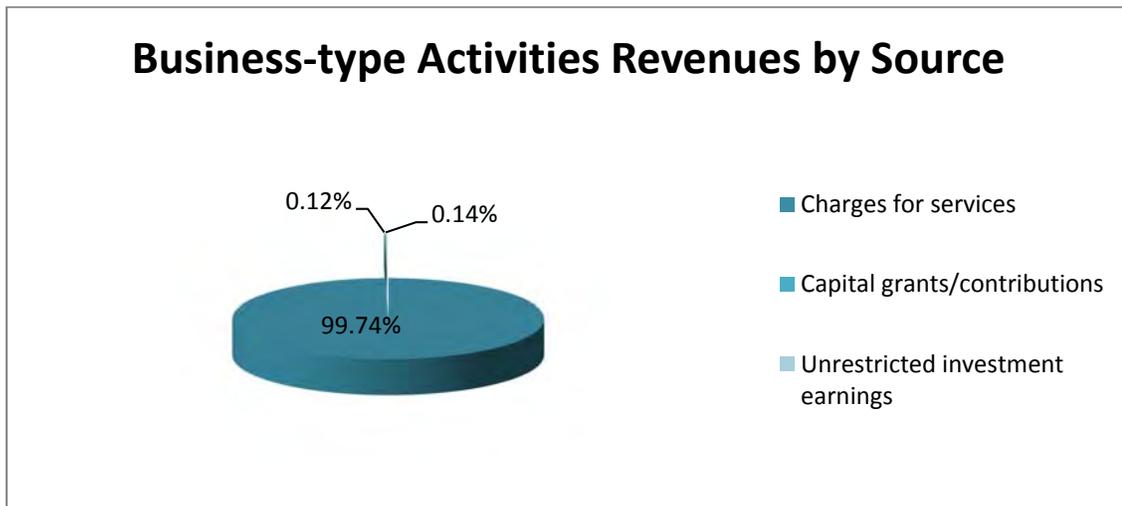
Business-type activities. Business-type activities increased the City's net position by \$3.2 million. This increase in the net position of business-type activities was due primarily to an excess of revenues over expenses.

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

City of Deerfield Beach, Florida
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended September 30, 2014



The following chart shows that 99.74% of revenues from business-type activities are generated by charges for services.



Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City of Deerfield Beach's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Deerfield Beach's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$32.3 million, an increase of \$0.4 million from the prior year's ending balances of \$31.9 million. Approximately 26.6%, \$8,599,917, of the combined fund balances constitute *unassigned fund balance* that is available to meet the City's current and future needs. The remainder of fund balance is *non-spendable, restricted, committed and assigned* to indicate that it is not available for new spending.

City of Deerfield Beach, Florida
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For the Year Ended September 30, 2014

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$8.8 million, while total fund balance was \$13.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 10.6% of total general fund expenditures, while total fund balance represents approximately 16.8% of that same amount.

The total fund balance of the City of Deerfield Beach's General Fund increased by \$6.2 million during the current fiscal year. Key factors in this decrease are as follows:

- Property tax revenue increased by \$5.1 million as a result of a 1 mill increase in the City's ad valorem tax rate coupled with increases in the taxable values of properties within the City.
- Utility taxes increased by \$0.6 million as a result of increased consumption of utility services.
- Fire assessment fees increased by \$2.5 million as a result of an increase in the fire assessment rate from \$135 to \$175 per residential dwelling unit.
- Public safety expenditures increased by approximately \$3.1 million due to increased costs incurred for police and fire protection services.
- Culture and recreation expenditures decreased by \$0.5 million as a result of a decrease in capital expenditures pertaining to this function as well as cost savings generated from vacant positions.

The Community Redevelopment Agency Fund accounts for revenues collected from and expenditures incurred within the community redevelopment area which borders Federal Highway to the west and State Road A1A to the east. At the end of the fiscal year, the restricted and total fund balance in this fund totaled \$1.2 million, which represents a decrease of \$0.2 million from the prior year. This decrease was due to the CRA incurring additional expenditures as a result of increased projects and programs in the CRA target area.

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

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$34.0 million. The Solid Waste Fund had an unrestricted net deficit of \$0.7 million at the end of the fiscal year. Factors concerning the finances of these two funds have already been addressed in the discussion of the City of Deerfield Beach's business-type activities.

General Fund Budgetary Highlights

During the year, there were no increases in appropriations between the original and final amended budget for the City's General Fund. However, interdepartmental transfers totaling \$135,000 were made to those departments that required supplemental appropriations. These interdepartmental transfers were approved by the City Commission.

- City Manager – Supplemental appropriation of \$40,000 to cover expenses incurred in connection with payment of the balances for compensated absences for former employees.
- Planning and Development Services – Supplemental appropriation of \$20,000 as a result of costs incurred for hiring additional staff due to increased demand for building permits.
- Debt Service – Supplemental appropriation of \$75,000 to cover payment of principal and interest on debt that fully matured during the fiscal year.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2014

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

- Licenses and permits – increase in fees was due to increases in the overall number and types of applications filed for permits as a result of a resurgent economy.
- Utility taxes – this revenue source has exceeded projection as a result of increased consumer spending on utility services, due in part to the economic upturn.
- Fire assessment fees – increase in revenue source is primarily due to an increase in the fire assessment rate from \$135 to \$175 per residential dwelling unit.
- Charges for services – this revenue source did not meet projection primarily as a result of delayed implementation of a new parking meter system.
- Parks & Recreation/Senior Services Departments – favorable expenditure budget variances occurred in these departments due to several positions remaining unfilled during the fiscal year.

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, 2014, amounted to \$173.4 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 1.01% (2.6% for governmental activities and negative 0.9% for business-type activities). The following table summarizes the City's capital assets.

**Schedule of Capital Assets
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 14,820,724	\$ 14,820,724	\$ 50,531	\$ 50,531	\$ 14,871,255	\$ 14,871,255
Buildings	25,772,014	26,260,204	605,817	605,817	26,377,831	26,866,021
Improvements other than buildings	2,801,735	3,028,159	44,963,096	45,710,876	47,764,831	48,739,035
Equipment	1,366,924	1,404,267	4,086,869	2,657,803	5,453,793	4,062,070
Utility plants in service	-	-	28,794,489	30,174,923	28,794,489	30,174,923
Infrastructure	38,515,703	30,832,468	-	-	38,515,703	30,832,468
Construction in progress	11,577,023	16,078,953	-	-	11,577,023	16,078,953
Total	\$ 94,854,123	\$ 92,424,775	\$ 78,500,802	\$ 79,199,950	\$ 173,354,925	\$ 171,624,725

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

- Westside Park Phase II Improvements - \$0.7 million
- Quiet Waters Athletic Park - \$0.9 million

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2014

- Pier redesign and renovation project – \$0.7 million
- Citywide street resurfacing - \$1.9 million
- Cove Garden Improvements - \$0.7 million
- Rehabilitation of lift stations and force mains - \$1.3 million

Additional information on the City of Deerfield Beach's capital assets can be found in Note III (C) on pages 47 - 48 of this report.

Long-term debt. At year-end, the City of Deerfield Beach had \$19.8 million in general obligation bonds outstanding. The City also had \$24.1 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 \$14.2 million outstanding in revenue bonds and \$14.9 million outstanding in loans payable at the end of the fiscal year.

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

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds (backed by the City)	\$ 19,797,105	\$ 21,128,368	\$ -	\$ -	\$ 19,797,105	\$ 21,128,368
Revenue bonds	-	-	14,196,426	14,827,383	14,196,426	14,827,383
Covenant bonds	24,140,000	25,265,000	-	-	24,140,000	25,265,000
Add/(subtract) premium/(discount)	1,595,012	1,122,760	-	-	1,595,012	1,122,760
Capital leases	80,981	231,996	1,087,825	1,760,609	1,168,806	1,992,605
Loan payable	-	-	14,938,143	16,388,471	14,938,143	16,388,471
Total bonds, loans and leases payable	\$ 45,613,098	\$ 47,748,124	\$ 30,222,394	\$ 32,976,463	\$ 75,835,492	\$ 80,724,587

The City's general obligation debt per capita, excluding enterprise fund debt, was \$223 at the end of fiscal year 2014. The City's outstanding net general obligation debt was 0.22% of the City's assessed property value. Neither the Florida statutes nor the current ordinances of the City of Deerfield Beach specify a legal debt margin.

Additional information on the City of Deerfield Beach's long-term debt can be found in Note III (I) on pages 51 – 54 of this report.

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the City evaluated the long-term impacts of the national and local economies in conjunction with business decisions made. The following are the major assumptions used in formulating the fiscal 2015 budget:

- The nation's as well as state and local economies will continue to show signs of positive economic growth.
- General property taxes will increase by 6.3% as a result of continued increases in the taxable values of properties within the City.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2014

- Communications services taxes will decrease by 15.1% as a result of erosion in the taxable base of communications services.
- Utility taxes will increase by 12.2% due to increase in consumer spending on utility services.
- Public safety costs, namely for police and fire protection, will increase by 3.0% (Police) and 11.7% (Fire/Rescue) as a result of planned purchases of replacement apparatus for fire/rescue services.
- The City's population will remain stable.
- Salaries and related benefits will increase by 2.5%.
- The millage rate will remain constant.
- Water and sewer as well as solid waste rates will remain constant.

During the current fiscal year, total fund balance in the General Fund amounted to \$13.9 million. The City has no plans to utilize any of its available General Fund balance for spending in Fiscal Year 2015.

Requests for Information

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

CITY OF DEERFIELD BEACH, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,764,657	\$ 19,249,678	\$ 22,014,335
Investments	6,437,308	13,679,346	20,116,654
Receivables (net of allowances)	3,027,941	5,434,168	8,462,109
Due from other governments	1,480,922	144,071	1,624,993
Inventories	241,594	171,930	413,524
Prepays	828,349	19,991	848,340
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	5,295,559	4,021,312	9,316,871
Investments	18,217,345	-	18,217,345
Due from other governments	628,325	-	628,325
Real estate held for resale	211,226	-	211,226
Permanently restricted:			
Investments	1,240,498	-	1,240,498
Capital assets:			
Nondepreciable	26,397,747	50,531	26,448,278
Depreciable (net)	<u>68,456,376</u>	<u>78,450,271</u>	<u>146,906,647</u>
Total assets	<u>135,227,847</u>	<u>121,221,298</u>	<u>256,449,145</u>
LIABILITIES			
Accounts payable	4,827,483	1,014,693	5,842,176
Accrued liabilities	274,539	208,831	483,370
Accrued interest payable	1,026,387	487,334	1,513,721
Due to other governments	7,532	-	7,532
Unearned revenue	327,544	-	327,544
Payable from restricted assets:			
Accounts payable	663,560	-	663,560
Accrued liabilities	18,505	-	18,505
Customer deposits	-	567,885	567,885
Non-current liabilities:			
Due within one year:			
Compensated absences	992,650	586,671	1,579,321
Insurance claims payable	1,223,000	-	1,223,000
Bonds, loans and leases payable	2,504,395	2,602,216	5,106,611
Due in more than one year:			
Compensated absences	401,906	414,556	816,462
Net OPEB liability	7,432,376	2,714,636	10,147,012
Insurance claims payable	5,902,785	-	5,902,785
Bonds, loans and leases payable	<u>42,512,215</u>	<u>27,620,178</u>	<u>70,132,393</u>
Total liabilities	<u>68,114,877</u>	<u>36,217,000</u>	<u>104,331,877</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding	<u>596,490</u>	-	<u>596,490</u>
NET POSITION			
Net investment in capital assets	57,468,114	50,924,663	108,392,777
Restricted for:			
Debt service	1,487,577	743,838	2,231,415
Perpetual care:			
Nonexpendable	1,240,498	-	1,240,498
Expendable	1,185,090	-	1,185,090
Economic environment	2,218,402	-	2,218,402
Public safety	1,221,653	-	1,221,653
Human services	269,179	-	269,179
Physical environment	136,765	-	136,765
Transportation	679,319	-	679,319
Parks and recreation	1,225,387	-	1,225,387
Unrestricted (deficit)	<u>(615,504)</u>	<u>33,335,797</u>	<u>32,720,293</u>
Total net position	<u>\$ 66,516,480</u>	<u>\$ 85,004,298</u>	<u>\$ 151,520,778</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, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 12,353,311	\$ 540,328	\$ -	\$ -
Economic environment	2,832,290	-	2,406,988	-
Public safety	55,555,149	20,615,778	1,623,626	-
Human services	2,159,042	29,316	1,244,377	-
Physical environment	3,974,644	286,215	150	25,000
Transportation	3,375,247	1,829,159	583,471	95,561
Culture and recreation	4,032,285	1,907,505	395,300	164,581
Interest and fiscal charges	<u>2,807,078</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>87,089,046</u>	<u>25,208,301</u>	<u>6,253,912</u>	<u>285,142</u>
Business-Type activities:				
Water and sewer	22,210,582	24,754,868	-	45,899
Solid waste	<u>13,849,313</u>	<u>14,626,474</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>36,059,895</u>	<u>39,381,342</u>	<u>-</u>	<u>45,899</u>
Total	<u>\$ 123,148,941</u>	<u>\$ 64,589,643</u>	<u>\$ 6,253,912</u>	<u>\$ 331,041</u>

General revenues:

- General property taxes
- Incremental property taxes
- Utility 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

Transfers

- Total general revenues and transfers
- Change in net position
- Net position - beginning
- Net position - ending

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

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

Governmental Activities	Business-Type Activities	Total
\$ (11,812,983)	\$ -	\$ (11,812,983)
(425,302)	-	(425,302)
(33,315,745)	-	(33,315,745)
(885,349)	-	(885,349)
(3,663,279)	-	(3,663,279)
(867,056)	-	(867,056)
(1,564,899)	-	(1,564,899)
<u>(2,807,078)</u>	<u>-</u>	<u>(2,807,078)</u>
<u>(55,341,691)</u>	<u>-</u>	<u>(55,341,691)</u>
-	2,590,185	2,590,185
-	777,161	777,161
<u>-</u>	<u>3,367,346</u>	<u>3,367,346</u>
<u>(55,341,691)</u>	<u>3,367,346</u>	<u>(51,974,345)</u>
31,347,644	-	31,347,644
2,403,117	-	2,403,117
7,907,567	-	7,907,567
4,648,145	-	4,648,145
8,867,645	-	8,867,645
1,318,433	-	1,318,433
55,777	-	55,777
1,622,476	-	1,622,476
56,617	55,312	111,929
166,676	-	166,676
264,961	(264,961)	-
<u>58,659,058</u>	<u>(209,649)</u>	<u>58,449,409</u>
3,317,367	3,157,697	6,475,064
<u>63,199,113</u>	<u>81,846,601</u>	<u>145,045,714</u>
<u>\$ 66,516,480</u>	<u>\$ 85,004,298</u>	<u>\$ 151,520,778</u>

CITY OF DEERFIELD BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General	Community Redevelopment Agency	General Construction Fund
ASSETS			
Cash and cash equivalents	\$ 2,764,657	\$ 588,431	\$ 150,000
Investments	6,437,308	1,431	15,168,324
Receivables (net):			
Accounts	2,995,548	-	-
Assessments	842	-	-
Interest	18,871	2,137	-
Due from other funds	6,206,945	647,955	-
Due from other governments	1,473,608	-	7,314
Inventories	241,594	-	-
Real estate held for resale	-	-	-
Prepaid items	422,401	-	-
Total assets	<u>\$ 20,561,774</u>	<u>\$ 1,239,954</u>	<u>\$ 15,325,638</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,827,483	\$ 20,805	\$ 394,311
Accrued payroll	374,965	6,714	-
Due to other funds	-	-	6,467,647
Due to other governments	7,532	-	-
Unearned revenue	409,691	-	-
Total liabilities	<u>5,619,671</u>	<u>27,519</u>	<u>6,861,958</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	993,987	-	-
Total deferred inflows of resources	<u>993,987</u>	<u>-</u>	<u>-</u>
 Fund balances:			
Non-spendable	663,995	-	-
Restricted	-	1,212,435	8,463,680
Assigned	4,502,471	-	-
Unassigned	8,781,650	-	-
Total fund balances	<u>13,948,116</u>	<u>1,212,435</u>	<u>8,463,680</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,561,774</u>	<u>\$ 1,239,954</u>	<u>\$ 15,325,638</u>

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

CITY OF DEERFIELD BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,557,128	\$ 8,060,216
4,288,088	25,895,151
254	2,995,802
-	842
10,289	31,297
-	6,854,900
628,325	2,109,247
-	241,594
211,226	211,226
-	422,401
<u>\$ 9,695,310</u>	<u>\$ 46,822,676</u>

\$ 248,444	\$ 5,491,043
18,505	400,184
387,253	6,854,900
-	7,532
-	409,691
<u>654,202</u>	<u>13,163,350</u>

<u>354,844</u>	<u>1,348,831</u>
<u>354,844</u>	<u>1,348,831</u>

1,240,498	1,904,493
7,627,499	17,303,614
-	4,502,471
<u>(181,733)</u>	<u>8,599,917</u>
<u>8,686,264</u>	<u>32,310,495</u>

<u>\$ 9,695,310</u>	<u>\$ 46,822,676</u>
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CITY OF DEERFIELD BEACH, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Fund balances, total governmental funds: \$ 32,310,495

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

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

Governmental capital assets	166,584,611	
Less: accumulated depreciation	(71,730,488)	
Net capital assets		94,854,123

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest payable on long-term bonds	(1,026,387)	
Bonds and notes payable	(43,937,105)	
Capital leases payable	(80,981)	
Insurance claims payable	(7,018,647)	
Net OPEB liability	(7,432,376)	
Compensated absences	(1,394,556)	
Total		(60,890,052)

Revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. They are, however, recognized in the government activities. 1,430,978

The pension assets are not considered current financial resources and are therefore not reported in the funds. 405,948

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	(1,759,920)	
Amortization premium/deferred gain on refunding	164,908	
Unamortized premium/deferred gain on refunding, September 30, 2014		(1,595,012)
Net position of governmental activities		<u>\$ 66,516,480</u>

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

CITY OF DEERFIELD BEACH, FLORIDA

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>General</u>	<u>Community Redevelopment Agency</u>	<u>General Construction Fund</u>
REVENUES			
Property taxes	\$ 31,347,644	\$ 2,403,117	\$ -
Sales and use taxes	5,934,513	-	-
Fire assessment fees	10,972,926	-	-
Franchise fees	8,867,645	-	-
Utility taxes	7,907,567	-	-
Local option gas tax	-	-	-
Local business taxes/permits	3,461,990	-	-
Intergovernmental	2,939,361	-	261,656
Charges for services	8,396,509	-	-
Fines and forfeitures	1,169,979	-	-
Investment earnings	18,303	2,762	27,974
Miscellaneous:			
Cemetery plot sales	-	-	-
Donations/contributions	209,206	130	25,000
Administrative fees	5,213,026	-	-
Other	470,212	-	-
Total revenues	<u>86,908,881</u>	<u>2,406,009</u>	<u>314,630</u>
EXPENDITURES			
Current:			
General government	15,510,007	-	-
Economic environment	-	509,982	-
Public safety	54,510,791	45,488	-
Human services	2,154,433	-	-
Physical environment	3,476,105	-	-
Transportation	114,383	-	-
Culture and recreation	2,565,923	133,896	-
Capital outlay	-	730,708	3,820,771
Debt service:			
Principal	117,780	-	-
Interest and fiscal charges	1,873	-	102,057
Total expenditures	<u>78,451,295</u>	<u>1,420,074</u>	<u>3,922,828</u>
Excess (deficiency) of revenues over expenditures	<u>8,457,586</u>	<u>985,935</u>	<u>(3,608,198)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,525,829	-	150,000
Transfers out	<u>(4,748,020)</u>	<u>(1,186,456)</u>	<u>(85,419)</u>
Total other financing sources (uses)	<u>(2,222,191)</u>	<u>(1,186,456)</u>	<u>64,581</u>
Net change in fund balances	6,235,395	(200,521)	(3,543,617)
Fund balances - beginning	7,712,721	1,412,956	12,007,297
Fund balances - ending	<u>\$ 13,948,116</u>	<u>\$ 1,212,435</u>	<u>\$ 8,463,680</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 33,750,761
-	5,934,513
-	10,972,926
-	8,867,645
-	7,907,567
1,318,433	1,318,433
-	3,461,990
2,558,378	5,759,395
155,349	8,551,858
284,973	1,454,952
7,578	56,617
116,905	116,905
352,275	586,611
267,364	5,480,390
<u>361,623</u>	<u>831,835</u>
<u>5,422,878</u>	<u>95,052,398</u>
-	15,510,007
2,454,070	2,964,052
252,926	54,809,205
-	2,154,433
42,335	3,518,440
2,177,735	2,292,118
297,233	2,997,052
1,218,558	5,770,037
2,488,887	2,606,667
<u>2,168,964</u>	<u>2,272,894</u>
<u>11,100,708</u>	<u>94,894,905</u>
<u>(5,677,830)</u>	<u>157,493</u>
4,841,777	7,517,606
<u>(1,232,750)</u>	<u>(7,252,645)</u>
<u>3,609,027</u>	<u>264,961</u>
(2,068,803)	422,454
<u>10,755,067</u>	<u>31,888,041</u>
<u>\$ 8,686,264</u>	<u>\$ 32,310,495</u>

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, 2014

Net change in fund balances-total governmental funds \$ 422,454

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	6,092,250	
Less: current year's depreciation	<u>(3,662,901)</u>	2,429,349

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 569,444

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

Increase in long-term portion of insurance claims payable	(308,417)
Decrease in net pension asset	(10,884)
Increase in net OPEB liability	(1,941,069)

In the statement of activities, certain operating expenses - compensated absences (sick and vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually used (paid). During the fiscal year, compensated absences earned, \$1,001,585, exceeded the amount used, \$953,830. (47,755)

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

Debt retired:	
Principal repayments	2,607,277
Due to other governments	131,762

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' plus the amortization of bond premiums, discounts, and deferred gain on refunding. (534,794)

Change in net position of governmental activities \$ 3,317,367

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

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 18,905,168	\$ 344,510	\$ 19,249,678
Investments	13,679,346	-	13,679,346
Restricted cash and cash equivalents:			
Customer deposits	518,871	49,014	567,885
Revolving loan covenant accounts	743,838	-	743,838
Revenue bond covenant accounts	-	-	-
Receivables (net):			
Accounts	3,371,408	1,769,009	5,140,417
Delinquent assessments	35,089	-	35,089
Interest	258,662	-	258,662
Due from other funds	800,000	-	800,000
Due from other governments	-	144,071	144,071
Inventories	171,930	-	171,930
Prepaid items	19,991	-	19,991
Total current assets	<u>38,504,303</u>	<u>2,306,604</u>	<u>40,810,907</u>
Noncurrent assets:			
Restricted cash and cash equivalents:			
Bond construction accounts	2,709,589	-	2,709,589
Capital assets:			
Land	50,531	-	50,531
Buildings	1,810,875	-	1,810,875
Utility plants in service	45,988,174	-	45,988,174
Improvements other than buildings	81,770,078	52,852	81,822,930
Equipment	6,417,982	15,162,047	21,580,029
Less accumulated depreciation	<u>(61,319,934)</u>	<u>(11,431,803)</u>	<u>(72,751,737)</u>
Total capital assets (net of accumulated depreciation)	<u>74,717,706</u>	<u>3,783,096</u>	<u>78,500,802</u>
Total noncurrent assets	<u>77,427,295</u>	<u>3,783,096</u>	<u>81,954,229</u>
Total assets	<u>\$ 115,931,598</u>	<u>\$ 6,089,700</u>	<u>\$ 122,021,298</u>

(Continued)

CITY OF DEERFIELD BEACH, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 620,508	\$ 394,185	\$ 1,014,693
Accrued payroll	112,340	96,491	208,831
Due to other funds		800,000	800,000
Customer deposits payable	518,871	49,014	567,885
Compensated absences	298,217	288,454	586,671
Matured interest payable	487,334	-	487,334
Capital leases payable - current	-	447,887	447,887
Bonds payable, current	662,017	-	662,017
Loan payable, current	<u>1,492,312</u>	<u>-</u>	<u>1,492,312</u>
Total current liabilities	<u>4,191,599</u>	<u>2,076,031</u>	<u>6,267,630</u>
Noncurrent liabilities:			
Compensated absences	279,660	134,896	414,556
Net OPEB liability	1,488,103	1,226,533	2,714,636
Capital leases payable	-	639,938	639,938
Bonds payable	13,534,409	-	13,534,409
Loan payable	<u>13,445,831</u>	<u>-</u>	<u>13,445,831</u>
Total noncurrent liabilities	<u>28,748,003</u>	<u>2,001,367</u>	<u>30,749,370</u>
Total liabilities	<u>32,939,602</u>	<u>4,077,398</u>	<u>37,017,000</u>
NET POSITION			
Net investment in capital assets	48,229,392	2,695,271	50,924,663
Restricted for:			
Debt service	743,838	-	743,838
Unrestricted	34,018,766	(682,969)	33,335,797
Total net position	<u>\$ 82,991,996</u>	<u>\$ 2,012,302</u>	<u>\$ 85,004,298</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<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	\$ 15,427,341	\$ -	\$ 15,427,341
Sewer charges pledged as security for revolving loans	8,746,390	-	8,746,390
Solid waste charges	-	14,541,347	14,541,347
Engineering fees	118,049	-	118,049
Miscellaneous	463,088	85,127	548,215
Total operating revenues	<u>24,754,868</u>	<u>14,626,474</u>	<u>39,381,342</u>
Operating expenses:			
Personal services	5,013,837	4,187,847	9,201,684
Contractual services	578,113	489,879	1,067,992
Electricity	840,537	-	840,537
Insurance	1,663,783	1,539,204	3,202,987
Fixed charges	39,731	21,981	61,712
County wastewater charge	4,050,098	-	4,050,098
County raw water charge	44,067	-	44,067
Disposal fees	-	3,462,318	3,462,318
General administrative charge	3,241,657	1,789,502	5,031,159
Commodities	1,938,994	1,626,351	3,565,345
Depreciation	3,668,343	706,727	4,375,070
Fiscal charges	6,657	-	6,657
Total operating expenses	<u>21,085,817</u>	<u>13,823,809</u>	<u>34,909,626</u>
Operating income	<u>3,669,051</u>	<u>802,665</u>	<u>4,471,716</u>
Non-operating revenues (expenses):			
Investment earnings	55,312	-	55,312
Interest charges	(1,123,326)	(25,504)	(1,148,830)
Amortization	(1,439)	-	(1,439)
Total non-operating revenues (expenses)	<u>(1,069,453)</u>	<u>(25,504)</u>	<u>(1,094,957)</u>
Income before contributions and transfers	2,599,598	777,161	3,376,759
Capital contributions - tap fees	45,899	-	45,899
Transfers in	-	12,944	12,944
Transfers out	-	(277,905)	(277,905)
Change in net position	2,645,497	512,200	3,157,697
Total net position - beginning	<u>80,346,499</u>	<u>1,500,102</u>	<u>81,846,601</u>
Total net position - ending	<u>\$ 82,991,996</u>	<u>\$ 2,012,302</u>	<u>\$ 85,004,298</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, 2014

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 23,766,483	\$ 14,410,611	\$ 38,177,094
Payments to suppliers	(12,646,887)	(8,837,158)	(21,484,045)
Payments to employees	(4,602,800)	(3,916,876)	(8,519,676)
Net cash provided by (used in) operating activities	<u>6,516,796</u>	<u>1,656,577</u>	<u>8,173,373</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfer to other funds	-	(264,961)	(264,961)
Receipt of interfund loans	-	800,000	800,000
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>535,039</u>	<u>535,039</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributed from connection fees	45,899	-	45,899
Acquisition and construction of capital assets	(1,481,310)	(2,194,611)	(3,675,921)
Principal paid on:			
Revenue bonds	(630,957)	-	(630,957)
Capital lease	-	(672,784)	(672,784)
Loan	(1,450,328)	-	(1,450,328)
Interest paid on:			
Capital lease	-	(25,504)	(25,504)
Loan	(1,138,753)	-	(1,138,753)
Customer deposits	300	-	300
Interest received on special assessment	(11,380)	-	(11,380)
Net cash provided by (used in) capital and related financing activities	<u>(4,666,529)</u>	<u>(2,892,899)</u>	<u>(7,559,428)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	28,068,949	-	28,068,949
Purchases of investments	(20,884,640)	-	(20,884,640)
Interest received	34,389	-	34,389
Net cash provided by (used in) investing activities	<u>7,218,698</u>	<u>-</u>	<u>7,218,698</u>
Net increase (decrease) in cash and cash equivalents	9,068,964	(701,281)	8,367,683
Cash and cash equivalents, beginning of year	13,808,502	1,094,805	14,903,307
Cash and cash equivalents, end of year	<u>\$ 22,877,466</u>	<u>\$ 393,524</u>	<u>\$ 23,270,990</u>
Cash and cash equivalents	\$ 18,905,168	\$ 344,510	\$ 19,249,678
Cash and cash equivalents - restricted (current)	1,262,709	49,014	1,311,723
Cash and cash equivalents - restricted (noncurrent)	2,709,589	-	2,709,589
Cash and cash equivalents, end of year	<u>\$ 22,877,466</u>	<u>\$ 393,524</u>	<u>\$ 23,270,990</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, 2014

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 3,669,051	\$ 802,665	\$ 4,471,716
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	3,668,343	706,727	4,375,070
Changes in assets and liabilities:			
Increase in accounts receivable, net of allowances	(1,016,504)	(149,549)	(1,166,053)
Increase in inventories	(28,131)	-	(28,131)
Decrease in prepaid items	-	238	238
Increase (decrease) in customer deposits	28,119	(6,100)	22,019
Increase (decrease) in accounts payable and accrued liabilities	(197,323)	51,389	(145,934)
Net increase in OPEB liability	329,755	283,311	613,066
Increase (decrease) in compensated absences payable	63,486	(32,104)	31,382
Total adjustments	<u>2,847,745</u>	<u>853,912</u>	<u>3,701,657</u>
Net cash provided by operating activities	<u>\$ 6,516,796</u>	<u>\$ 1,656,577</u>	<u>\$ 8,173,373</u>
 Non-cash investing, capital and financing activities:			
Net depreciation in the value of investments reported at fair value	\$ (88,371)	\$ -	\$ (88,371)
Total non-cash investing, capital and financing activities	<u>\$ (88,371)</u>	<u>\$ -</u>	<u>\$ (88,371)</u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

	<u>Fiduciary Funds</u>
ASSETS:	
Cash and cash equivalents	<u>\$ 7,171,474</u>
Investments:	
Mutual funds	64,013,475
U.S. Government securities	18,636,107
Corporate equities	88,347,603
Corporate bonds and notes	<u>24,044,933</u>
Total investments	<u>195,042,118</u>
Receivables:	
Interest and dividends	317,070
Contributions receivable (State)	190,539
Due from brokers	<u>418,457</u>
Total receivables	<u>926,066</u>
Other Assets	<u>2,115</u>
Total assets	<u>203,141,773</u>
 LIABILITIES:	
Accounts payable	<u>389,533</u>
Total liabilities	<u>389,533</u>
 NET POSITION:	
Restricted for pension benefits	<u><u>\$ 202,752,240</u></u>

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

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Fiduciary Funds</u>
ADDITIONS:	
Contributions:	
Employer	\$ 8,552,126
Plan members	916,209
State of Florida	<u>1,334,758</u>
Total contributions	<u>10,803,093</u>
Investment earnings:	
Interest and dividends	4,647,903
Net increase in the fair value of investments	<u>14,174,393</u>
Total investment earnings	18,822,296
Less investment expense	<u>(1,113,834)</u>
Net investment earnings	<u>17,708,462</u>
Other miscellaneous income	<u>15,814</u>
Total additions	<u>28,527,369</u>
 DEDUCTIONS:	
Benefits paid	17,705,541
Administrative expenses	<u>398,245</u>
Total deductions	<u>18,103,786</u>
Change in net position	10,423,583
Net position restricted for pension benefits:	
Beginning of year	<u>192,328,657</u>
End of year	<u>\$ 202,752,240</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, 2014

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NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Financial Reporting Entity - The City of Deerfield Beach is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the state. Originally incorporated in June 1925, the Town of Deerfield was formed, under the provisions of Chapter 10462, Special Acts of the 1925 Legislature. In June 1951, Chapter 27503, laws of the State of Florida, created a new charter abolishing the Town and changing its name to City of Deerfield Beach. Today, the City is approximately 16.5 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 77,361 residents, the City operates water, sewer and solid waste enterprises. The City does not provide educational or hospital facilities. Those services are provided by the School Board of Broward County and the Broward Health North District, respectively.

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

The Deerfield Beach Community Redevelopment Agency (the "CRA"), a separate legal entity, which is largely responsible for redevelopment of the area that encompasses most of the beach district and the area along Hillsboro Boulevard from Federal Highway to the intracoastal waterway, was established in November 1999. The CRA is governed by a board which is comprised of the City's elected officials, and management of the City has operational responsibility of the CRA. The CRA is also fiscally dependent upon the City. Accordingly, the CRA is a blended component unit and is presented as a special revenue fund. The CRA has a September 30 year-end. Separate financial statements for the CRA are not available.

The Deerfield Beach Housing Authority (the "Housing Authority") is a related organization because the mayor, with the concurrence of the City Commission, has the responsibility of appointing the members of the Housing Authority Board. Its operations are conducted within City boundaries. However, it is not included as a part of the financial reporting entity because it is fiscally independent and it has no financial accountability to the City. The Housing Authority's autonomy prohibits it from providing any financial benefit or imposing a financial burden upon the City. The Housing Authority is

CITY OF DEERFIELD BEACH, FLORIDA
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not exclusively for the benefit of City residents and the City Commission cannot impose its will over operations, cannot hire, reassign or dismiss management, and cannot remove Housing Authority board members without cause. The Housing Authority is responsible for ensuring that a complete and full financial accounting and an audit is made biennially by a certified public accountant.

The Northeast Focal Point Children's, Alzheimer's, Senior, Adult Services, Inc. (hereinafter referred to as "CASA"), is a nonprofit entity organized under the laws of the State of Florida in September 1986. This organization raises funds and makes yearly pledges to the City to subsidize the costs of operating the City's children's, Alzheimer's, senior and adult day care facilities. GASB Statement No. 39 requires that a legally separate, tax-exempt organization should be reported as a component unit of the City, if all of the following are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the City; (2) the City is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by the separate organization are significant to the City. The City believes that conditions (1) and (2) apply to CASA. However, the City does not believe that the economic resources held/received by that entity is "significant" to the City's operations. As such, it is not included as a part of the financial reporting entity.

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

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

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

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

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

The City reports the following major governmental funds:

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

The **Community Redevelopment Agency ("CRA") Fund** accounts for the proceeds of tax increment revenues and the related expenditures for redevelopment of the area that hovers along Hillsboro Boulevard and that encompasses most of the beach district from Federal Highway to the Intracoastal Waterway. This fund has been deemed a major fund, since management believes it is particularly important to financial statement users for public interest.

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

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D. New Accounting Pronouncements Adopted - GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. A provision for this statement also requires debt issuance costs to be recognized as an expense in the period incurred. At the beginning of fiscal year 2014, the City carried unamortized debt issuance costs of \$701,578 relative to its Florida Municipal Loan Council Revenue and Refunding Bonds. These Unamortized debt issuance costs were expensed in full during the current year. Though GASB recommends the restatement of beginning net position (as of October 1, 2013) for the cumulative effect of the provisions of Statement No. 65 as pertaining to debt issuance costs, the City believes the effect on the financial statements to be immaterial and has not restated beginning balances in the financial statements.

GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement became effective for the City during the fiscal year, however there was no significant impact.

GASB Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The provisions of this Statement were implemented for the City during the fiscal year, however there was no significant impact.

GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, is effective for financial statements for periods beginning after June 15, 2013. The object of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. This Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued an obligation guaranteed in a non-exchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. This Statement specifies the information required to be disclosed by governments that extend non-exchange

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financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive non-exchange financial guarantees. The provisions of this Statement became effective for the City during the fiscal year, however there was no significant impact.

E. Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Equity

1. Deposits and Investments – The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City has established an investment policy in accordance with Section 218.415, Florida Statutes that allows the City to invest in relatively low-risk securities, such as the State Treasurer’s Investment Pool, and U.S. Government and Agencies securities. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments have been reported at fair value. The State Treasurer’s Investment Pool’s reported value is the same as the value of the pool shares and is recorded at amortized cost. Resources of all funds, with the exception of the pension trust funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized and unrealized gains and losses on investments. Investment earnings on pooled investments are allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with investments on the balance sheet at year-end. In addition, the pension trust funds are authorized to invest in corporate bonds, stocks, money market funds, mortgages and notes.

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

All trade and property tax receivables are shown net of allowance for uncollectibles. Management determines the allowance for uncollectible accounts, based upon a review of the accounts and its knowledge of the debtor’s ability to pay. Property taxes are levied as of October 1 on property values assessed as of January 1 of the same year. The tax levy is divided into two billings: the first billing (mailed during September) is an estimate of the current year’s levy based on the prior year’s taxes; the second billing (mailed on November 1) reflects 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.

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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.

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 had no capitalized interest costs for this 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 - 10

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

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6. Deferred Outflows/Inflows of Resources – The Statements of Net Position and Fund Financial Statement requires the inclusion of a separate section for deferred outflows of resources. A deferred outflow of resources represents the usage of net position that is applicable to future periods.

The Statements of Net Position and Fund Financial Statements, also includes a separate section for deferred inflows of resources, which represent the acquisition of net position which is applicable to future periods that will be recognized as revenue (or serve as a reduction of expenses) in a future period. The City reported deferred amounts on refunding in this category under GASB 65 requirements in the governmental activities. Also, in the Fund Financial Statements the City reported deferred inflows for amounts not recorded within the period of availability.

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

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

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

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

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

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

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

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

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

The government-wide statement of net position reports \$9,663,870 of restricted net position of which \$327,691 is restricted by enabling legislation.

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

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

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

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tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

12. Reclassifications – Prior period financial statements amounts have been reclassified to conform to current period presentation.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations – For the year ended September 30, 2014, expenditures exceeded appropriations in three of the City's departments. The Information Technology Services, Central Services, and the Streets Maintenance (Road and Bridge Fund) departments exceeded their budgets by \$106,817, \$24,718, and \$82,035 respectively. The additional costs were incurred to pay salaries of new personnel hired to assist with ongoing projects in the Information Technology Services department, to pay for increase in utility usage in the Central Services department, also to pay for the Hillsboro lighting project in the Streets Maintenance department.

B. Deficit Fund Equity – At September 30, 2014, the Community Development Block Grant Fund had a deficit fund balance of \$119,478. This deficit is expected to be funded by future grant reimbursements, which were not susceptible to accrual at September 30, 2014.

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, 2014, the carrying amount of the City's deposits totaled \$24,113,212.

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

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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, 2014 represented less than 1% of the total investment assets of the SBA. For Agency Account 131051, 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, 2014, the City’s investment in Agency Account 131051 was that of \$12,081,064.

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

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

Each of the City’s three individual pension plans is governed by a Board of Trustees, which is responsible for determining the investment policies for the respective plan, namely the City’s Fire, Police Officers, and Non-uniformed retirement pension plans. The investment policies for the various plans typically are devised to earn an average rate of return over the long term that will equal or exceed the return of a target index. The trustees are authorized to invest in a wide range of instruments, including but not limited to, federally-guaranteed obligations, bonds, stocks, or other evidences of indebtedness 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.

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As of September 30, 2014, the City had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida Local			
Government Investment Trust:			
Pool A shares	\$ -	\$ 12,081,064	\$ 12,081,064
Investment in Florida Municipal			
Investment Trust	-	17,166,336	17,166,336
Bond funds	5,510,639	-	5,510,639
International corporate equities	6,518,831	-	6,518,831
Other mutual funds	58,502,836	-	58,502,836
U.S. Government and agency securities	18,636,107	10,327,097	28,963,204
Domestic corporate bonds and notes	24,044,933	-	24,044,933
Domestic corporate equities	81,828,772	-	81,828,772
Total	<u>\$ 195,042,118</u>	<u>\$ 39,574,497</u>	<u>\$ 234,616,615</u>

Interest Rate Risk

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

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

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

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

(City General Investments)

Investment Type	Fair Value	Maturities (in Years)	
		Less Than 1	1-5
FL Local Gov't. Invest. Tr.	\$ 12,081,064	\$ 12,081,064	\$ -
FL Municipal Investment Trust	17,166,336	-	17,166,336
U.S. Treasuries	3,448,313	2,413,052	1,035,261
U.S. Agencies	6,878,784	2,003,460	4,875,324
Total	\$ 39,574,497	\$ 16,497,576	\$ 23,076,921

(Pension Trust Funds)

Investment Type	Fair Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Bond funds	\$ 5,510,639	\$ -	\$ -	\$ 5,510,639	\$ -
U.S. Treasuries	10,846,254	1,083,956	7,433,140	1,863,623	465,535
U.S. Agencies	7,789,853	-	3,103,110	891,294	3,795,449
Domestic Corporate Bonds and notes	24,044,933	1,046,576	9,185,315	7,975,350	5,837,692
Total	\$ 48,191,679	\$ 2,130,532	\$ 19,721,565	\$ 16,240,906	\$ 10,098,676

Credit Risk

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

CITY OF DEERFIELD BEACH, FLORIDA
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The following table discloses credit ratings by investment type, at September 30, 2014, as applicable:

Quality Credit Rating		Fair Value
S & P	Moody's	
AAAm		\$ 12,081,064
AAA		243,003
AA+		134,943
AA-		30,614
A		137,785
A-		196,897
BBB+		60,770
BBB		7,767
BB		1,628,008
B		1,887,764
CCC		791,351
Not rated		10,690,241
	Aaa	13,594,531
	Aa1	1,556,356
	Aa2	746,003
	Aa3	460,712
	A1	2,592,497
	A2	2,497,139
	A3	2,810,430
	Baa1	2,608,056
	Baa2	2,332,266
	Baa3	722,293
	Ba1	78,975
	Ba2	83,474
	Ba3	139,666
	B1	113,095
	B2	365,378
	B3	157,461
	Caa1	54,433
Total credit risk securities		58,802,972
U.S. govt and agency securities explicitly guaranteed		28,963,204
Total fixed income/credit risk securities		\$ 87,766,176
Total fixed income/credit risk securities - City		\$ 39,574,497
Total fixed income securities - pension trust funds		48,191,679
Total		\$ 87,766,176

CITY OF DEERFIELD BEACH, FLORIDA

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Concentration of Credit Risk

The City limits its investments in any one issuer to no more than 5% of total investments, except for investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments, which are excluded from this requirement. There were no individual investments that represented 5% or more of the City's total investments at September 30, 2014. The three pension plans limit their exposures by limiting their investments in any one issuer to no more than 5% of Plan Net Position other than those issued by the US Government or its agencies. None of the plans had holdings that exceeded the 5% limit.

Custodial Credit Risk

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

B. Receivables and Payables – The City reports the General, Community Redevelopment Agency (CRA), Water & Sewer and Solid Waste funds as major funds. Receivables at September 30, 2014 were as follows:

Governmental Activities

	General	CRA	Other Governmental Funds	Total
Receivables:				
Accounts	\$ 8,952,299	\$ -	\$ 254	\$ 8,952,553
Assessments	842	-	-	842
Interest	18,871	2,137	10,289	31,297
Gross receivables	8,972,012	2,137	10,543	8,984,692
Less: allowance for uncollectibles	(5,956,751)	-	-	(5,956,751)
Net receivables	<u>\$ 3,015,261</u>	<u>\$ 2,137</u>	<u>\$ 10,543</u>	<u>\$ 3,027,941</u>

Business-type Activities

	Water and Sewer	Solid Waste	Total
Receivables:			
Accounts	\$ 3,500,655	\$ 1,824,552	\$ 5,325,207
Notes	-	-	-
Assessments	35,089	-	35,089
Interest	258,662	-	258,662
Gross receivables	3,794,406	1,824,552	5,618,958
Less: allowance for uncollectibles	(129,247)	(55,543)	(184,790)
Net receivables	<u>\$ 3,665,159</u>	<u>\$ 1,769,009</u>	<u>\$ 5,434,168</u>

CITY OF DEERFIELD BEACH, FLORIDA
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Receivables of the Water and Sewer and Solid Waste Enterprise Funds are reported net of uncollectible amounts, and are as follows:

Uncollectible related to water sales	\$ 93,565
Uncollectible related to sewer charges	35,682
Uncollectible related to solid waste charges	55,543
Total uncollectibles for the current fiscal year	<u>\$ 184,790</u>

Payables at September 30, 2014 are as follows:

	Vendors	Retainage	Total payables and accruals
Governmental activities:			
General fund	\$ 4,827,483	\$ -	\$ 4,827,483
CRA fund	3,929	16,876	20,805
General construction fund	19,194	375,117	394,311
Other governmental funds	248,444	-	248,444
Total - governmental activities	<u>\$ 5,099,050</u>	<u>\$ 391,993</u>	<u>\$ 5,491,043</u>
Business-type activities:			
Water and Sewer fund	\$ 620,508	\$ -	\$ 620,508
Solid Waste fund	394,185	-	394,185
Total - business-type activities	<u>\$ 1,014,693</u>	<u>\$ -</u>	<u>\$ 1,014,693</u>

C. Capital Assets – The following is a summary of capital asset activity for the year ended September 30, 2014:

	Beginning Balance	Increases	Decreases	Total
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 14,820,724	\$ -	\$ -	\$ 14,820,724
Construction in progress	16,078,953	3,801,532	8,303,462	11,577,023
Total capital assets not being depreciated	<u>30,899,677</u>	<u>3,801,532</u>	<u>8,303,462</u>	<u>26,397,747</u>
<i>Capital assets being depreciated:</i>				
Buildings	36,977,429	426,839	-	37,404,268
Improvements other than buildings	4,970,000	-	-	4,970,000
Equipment	20,013,446	548,511	119,443	20,442,514
Infrastructure	67,751,253	9,618,829	-	77,370,082
Total capital assets being depreciated	<u>129,712,128</u>	<u>10,594,179</u>	<u>119,443</u>	<u>140,186,864</u>
<i>Less: accumulated depreciation for:</i>				
Buildings	10,717,225	915,029	-	11,632,254
Improvements other than buildings	1,941,841	226,424	-	2,168,265
Equipment	18,609,179	585,854	119,443	19,075,590
Infrastructure	36,918,785	1,935,594	-	38,854,379
Total accumulated depreciation	<u>68,187,030</u>	<u>3,662,901</u>	<u>119,443</u>	<u>71,730,488</u>
Total capital assets being depreciated, net	<u>61,525,098</u>	<u>6,931,278</u>	<u>-</u>	<u>68,456,376</u>
Governmental activities capital assets, net	<u>\$ 92,424,775</u>	<u>\$ 10,732,810</u>	<u>\$ 8,303,462</u>	<u>\$ 94,854,123</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
<i>Total capital assets not being depreciated</i>	<u>50,531</u>	<u>-</u>	<u>-</u>	<u>50,531</u>
<i>Capital assets being depreciated:</i>				
Buildings	1,810,875	-	-	1,810,875
Utility plants in service	45,931,186	56,988	-	45,988,174
Improvements other than buildings	80,485,030	1,337,900	-	81,822,930
Equipment	<u>20,667,866</u>	<u>2,281,034</u>	<u>1,368,871</u>	<u>21,580,029</u>
<i>Total capital assets being depreciated</i>	<u>148,894,957</u>	<u>3,675,922</u>	<u>1,368,871</u>	<u>151,202,008</u>
<i>Less: accumulated depreciation for:</i>				
Buildings	1,205,058	-	-	1,205,058
Utility plants in service	15,756,263	1,437,422	-	17,193,685
Improvements other than buildings	34,774,154	2,085,680	-	36,859,834
Equipment	<u>18,010,063</u>	<u>851,968</u>	<u>1,368,871</u>	<u>17,493,160</u>
<i>Total accumulated depreciation</i>	<u>69,745,538</u>	<u>4,375,070</u>	<u>1,368,871</u>	<u>72,751,737</u>
Total capital assets being depreciated, net	<u>79,149,419</u>	<u>(699,148)</u>	<u>-</u>	<u>78,450,271</u>
 Business-type activities capital assets, net	 <u>\$ 79,199,950</u>	 <u>\$ (699,148)</u>	 <u>\$ -</u>	 <u>\$ 78,500,802</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 90,449
Public safety	735,060
Human services	53,886
Physical environment	582,497
Transportation	1,165,776
Culture and recreation	1,035,233
Total depreciation expense - governmental activities	<u>\$ 3,662,901</u>
 Business-type activities:	
Water and sewer	\$ 3,668,343
Solid waste	706,727
Total depreciation expense - business-type activities	<u>\$ 4,375,070</u>

CITY OF DEERFIELD BEACH, FLORIDA
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D. Encumbrances - Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2014, which are recorded in the appropriate fund balance classification of restricted, committed or assigned, in accordance with the City's fund balance policy are as follows:

Major Funds:	
<i>General Fund</i>	\$ 716,592
<i>Community Redevelopment Agency Fund</i>	488,050
<i>General Construction Capital Projects Fund</i>	<u>3,947,069</u>
Total Major Funds	<u>5,151,711</u>
Nonmajor governmental funds	<u>1,206,855</u>
Total Encumbrances	<u><u>\$6,358,566</u></u>

E. Construction Commitments – The City has outstanding commitments for construction and acquisition of property, plant and equipment. The following is a summary of the most significant of these commitments at September 30, 2014:

<u>Project</u>	<u>Amounts Outstanding</u>
Streets Resurfacing	\$ 3,534,075
Highland Park Community Center	1,093,000
SE 15th Street Roadway Project	447,790
	<u>\$ 5,074,865</u>

F. Unearned/Unavailable Revenue – Unearned/Unavailable revenue in the General Fund includes \$362,232 for local business taxes (formerly referred to as occupational licenses) relating to fiscal year 2014. The General Fund also includes ambulance transport fees in the amount of \$993,987 which are not available and are recorded as unavailable revenue, there is also an unearned revenue balance of \$47,459 for performance bond customer deposits.

The Miscellaneous Grants non-major special revenue fund had unavailable revenue of \$134,929 and unearned revenue of \$141,437. In addition, the Community Development Block Grant nonmajor special revenue fund had \$78,478 in unavailable revenue.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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G. Interfund Receivables, Payables and Transfers – The interfund balances below represent short-term loans to cover temporary negative balances in each fund’s equity in pooled cash at year-end. The composition of interfund balances at September 30, 2014 is as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Miscellaneous Grants Fund	\$ 209,443
	CDBG Fund	177,810
	General Construction Fund	17,076
	General Construction Fund	758,738
	General Construction Fund	58,593
	General Construction Fund	3,066,877
	General Construction Fund	1,918,408
Community Redevelopment Agency	General Construction Fund	647,955
Solid Waste Fund	Utility Fund	800,000
Total		<u>\$ 7,654,900</u>

Interfund Transfers:

	<u>Transfers to:</u>				<u>Total</u>
	<u>General</u>	<u>General Construction</u>	<u>Nonmajor Governmental</u>	<u>Solid Waste Fund</u>	
<u>Transfers from:</u>					
General	\$ -	\$ 150,000	\$ 4,598,020	\$ -	\$ 4,748,020
CRA Fund	1,186,456	-	-	-	1,186,456
General construction fund	-	-	85,419	-	85,419
Nonmajor Governmental	1,061,468	-	158,338	12,944	1,232,750
Solid Waste Fund	277,905	-	-	-	277,905
Total	<u>\$ 2,525,829</u>	<u>\$ 150,000</u>	<u>\$ 4,841,777</u>	<u>\$ 12,944</u>	<u>\$ 7,530,550</u>

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

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

The City has also financed the acquisition of sanitation vehicles in its Solid Waste enterprise fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception. The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2014, were as follows:

CITY OF DEERFIELD BEACH, FLORIDA
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Fiscal Year	Governmental Activities	Business-Type Activities	Total
2015	\$ 81,421	\$ 462,405	\$ 543,826
2016	-	339,249	339,249
2017	-	310,978	310,978
Total Minimum lease payments	81,421	1,112,632	1,194,053
Less: amount representing interest	(440)	(24,807)	(25,247)
Present value of future minimum lease payments	<u>\$ 80,981</u>	<u>\$ 1,087,825</u>	<u>\$ 1,168,806</u>

As of September 30, 2014, the equipment held under capital leases for governmental activities and business-type activities were \$424,788 and \$2,272,677, respectively. Accumulated depreciation for equipment held under capital leases was \$339,830 and \$1,491,954 for governmental and business-type activities, respectively, as of September 30, 2014.

I. Long-Term Debt – Summarized below are the City’s debt issued to finance the acquisition and construction of major capital facilities that were outstanding as of September 30, 2014:

1. Governmental Activities Debt:

- *General Obligation Bonds, Series 2000* – The original amount of this issue was divided into two series: Series “A,” for which \$9,978,847 in bonds were issued, and Series “B,” for which \$2,820,183 in bonds were issued. The proceeds of these bonds were used to finance the construction of a public safety complex, a public works facility, parks improvements, right-of-way improvements and expansion of the senior services facilities. The combined outstanding bonds of the issue, \$5,747,106 have interest rates that range from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2024. For Series B, principal is due annually on November 1st, and interest is payable semi-annually on May 1st and November 1st, with the final maturity date being November 1, 2027.
- *General Obligation Bonds, Series 2012B-2* – The original amount of this issue was \$14,770,000. The proceeds of these bonds were used to refund previously issued debt, namely Florida Municipal Loan Council Revenue Bonds, Series 2000B; Series 2003A and Series 2003B. The interest rates on these bonds range from 2% to 5%. The principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2028. The principal and interest of this issue will be payable from and secured by the City’s ad valorem taxes. For the current year, principal and interest of \$1,190,000 was paid. Ad valorem taxes amounted to \$31,347,644. The outstanding balance for this issue at year end amounted to \$14,050,000.
- *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”. This issue was fully paid during the fiscal year.

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 \$4,920,000 with total interest payable of \$2,301,796 over the remainder of the term of the bonds. The principal and interest of this issue will be payable from and secured by a pledge of the City's electric franchise fees. For the current year, principal and interest of \$396,569 were paid. Electric franchise fees amounted to \$5,094,647 for fiscal year 2014.
- *Covenant Bond, Series 2012B-1* – The original amount of this issue was \$20,090,000. The proceeds of this bond issue were to repay previously issued debt as well to finance the construction of parks and right of way improvements, in addition to citywide street improvements. The interest rates on these bonds range from 2.00% to 4.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2032. The remaining outstanding bonds of this issue total \$19,220,000 with total interest payable of \$5,141,497 over the remainder of the term of the bonds. The principal and interest of this issue will be payable from and secured by a pledge of the City's ad valorem taxes. For the current year, principal and interest of \$1,479,019 was paid.

2. Business-Type Activities Debt:

- *Loans Payable* – The City has entered into various loan agreements with the State of Florida Department of Environmental Protection to borrow up to \$28,520,115. The primary purpose of these loans is to construct water and wastewater facilities. As of September 30, 2009, the City borrowed \$28,293,037, with interest rates ranging from 2.27% to 3.57%. As of September 30, 2014, the aggregate outstanding principal amount of these loans totaled \$14,938,143. 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, 2014 was \$9,075,391. Principal and interest payments on the two Florida Water Pollution Control Construction loans are due on April 15 and October 15 of each year. At September 30, 2014, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were \$1,034,100 and \$4,828,652, 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 \$7,392,706 for the year ended September 30, 2014.
- *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 \$14,196,426. 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 \$1,338,717.

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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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 21,128,368	\$ -	\$ 1,331,262	\$ 19,797,105	\$ 1,263,414
Covenant bonds	25,265,000	-	1,125,000	24,140,000	1,160,000
Plus: Deferred amounts for premiums/discounts	1,759,920	-	164,908	1,595,012	
Total bonds payable	48,153,288	-	2,621,170	45,532,117	2,423,414
Capital leases	231,996	-	151,015	80,981	80,981
Net OPEB liability	5,491,307	1,941,069	-	7,432,376	-
Claims and judgments	6,829,000	7,490,151	7,193,366	7,125,785	1,223,000
Due to other governments	131,762	-	131,762	-	-
Compensated absences	1,346,801	1,001,585	953,830	1,394,556	992,650
Total governmental activities					
long-term liabilities	<u>\$ 62,184,154</u>	<u>\$ 10,432,805</u>	<u>\$ 11,051,143</u>	<u>\$ 61,565,815</u>	<u>\$ 4,720,045</u>
Business-type activities:					
Capital leases	\$ 1,760,609	\$ -	\$ 672,784	\$ 1,087,825	\$ 447,887
Net OPEB liability	2,101,570	613,066	-	2,714,636	-
Compensated absences	969,844	593,751	562,368	1,001,227	586,671
Bonds payable	14,827,383	-	630,957	14,196,426	662,017
Loan payable	16,388,471	-	1,450,328	14,938,143	1,492,312
Total business-type activities					
long-term liabilities	<u>\$ 36,047,877</u>	<u>\$ 1,206,817</u>	<u>\$ 3,316,437</u>	<u>\$ 33,938,257</u>	<u>\$ 3,188,887</u>

The governmental activities claims and judgments as well as compensated absences are generally liquidated by the General Fund. The General Fund has been the governmental fund typically used in prior years to liquidate the net pension obligations.

4. Summary of Annual Debt Service Requirements – The annual debt service requirements to maturity for debt outstanding as of September 30, 2014 are as follows:

Year Ending September 30	Governmental Activities Debt					
	General Obligation Bonds			Covenant Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,263,414	\$ 1,224,036	\$ 2,487,450	\$ 1,160,000	\$ 803,688	\$ 1,963,688
2016	1,238,400	1,252,861	2,491,262	1,195,000	764,913	1,959,913
2017	1,117,169	1,374,218	2,491,387	1,240,000	719,538	1,959,538
2018	1,104,936	1,386,034	2,490,970	1,295,000	667,038	1,962,038
2019	1,099,238	1,391,592	2,490,830	1,335,000	623,688	1,958,688
2020-2024	5,418,766	7,047,535	12,466,301	7,340,000	2,457,426	9,797,426
2025-2029	8,555,182	3,932,318	12,487,500	7,675,000	1,179,164	8,854,164
2030-2034	-	-	-	2,900,000	224,338	3,124,338
Total	<u>\$ 19,797,105</u>	<u>\$ 17,608,594</u>	<u>\$ 37,405,699</u>	<u>\$ 24,140,000</u>	<u>\$ 7,439,793</u>	<u>\$ 31,579,793</u>

CITY OF DEERFIELD BEACH, FLORIDA
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SEPTEMBER 30, 2014

Business-Type Activities Debt

Year Ending <u>September 30</u>	<u>Revolving Loans</u>			<u>Revenue Bonds</u>		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,492,312	\$ 402,288	\$ 1,894,600	\$ 662,017	\$ 692,332	\$ 1,354,349
2016	1,535,535	359,065	1,894,600	694,606	660,046	1,354,652
2017	1,580,038	314,562	1,894,600	727,083	627,888	1,354,971
2018	1,625,856	268,744	1,894,600	764,591	590,713	1,355,304
2019	1,673,029	221,571	1,894,600	802,229	553,426	1,355,655
2020-2024	5,599,258	458,007	6,057,265	4,642,358	2,141,809	6,784,167
2025-2029	1,432,115	53,871	1,485,986	5,903,542	892,376	6,795,918
Total	<u>\$ 14,938,143</u>	<u>\$ 2,078,108</u>	<u>\$ 17,016,251</u>	<u>\$ 14,196,426</u>	<u>\$ 6,158,590</u>	<u>\$ 20,355,016</u>

5. Pollution Remediation - The City accepted approximately 44.65 acres of donated land in October 2011 from a private donor. The City plans to redevelop the land and eventually use it for community facilities and recreation, as well as open space. The land has been found to contain contamination from toxic substances. According to studies conducted to determine the extent of the pollution and the expected costs of remediation can range between \$150,000 and \$4,000,000 depending on the prospective use of the land. The donor has contributed \$250,000 towards the future costs of clean-up. No remediation efforts had begun as of September 30, 2014. The remediation outlays are considered necessary to prepare the asset for its intended use, and will be capitalized as part of the newly developed asset as expenditures are incurred, and therefore no expenditure and liability have been accrued at this time.

NOTE IV – OTHER INFORMATION

A. Restricted Assets – The amounts shown below are those assets restricted by sources external to the City.

Ordinances and bond covenants pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts as of September 30, 2014:

<u>Governmental Activities</u>	<u>Total</u>
Community Redevelopment Agency Funds	\$ 589,862
Cemetery reserve endowments	2,417,345
Local option gas tax	786,411
Impact fees	40,768
Grant funds	2,297,000
Law Enforcement/Crime Prevention /Other Trust Funds	1,629,279
Bond construction account	15,318,324
Loan debt service accounts	<u>2,513,964</u>
Total governmental activities restricted assets	<u>\$ 25,592,953</u>

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
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Business-type Activities

	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Customer deposits	\$ 518,871	\$ 49,014	\$ 567,885
Bond construction accounts	2,709,589	-	2,709,589
Revolving loan covenant accounts	<u>743,838</u>	<u>-</u>	<u>743,838</u>
Total business-type activities restricted assets	<u>\$ 3,972,298</u>	<u>\$ 49,014</u>	<u>\$ 4,021,312</u>

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

<u>Purpose</u>	<u>Amounts</u>
Improvements to and programs within the Community Redevelopment Area	\$ 1,212,435
State Housing Initiative/Neighborhood Stabilization Grant Programs	1,005,967
Roadway improvements/parking system improvements	679,319
Senior Services programs	269,179
Confiscated property seizures/code enforcement fines for crime prevention	1,221,653
Beautification and landscape projects	136,765
Parks and recreational program	1,225,387
Perpetual care and general reserve operations for cemeteries	2,425,588
Debt service	<u>1,487,577</u>
Total restricted net position - governmental activities	<u>9,663,870</u>
Restricted for debt service (Water & Sewer Fund)	<u>743,838</u>
Total restricted net position - business-type activities	<u>743,838</u>
Total government-wide restricted net position	<u>\$ 10,407,708</u>

C. Risk Management – The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. Liability claims in the State of Florida are limited to some extent by Chapter 768.28 of the Florida Statutes, under the Doctrine of Sovereign Immunity. The General Fund provides coverage of up to \$175,000 per participant for employee health claims. The General Fund also provides coverage for workers compensation claims. The City retains the risk of loss up to \$200,000 for general liability claims and \$100,000 for property damage claims. For all other risks of loss, the City has purchased an excess coverage insurance policy covering individual claims in excess of these specified amounts. Settled claims did not exceed the commercial coverage in any of the past three fiscal years.

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

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

At September 30, 2014, the amount of these liabilities was \$7,125,785. Changes in the reported liability since September 30, 2013 resulted from the following:

Fiscal Year	Claims Payable October 1	Current Year's Claims and Changes in Estimates	Claims Payments	Liability September 30
2014	\$ 6,829,000	\$ 7,075,390	\$ (6,778,605)	\$ 7,125,785
2013	6,379,477	10,444,997	(9,995,474)	6,829,000

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

At September 30, 2014, portions of some Federal Emergency Management Agency (“FEMA”) claims for approximately \$2.1 million were determined, through a review by the Office of the Inspector General, to be overfunded. The City’s position is, the expenditures were proper, had been fully reviewed and approved by FEMA representatives at the State and Federal levels, and will be ultimately approved by FEMA. Based on the nature of this matter as described above, management does not believe it is probable that the City will have to refund any amounts to FEMA. As such, no liability has been recorded related to the request for reimbursement of previous FEMA awards.

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

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

E. 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* and GASB Statement No. 67, *Financial Reporting for Pension Plans - an Amendment of GASB Statement No. 25*. 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.

1. Plan Description – The City of Deerfield Beach, as a single employer, maintains three defined benefit pension plans covering full-time firefighters employed by the City prior to October 1, 2011, police officers employed by the City prior to January 13, 1990 and non-uniformed employees hired before April 17, 1990. The 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-

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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living adjustments are provided by all three plans to members and beneficiaries. New members are no longer admitted any of the three defined benefit plans.

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

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

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

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

2. Funding Policy – The board of trustees of each plan establishes and may amend the **contribution** requirements of plan members and of the City.

The Fire Pension Fund, as well as the Police Pension Fund, is partially funded by contributions from the State of Florida. The state's contribution to the pension funds consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City limits. For fiscal year 2014, the state contributed \$742,623 and \$543,745 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, 2014

3. Condensed Statements of Fiduciary Net Position and Changes in Fiduciary Net Position

The table below reflects condensed statements of fiduciary net position as of September 30, 2014:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>
Cash and cash equivalents	\$ 4,368,151	\$ 994,310	\$ 1,809,013
Receivables	588,398	129,842	207,826
Investments	99,098,965	37,919,455	58,023,698
Other assets	2,115	-	-
Total assets	<u>\$ 104,057,629</u>	<u>\$ 39,043,607</u>	<u>\$ 60,040,537</u>
Liabilities	163,045	32,490	193,998
Net position restricted for pension benefits	<u>\$ 103,894,584</u>	<u>\$ 39,011,117</u>	<u>\$ 59,846,539</u>

The table below reflects condensed statements of changes in fiduciary net position as of September 30, 2014:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>
Additions:			
Total contributions	\$ 6,725,573	\$ 2,323,103	\$ 1,754,417
Net investment income	8,931,143	3,294,769	5,498,364
Total additions	<u>\$ 15,656,716</u>	<u>\$ 5,617,872</u>	<u>\$ 7,252,781</u>
Total deductions	<u>7,560,487</u>	<u>4,663,958</u>	<u>5,879,341</u>
Net increase	8,096,229	953,914	1,373,440
Net position - beginning	95,798,355	38,057,203	58,473,099
Net position - ending	<u>\$ 103,894,584</u>	<u>\$ 39,011,117</u>	<u>\$ 59,846,539</u>

4. Funded Status and Funding Progress – The following is funded status information for each defined benefit pension plan as of September 30, 2014, 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	\$ 99,807,840	\$ 132,952,717	\$ 33,144,877	75.1 %	\$ 9,439,506	351.1 %
Police	37,759,496	52,811,640	15,052,144	71.5	N/A	N/A
Non-Uniformed	54,688,630	61,985,234	7,296,604	88.2	405,566	1,799.1

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.

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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5. Annual Required Contributions – The City’s annual required contribution for the current year and related information for each plan is as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>
Contribution rates:			
City	22.10%	N/A	439.54%
Plan members	9.00%	0.00%	9.00%
Annual required contribution	\$5,852,188	\$1,975,865	\$1,721,000
Percentage contributed	100%	100%	100%
Actuarial valuation date	10/01/13	10/01/13	10/01/13
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of pay, closed	Layered amortization	Level percentage of pay, closed
Remaining amortization period	17 years	20 years	14 years
Asset valuation method	5 year smoothed market	3 year smoothed market	4 year smoothed market
Actuarial assumptions:			
Investment rate of return	7.625%	6.750%	7.500%
Projected salary increases	5% to 11%	N/A	6.00%
Includes inflation of	4.00%	N/A	4.00%
Cost of living adjustments	None	None	None

**Currently there are no active employees in the Police Pension Plan.*

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Information regarding fiscal year 2014 participant data for the three pension plans is as follows:

	Fire	Police	Non-uniformed	Total
<i>Number of plan members:</i>				
Retirees and beneficiaries				
Active currently receiving benefits	200	77	152	429
Vested terminated employees		0	2	2
<i>Active employees:</i>				
Fully vested	103	0	0	103
Non-vested	0	0	4	4
Disability Employees	0	0	1	1
<i>Benefit provisions:</i>				
Normal retirement benefit equals:				
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	N/A /20	N/A	
<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 three to five-year smoothed market methods were selected to fund the plans with the intent of producing future required employer contributions which remain fairly level as a percentage of covered payroll. The contribution rate for normal cost is determined using the entry age or the aggregate cost method, depending on the plan, over a 15 to 30 year period.

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
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6. 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			
2014	\$ 5,852,188	100.0%	\$ (329,453)
2013	5,917,072	100.0%	(338,839)
2012	4,962,391	99.8%	(355,645)
Police			
2014	\$ 1,986,304	99.9%	\$ (76,495)
2013	1,987,484	99.9%	(77,993)
2012	1,569,214	103.1%	(79,520)
Non-uniformed			
2014	\$ 1,721,000	100.0%	\$ -
2013	1,750,798	100.0%	-
2012	1,691,053	100.0%	-

The derivation of the net pension asset for the Fire, Police and Non-uniformed Pension plans as of September 30, 2014 follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-Uniform</u>
a. Annual required contribution ("ARC")	\$ 5,842,802	\$ 1,985,957	\$ 1,721,000
b. Interest on Net Pension Obligation/(Asset) ("NPO"/"NPA")	(25,836)	(5,265)	-
c. Adjustment to ARC	35,222	6,763	-
d. Annual pension cost (a+b+c)	5,852,188	1,986,304	1,721,000
e. Actual contributions	5,842,802	1,984,806	1,721,000
f. NPO/(NPA) at beginning of year	(338,839)	(77,993)	-
g. (Increase) decrease in (NPA) (d-e)	9,386	1,498	-
h. NPO/(NPA) at end of year (f+g)	(329,453)	(76,495)	-

7. Pension Discount Rate – The discount rate used to measure the total pension liability was 7.625%, 6.75%, and 7.25% for the Fire, Police, and Non-Uniformed Pension plans respectively. This is a single rate that reflects the long-term expected net rate of return on Pension plan investments expected to be used to finance the payment of benefits, including inflation. The projection of cash flows used to determine the discount rate assumed member contributions are made at 9% of pay and City contributions will be made in an amount equal to the difference between the actuarially determined contributions and member contributions. Fiduciary net position is projected to be sufficient to make projected benefits payments, for purposes of this determination, plan assets are expected to be invested using the strategy to achieve the 7.625%, 6.75%, and 7.25% net discount rates.

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
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Sensitivity of the net pension liability to changes in the discount rate follows for each plan:

Net Pension Liability (Asset)

	Fire Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
Percentage change	6.625%	7.625%	8.625%
Net Pension Liability (Asset)	\$ 43,318,162	\$ 29,058,133	\$ 17,238,658

	Police Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
Percentage change	5.750%	6.750%	7.750%
Net Pension Liability (Asset)	\$ 17,137,001	\$ 11,956,358	\$ 7,502,253

	Non-uniformed Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
Percentage change	6.250%	7.250%	8.250%
Net Pension Liability (Asset)	\$ 5,636,688	\$ 721,141	\$ (3,539,408)

8. Investment Rate of Return

For the year ended September 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plans expense was 9.7% for the Fire pension plan, 8.91% for the Police pension plan, and 9.8% for the Non-Uniformed pension Plan.

9. Net Pension Liability (Asset)

The components of net pension liability as of September 30, 2014 were as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>
Total pension liability (asset)	\$ 132,952,717	\$ 50,967,475	\$ 60,567,680
Plan fiduciary net position	(103,894,584)	(39,011,117)	(59,846,539)
Sponsor's Net pension liability (asset)	<u>\$ 29,058,133</u>	<u>\$ 11,956,358</u>	<u>\$ 721,141</u>
Plan fiduciary net position as a percentage of the total pension liability	78.14%	76.63%	98.81%

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
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10. Pension Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of October 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement. Assumptions are based on the results of an actuarial study for the period October 1, 1999 to September 30, 2004, and a study of 650 public safety funds.

Assumptions	Fire Pension	Police Pension
Inflation	2.75%	N/A
Salary Increases	5% to 11%	N/A
Investment Rate of Return	7.625%	6.750%
Funding	N/A	N/A
Mortality	RP-2000 fully generational with scale AA	RP-2000 Table with no RP-2000 Table Disabled for disabled lives projection
Retirement Age	N/A	N/A

11. Investments – Long-Term Expected Rate of Return

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

Fire

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

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Police

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

12. Asset Allocation – The tables below indicate the fund investment policy, targets, and actual **asset** allocations as September 30, 2014:

Fire

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

Police

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

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Non-Uniformed

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

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

The City contributed 8% of salaries to the plan on a bi-weekly basis, for a contribution for the year ending September 30, 2014 of \$1,365,340. The plan requires a 4% match of all participants. Plan participants become fully vested in the plan after five years of service. Total member contributions for the fiscal year totaled \$692,161.

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

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

H. Other Postemployment Benefits – The City’s Other Postemployment Benefits (OPEB) are presented in accordance with GASB Statement 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.”

Benefit Description and Funding Policy

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

CITY OF DEERFIELD BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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, 2014, there were 209 retired employees receiving a monthly benefit with an additional 328 eligible for participation in the future. Benefit payments totaled \$2,144,414 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, 2014 follow:

Annual required contribution	\$ 4,683,933
Interest on plan obligation	331,299
Adjustment to ARC	<u>(316,683)</u>
Annual OPEB cost (AOC)	4,698,549
Actual contributions made	<u>(2,144,414)</u>
Increase in NOO	2,554,136
NOO - Beginning of year	<u>7,592,877</u>
NOO - End of year	<u>\$ 10,147,012</u>

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

Fiscal Year	AOC	Contribution	Percent Contributed	NOO
2012	\$ 4,359,903	\$ 2,096,821	48.1%	\$ 5,629,336
2013	4,500,853	2,537,311	56.4%	7,592,877
2014	4,698,549	2,144,414	45.6%	10,147,012

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

Actuarial Methods and Assumptions

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

CITY OF DEERFIELD BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

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, 2013
Actuarial cost method:	Entry-age
Amortization method:	Level percent, open
Remaining amortization period:	30 Years
Investment rate of return/discount rate:	4.0%
Inflation rate:	4.0%
Projected salary increases:	6%
Healthcare cost trend rate:	9.0%

I. New Accounting Pronouncements Not Yet Adopted – GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The provisions of this Statement will be effective for the City with its year ending September 30, 2015. Implementation of this statement will result in the City accruing an obligation for the unfunded AAL amounts for each of the three pension plans. The latest balances of these amounts are presented in Note IV (E)(3).

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, is effective for financial statements for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting addressing an Issue in No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflows of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Net pension liability of approximately \$42 million will be recorded in the next fiscal year.

GASB Statement No. 72, *Fair Value Measurement and Application* – The objective of this statement is to improve financial reporting by clarifying the definition of *fair value* for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concept Statement No. 6, *Measurement of Elements of Financial Statements*, and other relevant literature. The provision for this statement will be effective for reporting periods beginning after June 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS - UNAUDITED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 31,111,076	\$ 31,111,076	\$ 31,347,644	\$ 236,568
Sales and use taxes	5,861,035	5,861,035	5,934,513	73,478
Fire assessment fees	10,507,346	10,507,346	10,972,926	465,580
Franchise fees	9,026,909	9,026,909	8,867,645	(159,264)
Utility taxes	6,590,000	6,590,000	7,907,567	1,317,567
Licenses and permits	2,863,000	2,863,000	3,461,990	598,990
Intergovernmental	2,673,826	2,673,826	2,939,361	265,535
Charges for services	8,937,213	8,937,213	8,396,509	(540,704)
Fines and forfeitures	817,532	817,532	1,169,979	352,447
Investment earnings	54,000	54,000	18,303	(35,697)
Miscellaneous:				
Donations/contributions	251,600	251,600	209,206	(42,394)
Administrative fees	5,213,026	5,213,026	5,213,026	-
Other	370,810	370,810	470,212	99,402
Total revenues	84,277,373	84,277,373	86,908,881	2,631,508
EXPENDITURES:				
Departmental:				
City commission	250,900	250,900	231,020	19,880
City manager	904,357	944,357	922,760	21,597
City clerk	436,094	436,094	371,280	64,814
City attorney	444,500	444,500	404,142	40,358
Central services	523,500	523,500	548,218	(24,718)
Parks & recreation	8,313,544	8,213,544	7,598,691	614,853
Fire/rescue	27,971,478	27,971,478	27,784,862	186,616
Human resources	434,942	434,942	413,634	21,308
Insurance/safety	4,639,408	4,639,408	4,620,029	19,379
Financial services	1,361,037	1,361,037	1,240,741	120,296
Planning and development services	2,235,410	2,255,410	2,243,911	11,499
Information technology services	1,164,814	1,164,814	1,271,631	(106,817)
Police	22,723,528	22,723,528	22,558,648	164,880
Environmental services	4,007,283	4,007,283	3,985,579	21,704
Senior services	2,539,402	2,539,402	2,079,862	459,540
Community participation	121,706	121,706	108,706	13,000
Other - unclassified	2,420,156	2,385,156	2,274,847	110,309
Debt service	119,653	194,653	119,653	75,000
Total expenditures	80,611,712	80,611,712	78,778,214	1,833,498
Excess (deficiency) of revenues over expenditures	3,665,661	3,665,661	8,130,667	4,465,006
Other financing sources (uses):				
Transfers in	2,673,853	2,673,853	2,525,829	(148,024)
Transfers out	(4,519,288)	(4,519,288)	(4,748,020)	(228,732)
Total other financing sources (uses)	(1,845,435)	(1,845,435)	(2,222,191)	(376,756)
Net change in fund balance	\$ 1,820,226	\$ 1,820,226	\$ 5,908,476	\$ 4,088,250

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 COMMUNITY REDEVELOPMENT AGENCY FUND
 BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS - UNAUDITED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 2,392,225	\$ 2,392,225	\$ 2,403,117	\$ 10,892
Investment earnings	2,000	2,000	2,762	762
Miscellaneous	-	-	130	130
Total revenues	2,394,225	2,394,225	2,406,009	11,784
EXPENDITURES				
Current:				
Economic environment	847,656	929,760	462,588	467,172
Public safety	50,000	50,000	45,488	4,512
Culture and recreation	150,000	150,000	133,896	16,104
Capital outlay	1,301,088	1,757,533	918,993	838,540
Total expenditures	2,348,744	2,887,293	1,560,965	1,326,328
Excess (deficiency) of revenues over expenditures	45,481	(493,068)	845,044	1,338,112
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,186,456)	(1,186,456)	(1,186,456)	-
Total other financing sources (uses)	(1,186,456)	(1,186,456)	(1,186,456)	-
Net change in fund balances	\$ (1,140,975)	\$ (1,679,524)	\$ (341,412)	\$ 1,338,112

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Reconciliation of Budget and Actual:			
Current expenditures	\$ 689,366	\$ (47,394)	\$ 641,972
Capital outlay	730,708	188,285	918,993
Total expenditures	\$ 1,420,074	\$ 140,891	\$ 1,560,965

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2014 and the outstanding encumbrances as of September 30, 2013 which were paid during fiscal year 2014.

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
PENSION TRUST FUNDS
SCHEDULE OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS*
(As required by GASB 67)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund
Total pension liability			
Service cost	\$ 2,859,229	\$ -	\$ 78,741
Interest	9,456,530	3,367,750	4,289,889
Differences between expected and actual experience	846,838	-	-
Changes of assumptions	1,795,582	-	-
of member contributions	(7,328,455)	(4,585,732)	(5,786,184)
Net Change in total pension liability	7,802,279	(1,217,982)	(1,417,554)
Total pension liability - beginning	125,150,438	52,185,457	61,985,234
Total pension liability - ending (a)	<u>\$ 132,952,717</u>	<u>\$ 50,967,475</u>	<u>\$ 60,567,680</u>
Plan fiduciary net position			
Contributions - employer	\$ 5,051,768	\$ 1,779,358	\$ 1,721,000
Contributions - State	791,013	543,745	-
Contributions - member	882,792	-	33,417
Net investment income	8,931,143	3,294,769	5,519,418
of member contributions	(7,328,455)	(4,590,902)	(5,786,184)
Administrative expense	(232,032)	(73,056)	(93,157)
Net change in plan fiduciary net position	8,096,229	953,914	1,394,494
Plan fiduciary net position-beginning	95,798,355	38,057,203	58,452,045
Plan fiduciary net position-ending (b)	<u>\$ 103,894,584</u>	<u>\$ 39,011,117</u>	<u>\$ 59,846,539</u>
City's net pension liability-ending (a) - (b)	<u>\$ 29,058,133</u>	<u>\$ 11,956,358</u>	<u>\$ 721,141</u>
Net position as percentage of the total pension liability	78.14%	76.54%	98.81%
Covered Employee Payroll	\$ 9,687,400	N/A	\$ 371,300
Net Pension Liability as a Percentage of Covered Employee Payroll	300%	N/A	194%

*** Notes to schedule:**

This schedule is presented to illustrate the requirement of GASB 67.
Currently, only data for the fiscal year-ended September 30, 2014 is available.

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 PENSION TRUST FUNDS
 SCHEDULE OF CONTRIBUTIONS
(As required by GASB 67)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Firefighters' Retirement Plan	Police Officers' Retirement Plan	Non-Uniformed Retirement Plan
Actuarially determined contribution	\$ 5,908,360	\$ 1,984,806	\$ 1,750,798
Contribution made in relation to the actuarially determined contribution	5,908,360	1,984,806	1,750,798
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 9,962,000	N/A	\$ 389,606
Contributions as a percentage of Covered-employee payroll	<u>59.31%</u>	<u>N/A</u>	<u>449.38%</u>

Notes to Schedule

Valuation date: October 1, 2013

Measurement date: September 30, 2014

The following actuarial methods and assumptions were used to determine contribution rates reported in this schedule:

	Firefighters' Retirement Plan	Police Officers' Retirement Plan	Non-Uniformed Retirement Plan
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level percent, closed	N/A	Level dollar, closed
Remaining amortization period	18 years	N/A	9 years
Asset valuation method	Five-year smoothed market value	80%-120% of market value, obtained by smoothing three years' past differences between actual investment earnings and assumed investment return, then adding this number into the current market value.	Four-year smoothed market value
Actuarial assumptions:			
Investment rate of return	7.625%	6.75%	7.25%
Assumed annual salary increases	5-11%	N/A	6.00%
Inflation	4.00%	N/A	4.00%
Mortality rates	RP-2000 Mortality Table for annuitants, scale AA	RP-2000 Mortality Table for annuitants, and RP 2000 disabled	1994 Group Annuity mortality table

Notes to Schedule:

This Schedule is presented to illustrate the requirement of GASB 67.

Currently only data fiscal year ending September 30, 2014 is available.

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
(As Required by GASB 67)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

Schedules of Investment Returns

	Fire Pension Fund	Police Pension Fund	Non-Uniformed Pension Fund
Annual money-weighted rate of return, net of investment expense	9.70%	8.91%	11.40%

Notes to Schedule:

This Schedule is presented to illustrate the requirements of GASB 67.
 Currently only data for fiscal year ending September 30, 2014 is available

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 AND CONTRIBUTIONS
 (As Required by GASB 27)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

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						
10/1/2011	\$ 86,605,981	\$ 112,087,229	\$ 25,481,248	77.3%	\$ 10,264,440	248.2%
10/1/2012	86,701,000	120,019,000	33,318,000	72.2	10,435,000	319.3
10/1/2013	99,807,840	132,952,717	33,144,877	75.1	9,439,506	351.1
POLICE						
10/1/2011	\$ 34,540,758	\$ 49,287,507	\$ 14,746,749	70.2%	\$ -	N/A
10/1/2012	34,359,000	51,877,000	17,518,000	66.2	-	N/A
10/1/2013	37,759,496	52,811,640	15,052,144	71.5	-	N/A
NON-UNIFORMED						
10/1/2011	53,689,465	62,618,207	\$ 8,928,742	85.7%	\$ 384,733	2320.8%
10/1/2012	53,433,709	61,842,485	8,408,776	86.4	389,606	2,158.3
10/1/2013	54,688,630	61,985,234	7,296,604	88.2	405,566	1,799.1

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
2012	\$ 4,962,391	99.8%	\$ 1,569,214	100%	\$ 1,691,053	100%
2013	5,917,072	100%	1,987,484	99.9%	1,750,798	100%
2014	5,852,188	100%	1,975,865	99.9%	1,721,000	100%

See accompanying notes to required supplementary information.

CITY OF DEERFIELD BEACH, FLORIDA
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 OTHER POST EMPLOYMENT BENEFITS
(As Required by GASB 45)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of of Covered Payroll
10/1/2010	\$ 52,101,328	\$ 52,101,328	0.0 %	\$ 33,561,568	155.2 %
10/1/2011	52,109,889	52,109,889	0.0	35,963,697	144.9
10/1/2012	61,099,758	61,099,758	0.0	21,899,991	279.0

*Valuation is done every two years. The next valuation is for the fiscal year ending September 30, 2015

CITY OF DEERFIELD BEACH, FLORIDA
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 SEPTEMBER 30, 2014

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 2014, interdepartmental transfers in the General Fund totaled \$135,000. These transfers were done to cover budget deficits in departments that exceeded their budgets. However, the total General Fund budget was not increased

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

	GAAP Basis Actual	Net Encumbrances	Non-GAAP Basis Actual
Current expenditures	\$ 78,331,642	\$ 326,919	\$ 78,658,561
Debt service	119,653	-	119,653
Total expenditures	\$ 78,451,295	\$ 326,919	\$ 78,778,214

In the above reconciliation, “net encumbrances” represents the difference between the encumbrances outstanding as of September 30, 2014 and the outstanding encumbrances as of September 30, 2013, which were paid during fiscal year 2014.

C. Excess of Expenditures Over Appropriations – For the year ended September 30, 2014, expenditures exceeded appropriations in two of the City’s departments, the legal level of budgetary control. The Information Technology Services and City Attorney departments exceeded their budgets by \$106,817 and \$24,718, respectively. Increases were due to increased costs for utility service, as well as, the hiring of a new Information Technology Services staff to support ongoing projects. Favorable budget variances from other departments were utilized to offset over expenditures in these two departments.

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

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, 2014

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Capital Projects Fund
ASSETS			
Cash and cash equivalents	\$ 2,791,220	\$ -	\$ 861,315
Investments	261,372	2,513,964	-
Receivables (net):			
Accounts	-	-	-
Interest	2,300	-	-
Due from other governments	628,325	-	-
Real estate held for resale	211,226	-	-
Total assets	<u>\$ 3,894,443</u>	<u>\$ 2,513,964</u>	<u>\$ 861,315</u>
 LIABILITIES			
Accounts payable	\$ 248,444	\$ -	\$ -
Accrued payroll	18,505	-	-
Due to other funds	387,253	-	-
Total liabilities	<u>654,202</u>	<u>-</u>	<u>-</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	354,844	-	-
Total deferred inflows of resources	<u>354,844</u>	<u>-</u>	<u>-</u>
 FUND BALANCES (DEFICIT)			
Non-spendable	-	-	-
Restricted	3,067,130	2,513,964	861,315
Unassigned	(181,733)	-	-
Total fund balances (deficit)	<u>2,885,397</u>	<u>2,513,964</u>	<u>861,315</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 3,894,443</u>	<u>\$ 2,513,964</u>	<u>\$ 861,315</u>

Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
\$ 904,593	\$ 4,557,128
1,512,752	4,288,088
254	254
7,989	10,289
-	628,325
-	211,226
<u>\$ 2,425,588</u>	<u>\$ 9,695,310</u>
\$ -	\$ 248,444
-	18,505
-	387,253
-	<u>654,202</u>
-	<u>354,844</u>
-	<u>354,844</u>
1,240,498	1,240,498
1,185,090	7,627,499
-	(181,733)
<u>2,425,588</u>	<u>8,686,264</u>
<u>\$ 2,425,588</u>	<u>\$ 9,695,310</u>

CITY OF DEERFIELD BEACH, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Capital Projects Fund
REVENUES			
Local option gas tax	\$ 1,318,433	\$ -	\$ -
Intergovernmental	2,526,653	-	31,725
Charges for services	155,349	-	-
Fines and forfeitures	284,973	-	-
Investment earnings	2,281	32	-
Miscellaneous:			
Cemetery plot sales	-	-	-
Donations/contributions	352,275	-	-
Administrative fees	267,364	-	-
Other	361,623	-	-
Total revenues	<u>5,268,951</u>	<u>32</u>	<u>31,725</u>
EXPENDITURES			
Current:			
Economic environment	2,454,070	-	-
Public safety	252,926	-	-
Physical environment	42,335	-	-
Transportation	2,177,735	-	-
Culture and recreation	297,233	-	-
Capital outlay	1,177,482	-	41,076
Debt service:			
Principal	32,625	2,456,262	-
Interest and fiscal charges	1,521	2,167,443	-
Total expenditures	<u>6,435,927</u>	<u>4,623,705</u>	<u>41,076</u>
Excess (deficiency) of revenues over expenditures	<u>(1,166,976)</u>	<u>(4,623,673)</u>	<u>(9,351)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	158,338	4,598,020	85,419
Transfers out	<u>(965,983)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(807,645)</u>	<u>4,598,020</u>	<u>85,419</u>
Net change in fund balances	(1,974,621)	(25,653)	76,068
Fund balances - beginning	<u>4,860,018</u>	<u>2,539,617</u>	<u>785,247</u>
Fund balances - ending	<u>\$ 2,885,397</u>	<u>\$ 2,513,964</u>	<u>\$ 861,315</u>

Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ 1,318,433
-	2,558,378
-	155,349
-	284,973
5,265	7,578
116,905	116,905
-	352,275
-	267,364
-	361,623
<u>122,170</u>	<u>5,422,878</u>
-	2,454,070
-	252,926
-	42,335
-	2,177,735
-	297,233
-	1,218,558
-	2,488,887
-	2,168,964
-	<u>11,100,708</u>
<u>122,170</u>	<u>(5,677,830)</u>
-	4,841,777
<u>(266,767)</u>	<u>(1,232,750)</u>
<u>(266,767)</u>	<u>3,609,027</u>
(144,597)	(2,068,803)
<u>2,570,185</u>	<u>10,755,067</u>
<u>\$ 2,425,588</u>	<u>\$ 8,686,264</u>

CITY OF DEERFIELD BEACH, FLORIDA

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

SEPTEMBER 30, 2014

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund
ASSETS				
Cash and cash equivalents	\$ 589,578	\$ -	\$ 223,742	\$ 524,425
Investments	44,800	-	-	-
Receivables (net):				
Interest	2,300	-	-	-
Due from other governments	152,033	177,810	-	298,482
Real estate held for resale	-	-	-	211,226
Total assets	<u>\$ 788,711</u>	<u>\$ 177,810</u>	<u>\$ 223,742</u>	<u>\$ 1,034,133</u>
LIABILITIES				
Accounts payable	\$ 162,649	\$ 41,000	\$ 355	\$ 38,515
Accrued payroll	17,085	-	-	-
Due to other funds	-	177,810	-	209,443
Total liabilities	<u>179,734</u>	<u>218,810</u>	<u>355</u>	<u>247,958</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	78,478	-	276,366
Total deferred inflows of resources	<u>-</u>	<u>78,478</u>	<u>-</u>	<u>276,366</u>
FUND BALANCES (DEFICIT)				
Restricted	608,977	-	223,387	572,064
Unassigned	-	(119,478)	-	(62,255)
Total fund balances (deficit)	<u>608,977</u>	<u>(119,478)</u>	<u>223,387</u>	<u>509,809</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 788,711</u>	<u>\$ 177,810</u>	<u>\$ 223,742</u>	<u>\$ 1,034,133</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
\$ 40,768	\$ 652,684	\$ 286,923	\$ 91,389	\$ 369,280	\$ 12,431	\$ 2,791,220
-	-	-	-	216,572	-	261,372
-	-	-	-	-	-	2,300
-	-	-	-	-	-	628,325
-	-	-	-	-	-	211,226
<u>\$ 40,768</u>	<u>\$ 652,684</u>	<u>\$ 286,923</u>	<u>\$ 91,389</u>	<u>\$ 585,852</u>	<u>\$ 12,431</u>	<u>\$ 3,894,443</u>
\$ -	\$ 5,925	\$ -	\$ -	\$ -	\$ -	\$ 248,444
-	1,420	-	-	-	-	18,505
-	-	-	-	-	-	387,253
-	7,345	-	-	-	-	654,202
-	-	-	-	-	-	354,844
-	-	-	-	-	-	354,844
40,768	645,339	286,923	91,389	585,852	12,431	3,067,130
-	-	-	-	-	-	(181,733)
<u>40,768</u>	<u>645,339</u>	<u>286,923</u>	<u>91,389</u>	<u>585,852</u>	<u>12,431</u>	<u>2,885,397</u>
<u>\$ 40,768</u>	<u>\$ 652,684</u>	<u>\$ 286,923</u>	<u>\$ 91,389</u>	<u>\$ 585,852</u>	<u>\$ 12,431</u>	<u>\$ 3,894,443</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, 2014

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund
REVENUES				
Local option gas tax	\$ 1,318,433	\$ -	\$ -	\$ -
Intergovernmental	554,144	1,189,311	78,466	704,593
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	1,614	-	-	-
Miscellaneous:				
Donations/contributions	-	-	-	213,101
Administrative fees	267,364	-	-	-
Other	-	-	-	361,623
Total revenues	<u>2,141,555</u>	<u>1,189,311</u>	<u>78,466</u>	<u>1,279,317</u>
EXPENDITURES				
Current:				
Economic environment	-	559,705	57,458	1,836,907
Public safety	-	-	-	4,707
Physical environment	-	-	-	2,422
Transportation	2,177,535	-	-	-
Culture and recreation	-	-	-	222,962
Capital outlay	155,980	690,761	-	52,394
Debt service:				
Principal	32,625	-	-	-
Interest and fiscal charges	1,521	-	-	-
Total expenditures	<u>2,367,661</u>	<u>1,250,466</u>	<u>57,458</u>	<u>2,119,392</u>
Excess (deficiency) of revenues over expenditures	<u>(226,106)</u>	<u>(61,155)</u>	<u>21,008</u>	<u>(840,075)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	70,922
Transfers out	<u>(737,208)</u>	<u>(2,981)</u>	<u>(933)</u>	<u>(16,522)</u>
Total other financing sources (uses)	<u>(737,208)</u>	<u>(2,981)</u>	<u>(933)</u>	<u>54,400</u>
Net change in fund balances	(963,314)	(64,136)	20,075	(785,675)
Fund balances (deficit) - beginning	<u>1,572,291</u>	<u>(55,342)</u>	<u>203,312</u>	<u>1,295,484</u>
Fund balances (deficit) - ending	<u>\$ 608,977</u>	<u>\$ (119,478)</u>	<u>\$ 223,387</u>	<u>\$ 509,809</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,318,433
-	-	-	-	139	-	2,526,653
-	93,591	-	61,758	-	-	155,349
-	-	144,111	-	140,429	433	284,973
-	-	-	-	667	-	2,281
-	111,779	-	-	1,500	25,895	352,275
-	-	-	-	-	-	267,364
-	-	-	-	-	-	361,623
<u>-</u>	<u>205,370</u>	<u>144,111</u>	<u>61,758</u>	<u>142,735</u>	<u>26,328</u>	<u>5,268,951</u>
-	-	-	-	-	-	2,454,070
-	158,219	-	-	64,419	25,581	252,926
-	39,913	-	-	-	-	42,335
200	-	-	-	-	-	2,177,735
-	74,271	-	-	-	-	297,233
278,347	-	-	-	-	-	1,177,482
-	-	-	-	-	-	32,625
-	-	-	-	-	-	1,521
<u>278,547</u>	<u>272,403</u>	<u>-</u>	<u>-</u>	<u>64,419</u>	<u>25,581</u>	<u>6,435,927</u>
<u>(278,547)</u>	<u>(67,033)</u>	<u>144,111</u>	<u>61,758</u>	<u>78,316</u>	<u>747</u>	<u>(1,166,976)</u>
-	87,416	-	-	-	-	158,338
-	-	(120,923)	-	(87,416)	-	(965,983)
-	87,416	(120,923)	-	(87,416)	-	(807,645)
(278,547)	20,383	23,188	61,758	(9,100)	747	(1,974,621)
<u>319,315</u>	<u>624,956</u>	<u>263,735</u>	<u>29,631</u>	<u>594,952</u>	<u>11,684</u>	<u>4,860,018</u>
<u>\$ 40,768</u>	<u>\$ 645,339</u>	<u>\$ 286,923</u>	<u>\$ 91,389</u>	<u>\$ 585,852</u>	<u>\$ 12,431</u>	<u>\$ 2,885,397</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, 2014

	<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	\$ 1,293,771	\$ 1,293,771	\$ 1,318,433	\$ 24,662
Intergovernmental	526,778	526,778	554,144	27,366
Investment earnings	-	-	1,614	1,614
Miscellaneous:				
Administrative fees	<u>267,364</u>	<u>267,364</u>	<u>267,364</u>	<u>-</u>
Total revenues	<u>2,087,913</u>	<u>2,087,913</u>	<u>2,141,555</u>	<u>53,642</u>
EXPENDITURES				
Current:				
Transportation	1,958,150	2,134,954	2,176,569	(41,615)
Capital outlay	150,000	150,000	190,420	(40,420)
Debt service:				
Principal	33,235	33,235	32,625	610
Interest	<u>911</u>	<u>911</u>	<u>1,521</u>	<u>(610)</u>
Total expenditures	<u>2,142,296</u>	<u>2,319,100</u>	<u>2,401,135</u>	<u>(82,035)</u>
Excess (deficiency) of revenues over expenditures	<u>(54,383)</u>	<u>(231,187)</u>	<u>(259,580)</u>	<u>(28,393)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(737,208)</u>	<u>(737,208)</u>	<u>(737,208)</u>	<u>-</u>
Total other financing sources (uses)	<u>(737,208)</u>	<u>(737,208)</u>	<u>(737,208)</u>	<u>-</u>
Net change in fund balance	<u>\$ (791,591)</u>	<u>\$ (968,395)</u>	<u>\$ (996,788)</u>	<u>\$ (28,393)</u>

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Reconciliation of Budget and Actual:			
Current expenditures	\$ 2,177,535	\$ (966)	\$ 2,176,569
Capital outlay	155,980	34,440	190,420
Debt service	<u>34,146</u>	<u>-</u>	<u>34,146</u>
Total expenditures	<u>\$ 2,367,661</u>	<u>\$ 33,474</u>	<u>\$ 2,401,135</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2014 and the outstanding encumbrances as of September 30, 2013, which were paid during fiscal year 2014.

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, 2014

	<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	\$ 626,260	\$ 1,286,879	\$ 1,189,311	\$ (97,568)
Total revenues	<u>626,260</u>	<u>1,286,879</u>	<u>1,189,311</u>	<u>(97,568)</u>
EXPENDITURES				
Current:				
Economic environment	465,324	789,507	559,705	229,802
Capital outlay	<u>352,564</u>	<u>689,000</u>	<u>690,761</u>	<u>(1,761)</u>
Total expenditures	<u>817,888</u>	<u>1,478,507</u>	<u>1,250,466</u>	<u>228,041</u>
Excess (deficiency) of revenues over expenditures	<u>(191,628)</u>	<u>(191,628)</u>	<u>(61,155)</u>	<u>130,473</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(42,580)</u>	<u>(42,580)</u>	<u>(2,981)</u>	<u>39,599</u>
Total other financing sources (uses)	<u>(42,580)</u>	<u>(42,580)</u>	<u>(2,981)</u>	<u>39,599</u>
Net change in fund balances	<u>\$ (234,208)</u>	<u>\$ (234,208)</u>	<u>\$ (64,136)</u>	<u>\$ 170,072</u>

	<u>GAAP Basis Actual</u>	<u>Net Encumbrances*</u>	<u>Non-GAAP Basis Actual</u>
<u>Reconciliation of Budget and Actual:</u>			
Current expenditures	\$ 559,705	\$ -	\$ 559,705
Capital outlay	<u>690,761</u>	<u>-</u>	<u>690,761</u>
Total expenditures	<u>\$ 1,250,466</u>	<u>\$ -</u>	<u>\$ 1,250,466</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2014 and the outstanding encumbrances as of September 30, 2013 which were paid during fiscal year 2014.

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ASSETS:				
Cash and cash equivalents	\$ 4,368,151	\$ 994,310	\$ 1,809,013	\$ 7,171,474
Investments:				
Mutual funds	44,114,964	10,967,182	8,931,329	64,013,475
U.S. Government securities	9,772,362	1,844,351	7,019,394	18,636,107
Corporate equities	31,285,209	24,546,913	32,515,481	88,347,603
Corporate bonds and notes	13,926,430	561,009	9,557,494	24,044,933
Total investments	<u>99,098,965</u>	<u>37,919,455</u>	<u>58,023,698</u>	<u>195,042,118</u>
Receivables:				
Interest and dividends	149,423	22,710	144,937	317,070
Contribution receivable (State)	190,539	-	-	190,539
Due from brokers	248,436	107,132	62,889	418,457
Total receivables	<u>588,398</u>	<u>129,842</u>	<u>207,826</u>	<u>926,066</u>
Other Assets	<u>2,115</u>	<u>-</u>	<u>-</u>	<u>2,115</u>
Total assets	<u>104,057,629</u>	<u>39,043,607</u>	<u>60,040,537</u>	<u>203,141,773</u>
LIABILITIES:				
Accounts payable	<u>163,045</u>	<u>32,490</u>	<u>193,998</u>	<u>389,533</u>
Total liabilities	<u>163,045</u>	<u>32,490</u>	<u>193,998</u>	<u>389,533</u>
NET POSITION:				
Restricted for pension benefits	<u>\$103,894,584</u>	<u>\$ 39,011,117</u>	<u>\$ 59,846,539</u>	<u>\$ 202,752,240</u>

CITY OF DEERFIELD BEACH, FLORIDA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Fire Pension Fund	Police Pension Fund	Non- Uniformed Pension Fund	Total
ADDITIONS:				
Contributions:				
Employer	\$ 5,051,768	\$ 1,779,358	\$ 1,721,000	\$ 8,552,126
Plan members	882,792	-	33,417	916,209
State of Florida	<u>791,013</u>	<u>543,745</u>	<u>-</u>	<u>1,334,758</u>
Total contributions	<u>6,725,573</u>	<u>2,323,103</u>	<u>1,754,417</u>	<u>10,803,093</u>
Investment earnings:				
Interest and dividends	2,429,083	831,448	1,387,372	4,647,903
Net increase in the fair value of investments	<u>7,092,010</u>	<u>2,668,722</u>	<u>4,413,661</u>	<u>14,174,393</u>
Total investment earnings	9,521,093	3,500,170	5,801,033	18,822,296
Less investment expense	<u>(595,001)</u>	<u>(207,627)</u>	<u>(311,206)</u>	<u>(1,113,834)</u>
Net investment earnings	<u>8,926,092</u>	<u>3,292,543</u>	<u>5,489,827</u>	<u>17,708,462</u>
Other miscellaneous income	<u>5,051</u>	<u>2,226</u>	<u>8,537</u>	<u>15,814</u>
Total additions	<u>15,656,716</u>	<u>5,617,872</u>	<u>7,252,781</u>	<u>28,527,369</u>
DEDUCTIONS:				
Benefits paid	7,328,455	4,590,902	5,786,184	17,705,541
Administrative expenses	<u>232,032</u>	<u>73,056</u>	<u>93,157</u>	<u>398,245</u>
Total deductions	<u>7,560,487</u>	<u>4,663,958</u>	<u>5,879,341</u>	<u>18,103,786</u>
Change in net position	8,096,229	953,914	1,373,440	10,423,583
Net position restricted for pension benefits:				
Beginning of year	<u>95,798,355</u>	<u>38,057,203</u>	<u>58,473,099</u>	<u>192,328,657</u>
End of year	<u>\$ 103,894,584</u>	<u>\$ 39,011,117</u>	<u>\$ 59,846,539</u>	<u>\$ 202,752,240</u>

STATISTICAL SECTION

(UNAUDITED)

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

Financial Trends	91
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.</i>	
Revenue Capacity	97
<i>These schedules contain information to help the reader assess the City's most significant local revenue, property tax. Information about water and sewer rates is also included.</i>	
Debt Capacity	104
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt.</i>	
Demographic and Economic Information	109
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	111
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial statements relate to the services that the City provides as well as the activities that the City performs.</i>	

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

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets										
Restricted	\$ 33,334,631	\$ 36,427,927	\$ 40,835,672	\$ 41,694,017	\$ 41,572,817	\$ 42,523,352	\$ 46,212,686	\$ 54,762,079	\$ 58,120,088	\$ 57,468,114
Unrestricted	5,166,154	8,343,884	10,098,177	13,071,373	17,264,796	19,803,912	18,784,355	12,470,310	10,058,524	9,663,870
Total governmental activities net position	\$ 43,760,914	\$ 51,400,870	\$ 64,101,314	\$ 72,467,519	\$ 70,071,067	\$ 66,873,557	\$ 63,718,007	\$ 63,000,502	\$ 63,199,113	\$ 66,516,480
Business-type activities:										
Net investment in capital assets										
Restricted	\$ 44,493,424	\$ 43,564,678	\$ 43,524,426	\$ 44,080,196	\$ 46,197,560	\$ 47,731,493	\$ 48,174,577	\$ 48,786,203	\$ 48,869,742	\$ 50,924,663
Unrestricted	4,404,024	3,700,000	-	-	-	-	8,887,099	743,836	743,838	743,838
Total business-type activities net position	\$ 57,626,659	\$ 58,737,066	\$ 58,524,166	\$ 62,448,591	\$ 64,871,557	\$ 67,621,139	\$ 72,708,063	\$ 78,529,113	\$ 81,846,601	\$ 85,004,298
Primary government:										
Net investment in capital assets										
Restricted	\$ 77,828,055	\$ 79,992,605	\$ 84,360,098	\$ 85,774,213	\$ 87,770,377	\$ 90,254,845	\$ 94,387,263	\$ 103,548,282	\$ 106,989,830	\$ 108,392,777
Unrestricted	9,570,178	12,043,884	10,098,177	13,071,373	17,264,796	19,803,912	27,671,454	13,214,146	10,802,362	10,407,708
Total primary government net position	\$ 101,387,573	\$ 110,137,936	\$ 122,625,480	\$ 134,916,110	\$ 134,942,624	\$ 134,494,696	\$ 136,426,070	\$ 141,529,615	\$ 145,045,714	\$ 151,520,778

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses										
<i>Governmental activities:</i>										
General government	\$ 16,465,472	\$ 16,392,601	\$ 21,310,205	\$ 19,402,059	\$ 22,190,311	\$ 18,528,933	\$ 22,805,473	\$ 12,612,575	\$ 11,821,874	\$ 12,353,311
Economic environment	1,104,229	1,083,068	2,748,846	2,095,672	1,964,859	1,415,860	770,651	959,617	1,981,715	2,832,290
Public safety	34,156,399	48,317,723	38,092,021	39,946,697	41,915,667	44,400,644	45,399,408	50,047,068	52,604,329	55,555,149
Human services	2,489,242	2,447,371	2,283,091	3,007,015	2,588,723	2,722,603	2,510,309	2,140,927	2,136,865	2,159,042
Physical environment	4,640,670	5,063,502	5,476,504	5,583,768	6,164,735	5,875,926	3,082,598	4,050,701	4,978,883	3,974,644
Transportation	2,839,192	3,121,928	2,861,275	3,042,067	3,138,654	2,911,620	2,579,100	2,502,148	2,906,127	3,375,247
Culture and recreation	4,777,558	5,682,273	5,795,840	6,138,096	6,607,981	6,465,100	7,223,675	5,394,983	4,358,166	4,032,285
Interest on long-term debt	1,713,398	1,790,112	2,058,992	1,911,289	1,894,441	1,970,464	1,923,219	1,878,627	3,024,834	2,807,078
Total governmental activities expenses	<u>68,186,160</u>	<u>83,898,578</u>	<u>80,626,774</u>	<u>81,126,663</u>	<u>86,565,371</u>	<u>84,291,150</u>	<u>86,304,433</u>	<u>79,586,646</u>	<u>83,812,793</u>	<u>87,089,046</u>
<i>Business-type activities:</i>										
Water and sewer	18,577,991	17,699,651	20,325,211	20,123,711	23,145,215	21,264,592	20,182,450	20,048,897	20,899,520	22,210,582
Solid waste	14,118,216	15,495,440	15,717,636	15,522,193	15,588,347	15,307,635	14,795,080	13,613,964	14,354,330	13,849,313
Total business-type activities expenses	<u>32,696,207</u>	<u>33,195,091</u>	<u>36,042,847</u>	<u>35,645,904</u>	<u>38,733,562</u>	<u>36,572,227</u>	<u>34,977,530</u>	<u>33,662,861</u>	<u>35,253,850</u>	<u>36,059,895</u>
Total primary government expenses	<u>\$ 100,882,367</u>	<u>\$ 117,093,669</u>	<u>\$ 116,669,621</u>	<u>\$ 116,772,567</u>	<u>\$ 125,298,933</u>	<u>\$ 120,863,377</u>	<u>\$ 121,281,963</u>	<u>\$ 113,249,507</u>	<u>\$ 119,066,643</u>	<u>\$ 123,148,941</u>

Program Revenues										
<i>Governmental activities:</i>										
Charges for services:										
General government	\$ 4,522,561	\$ 4,861,186	\$ 4,850,457	\$ 4,271,872	\$ 3,994,889	\$ 4,770,617	\$ 5,253,744	\$ 1,855,406	\$ 878,655	\$ 540,328
Public safety	9,730,171	11,216,934	10,887,195	14,200,414	12,951,771	13,277,004	15,899,993	15,661,078	16,737,515	20,615,778
Human services	590,202	621,291	530,763	619,546	508,744	488,947	23,387	327,856	12,699	29,316
Physical environment	236,985	182,875	247,415	186,153	289,262	258,722	186,497	1,191,226	185,794	286,215
Transportation	1,213,092	1,395,776	1,543,358	1,566,684	1,519,532	1,684,182	1,684,182	1,633,553	1,677,235	1,829,159
Culture and recreation	981,510	1,179,948	1,181,555	1,426,646	1,759,727	1,510,701	1,863,060	1,347,634	1,699,851	1,907,505
Operating grants and contributions	4,459,951	14,957,903	8,221,289	4,612,921	6,877,028	6,999,594	5,009,285	5,813,834	7,588,761	6,253,912
Capital grants and contributions	1,521,244	732,532	1,700,423	820,248	426,674	925,167	2,038,731	2,330,864	1,630,221	285,142
Total governmental activities program revenues	<u>23,255,716</u>	<u>35,148,445</u>	<u>29,162,455</u>	<u>27,704,484</u>	<u>28,327,627</u>	<u>29,811,807</u>	<u>31,958,879</u>	<u>30,161,451</u>	<u>30,410,731</u>	<u>31,747,355</u>

(Continued)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for services:										
Water and sewer	19,001,300	19,026,919	18,870,533	22,667,068	25,001,144	24,675,663	24,807,442	24,250,089	24,651,018	24,754,868
Solid waste	14,169,586	14,508,283	16,023,140	15,942,312	14,507,783	14,624,135	14,925,959	14,701,713	15,441,291	14,626,474
Capital grants and contributions	111,760	224,577	174,208	591,520	1,333,400	12,240	292,206	27,539	111,699	45,899
Total business-type activities program revenues	33,282,646	33,759,779	35,067,881	39,200,900	40,842,327	39,312,038	40,025,607	38,979,341	40,204,008	39,427,241
Total primary government program revenues	\$ 56,538,362	\$ 68,908,224	\$ 64,230,336	\$ 66,905,384	\$ 69,169,954	\$ 69,123,845	\$ 71,984,486	\$ 69,140,792	\$ 70,614,739	\$ 71,174,596
Net (expense)/revenue										
Governmental activities	\$ (44,930,444)	\$ (48,750,133)	\$ (51,464,319)	\$ (53,422,179)	\$ (58,237,744)	\$ (54,479,343)	\$ (54,345,554)	\$ (49,425,195)	\$ (53,402,062)	\$ (55,341,691)
Business-type activities	586,439	564,688	(974,966)	3,554,996	2,108,765	2,739,811	5,048,077	5,316,480	4,950,158	3,367,346
Total primary government net expense	\$ (44,344,005)	\$ (48,185,445)	\$ (52,439,285)	\$ (49,867,183)	\$ (56,128,979)	\$ (51,739,532)	\$ (49,297,477)	\$ (44,108,715)	\$ (48,451,904)	\$ (51,974,345)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 31,779,407	\$ 35,641,797	\$ 41,783,736	\$ 39,040,869	\$ 36,685,924	\$ 35,093,629	\$ 34,791,821	\$ 27,073,004	\$ 28,188,611	\$ 33,750,761
Utility taxes	-	-	-	-	-	-	-	6,705,240	7,343,575	7,907,567
Sales taxes	3,970,596	4,777,520	4,555,929	4,282,151	3,832,424	3,693,667	3,890,338	4,123,936	4,394,070	4,648,145
Franchise fees	9,082,753	10,779,607	12,477,400	12,540,651	11,908,808	9,767,204	9,429,873	8,652,572	8,959,809	8,867,645
Local option gas taxes	1,239,308	1,417,779	1,384,787	1,369,644	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,318,433
Alcoholic beverage/mobile home license taxes	54,143	53,554	56,304	55,940	56,288	55,795	49,433	52,419	48,407	55,777
Unrestricted grants and contributions	2,779,545	1,791,559	1,589,751	2,947,124	1,213,534	1,174,449	1,241,144	1,072,777	1,471,496	1,622,476
Unrestricted investment earnings	1,183,078	1,913,598	2,254,270	1,505,692	719,477	160,249	77,980	39,677	64,333	56,617
Miscellaneous	279,254	14,675	52,586	46,313	87,851	65,561	432,884	176,178	166,419	166,676
Transfers	-	-	10,000	-	-	-	(7,014)	(477,187)	1,678,071	264,961
Total governmental activities	\$ 50,368,084	\$ 56,390,089	\$ 64,164,763	\$ 61,788,384	\$ 55,841,292	\$ 51,281,833	\$ 51,190,004	\$ 48,707,690	\$ 53,600,673	\$ 58,659,058
Business-type activities:										
Unrestricted investment earnings	377,479	545,719	772,066	369,429	314,201	9,771	31,833	27,383	45,401	55,312
Transfers	-	-	(10,000)	-	-	-	7,014	477,187	(1,678,071)	(264,961)
Total business-type activities	377,479	545,719	762,066	369,429	314,201	9,771	38,847	504,570	(1,632,670)	(209,649)
Total primary government	\$ 50,745,563	\$ 56,935,808	\$ 64,926,829	\$ 62,157,813	\$ 56,155,493	\$ 51,291,604	\$ 51,228,851	\$ 49,212,260	\$ 51,968,003	\$ 58,449,409
Change in Net Position										
Governmental activities	5,437,640	7,639,956	12,700,444	8,366,205	(2,396,452)	(3,197,510)	(3,155,550)	(717,505)	198,611	3,317,367
Business-type activities	963,918	1,110,407	(212,900)	3,924,425	2,422,966	2,749,582	5,086,924	5,821,050	3,317,488	3,157,697
Total primary government	\$ 6,401,558	\$ 8,750,363	\$ 12,487,544	\$ 12,290,630	\$ 26,514	\$ (447,928)	\$ 1,931,374	\$ 5,103,545	\$ 3,516,099	\$ 6,475,064

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

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
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
2011	34,791,821	-	3,890,338	9,429,873	1,283,545	49,433	49,445,010
2012	27,073,004	6,705,240	4,123,936	8,652,572	1,289,074	52,419	47,896,245
2013	28,188,611	7,343,575	4,394,070	8,959,809	1,285,882	48,407	50,220,354
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 2,178,213	\$ 2,172,010	\$ 1,785,062	\$ 1,512,466	\$ 1,236,143	\$ 1,603,545	\$ -	\$ -	\$ -	\$ -
Unreserved	9,354,151	9,704,079	18,447,814	21,960,612	18,727,759	11,681,260	-	-	-	-
Non-spendable	-	-	-	-	-	-	824,089	705,590	696,001	663,995
Assigned	-	-	-	-	-	-	3,885,412	4,600,367	4,193,717	4,502,471
Unassigned	-	-	-	-	-	-	4,682,040	1,711,253	2,823,003	8,781,650
Total general fund	\$ 11,532,364	\$ 11,876,089	\$ 20,232,876	\$ 23,473,078	\$ 19,963,902	\$ 13,284,805	\$ 9,391,541	\$ 7,017,210	\$ 7,712,721	\$ 13,948,116
All other governmental funds										
Reserved	\$ 2,150,567	\$ 3,038,771	\$ 2,935,906	\$ 3,551,684	\$ 3,678,313	\$ 3,853,103	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,295,186	5,809,033	7,484,980	9,535,257	11,371,568	12,241,644	-	-	-	-
Debt service funds	166,762	4,280	242,033	282,601	285,989	288,157	-	-	-	-
Capital projects funds	20,327,204	8,656,228	9,340,550	7,945,378	2,960,291	1,580,263	-	-	-	-
Non-spendable	-	-	-	-	-	-	2,190,989	1,217,499	1,229,499	1,240,498
Restricted	-	-	-	-	-	-	16,846,273	12,280,648	22,844,054	17,303,614
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(908,678)	(245,058)	101,767	(181,733)
Total all other governmental funds	\$ 25,939,719	\$ 17,508,312	\$ 20,003,469	\$ 21,314,920	\$ 18,296,161	\$ 17,963,167	\$ 18,128,584	\$ 13,253,089	\$ 24,175,320	\$ 18,362,379

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

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Property taxes	\$ 31,779,407	\$ 35,641,797	\$ 41,675,355	\$ 38,915,090	\$ 36,649,353	\$ 35,102,671	\$ 34,252,646	\$ 27,771,349	\$ 28,291,130	\$ 33,760,761
Sales taxes	3,970,596	4,777,520	4,555,929	4,713,093	3,832,424	5,036,695	5,165,731	5,432,787	5,565,280	5,934,513
Fire assessment fees	3,432,997	3,662,090	3,767,989	6,081,708	6,142,612	5,998,886	8,090,526	8,371,764	8,491,262	10,972,926
Franchise fees	9,082,753	10,779,607	12,477,400	11,645,505	12,011,964	9,921,939	9,584,608	8,704,150	8,959,809	8,867,645
Utility taxes	-	-	-	-	-	-	-	6,705,240	7,343,575	7,907,567
Local option gas tax	1,239,308	1,417,779	1,384,787	1,369,644	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,318,433
Licenses and permits	1,420,371	2,595,719	2,394,634	2,116,220	1,638,823	1,673,573	2,567,037	2,906,324	3,006,077	3,461,990
Intergovernmental	8,151,325	17,663,255	10,906,891	5,861,670	7,969,279	6,813,940	6,779,390	7,380,901	8,763,280	5,759,395
Charges for services	6,294,641	6,591,097	6,436,229	6,911,507	7,515,348	7,859,433	8,098,203	7,476,283	8,236,329	8,551,858
Fines and forfeitures	1,463,170	1,398,343	1,348,088	1,851,372	1,161,701	1,508,597	1,246,585	1,031,508	911,536	1,454,952
Investment earnings	1,262,404	2,107,992	2,422,453	1,531,661	724,805	160,673	78,154	39,677	64,333	56,617
Miscellaneous	5,338,199	5,718,596	5,950,033	6,728,838	4,902,049	5,439,834	5,918,709	7,651,004	6,870,128	7,015,741
Total revenues	73,435,171	92,353,795	93,319,788	87,726,308	83,885,344	80,787,520	83,065,134	84,760,061	87,778,621	95,052,398
Expenditures										
General government	14,800,858	17,762,324	19,284,351	19,855,801	20,081,498	20,312,385	19,943,800	16,674,774	\$ 15,483,228	15,510,007
Economic environment	1,103,581	1,082,420	2,748,198	2,095,672	1,964,001	910,203	778,651	1,250,183	2,113,478	2,964,052
Public safety	33,818,934	48,610,412	38,650,648	39,162,132	41,341,005	43,407,203	43,892,036	48,742,790	51,669,751	54,809,205
Human services	2,384,248	2,366,688	2,587,844	2,948,669	2,506,240	2,766,956	2,454,137	2,085,353	2,081,504	2,154,433
Physical environment	4,299,381	4,856,488	5,346,214	4,831,311	5,754,973	5,043,036	2,268,385	3,263,916	4,334,094	3,518,440
Transportation	1,913,574	2,081,321	1,837,419	2,100,056	2,221,345	1,999,906	1,670,907	1,574,080	1,850,040	2,292,118
Culture and recreation	4,504,233	5,092,025	5,340,932	5,282,485	5,717,699	5,609,960	6,533,568	4,600,545	3,504,151	2,997,052
Capital outlay	10,573,713	14,459,905	8,673,815	2,721,325	6,744,382	3,641,497	4,949,174	9,607,475	6,176,331	5,770,037
Debt service										
Principal	2,552,915	2,896,919	2,427,913	2,560,050	2,622,732	2,532,394	2,340,272	2,285,825	9,798,940	2,606,667
Interest	1,677,340	1,817,507	1,839,525	2,033,398	2,016,157	2,000,860	1,955,037	1,908,170	2,208,582	2,170,837
Other charges	-	-	116,982	-	-	-	-	-	332,013	102,057
Total expenditures	77,628,777	101,026,009	88,853,841	83,590,899	90,970,032	88,224,399	86,785,967	91,993,111	99,542,112	94,894,905
Excess of revenues over (under) expenditures	(4,193,606)	(8,672,214)	4,465,947	4,135,409	(7,084,688)	(7,436,879)	(3,720,833)	(7,233,050)	(11,763,491)	157,493
Other financing sources (uses)										
Transfers in	5,559,140	5,609,200	7,074,670	6,513,791	6,611,397	6,013,653	6,154,285	4,954,400	10,647,167	7,517,606
Transfers out	(5,559,140)	(5,609,200)	(7,064,670)	(6,513,791)	(6,611,397)	(6,013,653)	(6,161,299)	(4,971,176)	(8,969,096)	(7,252,645)
Bonds issued	-	-	5,965,000	-	-	-	-	-	34,860,000	-
Premium on bonds issued	-	-	32,679	-	-	-	-	-	1,125,416	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-	-	(14,282,254)	-
Capital leases	1,551,437	584,532	378,318	416,244	726,733	424,788	-	-	-	-
Total other financing sources (uses)	1,551,437	584,532	6,385,997	416,244	726,733	424,788	(7,014)	(16,776)	23,381,233	264,961
Net change in fund balances	(2,642,169)	(8,087,682)	10,851,944	4,551,653	(6,357,955)	(7,012,091)	(3,727,847)	(7,249,826)	\$ 11,617,742	\$ 422,454
Debt service as a percentage of noncapital expenditures	6.4%	5.5%	5.6%	5.8%	5.6%	5.5%	5.4%	5.1%	13.2%	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	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
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
2011	34,252,646	-	5,165,731	9,584,608	1,283,545	49,433	50,335,963
2012	27,771,349	6,705,240	5,432,787	8,704,150	1,289,074	52,419	49,955,019
2013	28,291,130	7,343,575	5,565,280	8,959,809	1,285,882	48,407	51,494,083
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696

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
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
2011	6,413,168,923	411,439,128	1,684,098,356	5,140,509,695	6.7688	8,035,763,100	63.970
2012	6,085,548,562	392,877,631	1,636,113,175	4,842,313,018	5.7688	7,629,719,059	63.466
2013	6,068,817,518	389,788,094	1,614,924,968	4,843,680,644	5.7688	7,605,089,169	63.690
2014	6,282,449,796	398,719,587	1,673,533,699	5,007,635,684	6.7688	7,864,092,199	63.677

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					Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School District Millage	Operating Millage	Debt Service Millage	Total School District Millage	Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District					
																	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	
2005	6.5205	0.3096	6.8301	6.4831	0.5399	7.0230	8.0140	0.2555	8.2695	0.4231	2.4803	0.6970	0.0385	0.6970	0.0385	25.7615					
2006	5.9949	0.5051	6.5000	6.2942	0.4888	6.7830	7.8410	0.2213	8.0623	0.4231	2.1746	0.6970	0.0385	0.6970	0.0385	24.6785					
2007	5.8250	0.4250	6.2500	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.4073	1.8317	0.6970	0.0385	0.6970	0.0385	23.1593					
2008	4.9537	0.3963	5.3500	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.3572	1.6255	0.6240	0.0345	0.6240	0.0345	20.9264					
2009	4.9072	0.3928	5.3000	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.3754	1.7059	0.6240	0.0345	0.6240	0.0345	20.7713					
2010	5.3499	0.4401	5.7900	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.4243	1.7059	0.6240	0.0345	0.6240	0.0345	21.3986					
2011	6.2482	0.5206	6.7688	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.4696	1.8750	0.6240	0.0345	0.6240	0.0345	22.9559					
2012	5.1856	0.5832	5.7688	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4789	1.8750	0.4363	0.0345	0.4363	0.0345	21.5645					
2013	5.1856	0.5832	5.7688	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4902	1.8564	0.4289	0.0345	0.4289	0.0345	21.5878					
2014	6.2317	0.5371	6.7688	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4882	1.7554	0.4110	0.0345	0.4110	0.0345	22.6609					

Source: Broward County, Florida Property Appraiser.

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
1. Florida Power & Light Co.	\$ 69,900,220	1	1.40%	-	-	-
2. Publix Supermarket	65,926,923	2	1.32	58,902,640	1	.81
3. City National Bank of FL, Trustee	59,236,672	3	1.18	44,995,100	2	.62
4. Deerfield Beach Hotl LLC	44,556,600	4	0.89	-	-	-
5. Land TR City National Bank of FL, Trstee	35,650,997	5	0.71	-	-	-
6. Quiet Waters Business Park LLC	31,397,050	6	0.63	20,285,540	10	.28
7. CP Deerfield LLC	31,394,000	7	0.63	31,409,180	4	.43
8. City National Bank of Florida	28,133,504	8	0.56	-	-	-
9. Sun Sentinel	25,000,000	9	0.50	-	-	-
10. Western National Life Insurance Co.	23,025,420	10	0.46	-	-	-
11. Felcor/CSS Holdings LP	-	-	-	35,627,240	3	.49
12. SPTMRT Properties Trust	-	-	-	26,293,410	5	.36
13. Security Capital Atlantic	-	-	-	25,129,260	6	.34
14. CMD Realty Investors LLC	-	-	-	23,656,930	7	.32
15. FGI Financing I	-	-	-	23,317,960	8	.32
16. Tivoli Lakes Club Investors LLC	-	-	-	21,513,900	9	.30
Totals	\$ 414,221,386		8.28%	\$ 311,131,160		4.27%

Source: Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

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

*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 NINE FISCAL YEARS
(in thousands of gallons)

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

Note: The City began to report water sales information in fiscal year 2006.

Source: City of Deerfield Beach, Department of Financial Services

CITY OF DEERFIELD BEACH, FLORIDA

WATER AND SEWER RATES

LAST TEN FISCAL YEARS

Fiscal Year	Water		Sewer	
	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons	
2005	\$ 1.70	\$ 8.96	\$ 1.67	
2006	1.70	8.96	1.67	
2007	1.80	8.96	1.77	
2008	2.65	10.98	2.71	
2009	2.65	10.98	2.71	
2010	2.65	10.98	2.71	
2011	2.65	10.98	2.71	
2012	2.65	10.98	2.71	
2013	2.65	10.98	2.71	
2014	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, Financial Services 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	Population	Personal Income
	General Obligation Bonds	Improvement Revenue Bonds	Covenant Bonds	Capital Leases	Loans and Notes	Water and Sewer Bonds	Capital Leases	Loans and Notes	Loans and Notes						
2005	\$ 32,281,189	\$ 500,000	\$ 9,245,000	\$ 2,663,606	\$ -	\$ 420,000	\$ 2,118,674	\$ 16,541,287	\$ 63,769,756	*	\$ 828	77,039	2,117,595,312		
2006	30,850,943	-	9,005,000	2,521,465	-	420,000	2,363,988	18,076,252	63,237,648	2.99%	813	77,807	2,205,600,000		
2007	29,427,756	-	14,725,000	2,140,057	-	-	2,042,346	21,070,548	69,405,707	3.15%	883	78,575	2,416,487,000		
2008	28,013,411	-	14,375,000	1,760,596	-	17,028,786	2,231,955	22,739,773	86,149,521	3.57%	1,102	78,187	1,992,090,000		
2009	26,608,199	-	13,980,000	1,664,810	-	17,028,786	2,711,733	21,761,712	83,755,240	4.20%	1,081	77,465	1,736,610,000		
2010	25,209,669	-	13,560,000	1,375,734	-	16,623,792	2,472,783	20,499,422	79,741,400	4.59%	1,089	73,216	1,863,871,000		
2011	23,797,434	-	13,125,000	882,697	-	16,019,116	1,649,043	19,167,958	74,641,248	4.00%	995	75,018	1,776,923,000		
2012	22,369,937	-	12,670,000	479,369	-	15,426,772	2,607,256	17,798,020	71,351,354	4.02%	934	76,389	1,836,793,000		
2013	21,128,368	-	25,265,000	231,996	-	14,827,383	1,760,609	16,388,471	79,601,827	4.33%	1,041	76,473	1,829,286,000		
2014	19,797,105	-	24,140,000	80,981	-	14,938,143	1,087,825	14,196,426	74,240,480	4.06%	960	77,361			

*Personal income data not available for fiscal year 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>
2005	\$ 32,281,189	\$ 297,967	\$ 31,983,222	0.42 %	\$ 415
2006	30,850,943	4,280	30,846,663	0.34	396
2007	29,427,756	242,033	29,185,723	0.27	371
2008	28,013,411	282,601	27,730,810	0.23	355
2009	26,608,199	285,989	26,322,210	0.23	340
2010	25,209,669	288,157	24,921,512	0.25	340
2011	23,797,434	290,794	23,506,640	0.29	313
2012	22,369,937	290,782	22,079,155	0.29	289
2013	21,128,368	2,539,617	18,588,751	0.24	243
2014	19,797,105	2,513,964	17,283,141	0.22	223

Source: City of Deerfield Beach, Financial Services Department

CITY OF DEERFIELD BEACH, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2014

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
General obligation bonds			\$ 19,797,105
Covenant bonds (1)			24,140,000
Capital leases			80,981
Total direct debt			44,018,086
Overlapping Debt:			
School Board of Broward County, Florida:			
Certificates of participation	\$ 1,794,131,000 (3)	3.80% *	68,176,978
Capital leases	29,513,000 (3)	3.80% *	1,121,494
Broward County, Florida (2)	301,370 (3)	3.80% *	11,452
Subtotal, overlapping debt			69,309,924
Total direct and overlapping debt			\$ 113,328,010

(1) \$4,920,000 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, 2014.

(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)	
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	1,667,284	1,452,922	3,120,206	2.94
2011	24,839,275	14,564,201	10,275,074	1,936,139	1,359,143	3,295,282	3.12
2012	24,277,472	13,681,310	10,596,162	1,962,273	1,293,540	3,255,813	3.25
2013	24,696,419	14,235,267	10,461,152	1,968,105	1,278,885	3,246,990	3.22
2014	24,810,180	17,417,474	7,392,706	2,081,285	1,152,032	3,233,317	2.29

A) Gross revenue for the purpose of determining debt service coverage, is equal to the sum of the operating revenues of the Water and Sewer Fund and total interest earnings.

B) Expenses, for the purpose of determining debt service coverage, are equal to the total operating expenses of the Water and Sewer Fund less depreciation and less the general administrative charge.

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

C) The debt service requirement for the Florida Municipal Loan Council Revenue bonds, Series 2008A is set forth in the tri-partite loan agreement between the City ("the Borrower"); Banc of America Public Capital Corporation ("the Purchaser"); and the Florida Municipal Loan Council ("the Issuer").

The debt service requirements for the State of Florida Drinking Water Revolving Loan, as well as the State's Water Pollution Control Financing Corporation revolving loans are set forth in the 'Clean Water State Revolving Fund Agreement' between the City and the State of Florida, Department of Environmental Protection.

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

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

- 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.

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

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

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

Sources

(1) City of Deerfield Beach, Planning & Development Svcs. Dept.

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

(3) School Board of Broward County, Florida.

**Personal income data expressed in thousands.

CITY OF DEERFIELD BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2014</u>			<u>2005</u>
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Rank</u>
Publix Corporation	1,705	1	4.19%	N/A*
JM Family Enterprises	1,179	2	2.89%	N/A*
Broward Health North	1,118	3	2.74%	N/A*
UPS	519	4	1.27%	N/A*
City of Deerfield Beach	478	5	1.17%	N/A*
Sun-Sentinel	466	6	1.14%	N/A*
Target	358	7	0.88%	N/A*
Republic National Distribution	356	8	0.87%	N/A*
Peoples Trust	346	9	0.85%	N/A*
Broward Sheriff Office	305	10	0.75%	N/A*
	<u>6,830</u>		<u>16.75%</u>	

*Note: Information for fiscal year 2005 is unavailable.

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

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

<u>Function/Programs</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government	71	78	67	66	66	58	62	66	64	63
Public Safety										
Police										
Uniformed	123	129	129	129	129	123	126	126	126	126
Civilians	62	68	53	53	53	43	43	43	46	45
Fire/Rescue										
Firefighters and Officers	149	151	151	150	149	140	140	154	143	147
Bldg. Inspection Services	21	22	22	21	21	20	17	18	19	16
Civilians	18	20	17	20	20	20	20	2	2	6
Economic Environment	1	1	1	0	1	1	1	1	1	1
Culture and Recreation	117	75	75	84	94	86	65	64	70	66
Human Services	50	46	40	41	37	40	37	38	39	40
Physical Environment										
Public Works Administration	4	4	4	4	4	3	1	0	0	0
Grounds Maintenance	39	42	40	39	39	21	42	38	31	37
Parks	44	44	39	41	44	11	11	7	7	10
Water & Sewer	87	87	74	75	74	68	65	60	58	58
Solid Waste	71	71	65	67	67	60	49	53	55	54
Transportation										
Street Maintenance	15	15	14	15	15	13	11	10	10	11

Source: City of Deerfield Beach, Financial Services Department

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

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

Source: Various City departments

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

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

Information for fiscal year 2005 is unavailable.

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

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

Source: Various City Departments.

(a)- thousandths

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

Information for fiscal year 2005 is unavailable.