



# City of Boca Raton, FL

Comprehensive Annual Financial Report  
for the Fiscal Year Ended September 30, 2018



City Shuttle Bus



Arbor Day Tree Planting  
at Spanish River Park



Electric Vehicle Charging Station  
at Downtown Library



Government Finance Officers Association

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

Presented to

**City of Boca Raton  
Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

## CITY OF BOCA RATON, FLORIDA

FOR THE FISCAL YEAR ENDED

September 30, 2018



Prepared by the Financial Services Department

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## ABOUT THE COVER:



The City of Boca Raton has found a clean, sustainable and safe way to provide fresh drinking water to its residents and visitors at events. This is the MARS System, a mobile water chilling station which provides cold, city tap water. The MARS was designed by the Boca Raton Utilities Department and it promotes our sustainability efforts by reducing the use of plastic bottles and it does not require electricity! The unit is constructed of a stainless steel frame and insulated for cooling of the water. The water flows through copper coils which keeps it at a refreshing 45 degrees for up to 8 hours. This bright and refreshing MARS water station can be spotted around the City at many of its signature City Events. The City encourages event goers to bring a refillable water bottle to the next City event!

MARS is just one of many Boca Raton projects that make our City sustainable! The City's shuttle routes make it possible for residents and employees in the City of Boca Raton to use regional transit services while also having their first and last mile covered here in the City. Residents and visitors who want to reduce their carbon footprint and improve local air quality by driving an electric vehicle can charge them for free at one of three locations; City Hall, the Downtown Library, and Spanish River Library. Maintaining green space has long been a priority of the City, with over 500 acres of natural areas within the City limits and the same can be said for the maintenance of tree canopy. The City has met the standards of a Tree City USA for 38 years, the third longest-running City in Florida!

Learn more about everything sustainable happening in Boca Raton on the City's website [www.myboca.us/sustainability](http://www.myboca.us/sustainability).

CITY OF BOCA RATON, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2018

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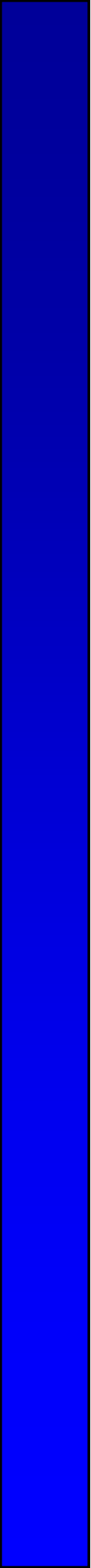
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March 25, 2019

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Boca Raton, Florida (the City), for the fiscal year ended September 30, 2018.

This report provides the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by an independent auditing firm.

We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Financial Services Department and the exhibits and statistical tables included herein.

The CAFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability to the citizenry by:

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

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

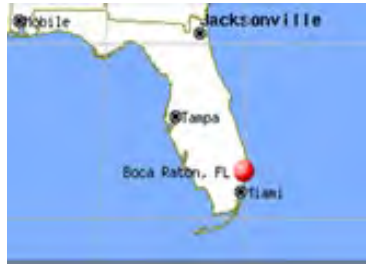
Marcum LLP, independent auditors, have issued unmodified opinions on the City of Boca Raton's financial statements for the fiscal year ended September 30, 2018. The independent auditors' report is located at the front of the financial section of this report.

The City's Financial Statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments the letter of transmittal and should be read in conjunction with it.

## THE CITY OF BOCA RATON

### Profile

Boca Raton is a full-service City located on the south eastern coastline of Palm Beach County, Florida with a population of approximately 93,417.



The City derives its governmental authority from a charter granted by the Legislature of the State of Florida. In 1965, the Council- Manager form of government replaced the Commissioner- Manager system in Boca Raton. Four Council Members and a Mayor are elected at large on a non-partisan basis for three-year terms.

The City Council appoints the City Manager who is the Chief Administrative Officer of the City and directs the business of the City and its various departments. The City Council determines policy, adopts legislation, approves the City's budget, sets taxes and fees, and appoints the City Attorney and members of various boards and committees.

### Services Provided

The City provides a full range of municipal services. The public safety program includes police, fire protection and rescue services; the City's extensive recreation program includes beaches, a pool, golf courses, libraries, tennis courts, neighborhood parks, and community centers; the Municipal Services Department provides essential traffic, facility and street maintenance, solid waste collection and storm water services as well as other technical assistance to the City; the Utility Services Department provides water and sewer services. The City's Development Services Department provides planning, zoning and building permit and inspection services and administers the City's Community Development Block Grants. The City also provides general administrative services.

### Reporting Entity

This report includes all of the funds of the City. In addition to general government activities, the Community Redevelopment Agency (CRA) is included in the reporting entity. However, the Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority do not meet the established criteria for inclusion in the reporting entity and, accordingly, are not included in this report.

## **Accounting and Internal Control**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **Single Audit**

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City was required to undergo a State of Florida single audit performed under the provisions of the Florida Single Audit and the Rules of the Auditor General, State of Florida. The information related to the Single Audit, including the schedule of expenditure of state projects, schedule of findings and questioned costs, and auditors' reports on the internal control over compliance and compliance with applicable laws and regulations are included in a separate report. This report disclosed no instances of material weaknesses in internal control over financial reporting and over compliance, or significant violations of applicable laws and regulations. The City was not subject to a Federal single audit in accordance with the uniform guidance for the fiscal year ended September 30, 2018.

### **Budgetary Controls**

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department (by fund) level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget adoption. All expenditures for other than personal services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers may occur upon approval of the City Manager as long as the department budget within a fund is not increased. Budget amendments are submitted quarterly to Council for their consideration and in accordance with state law are posted to the City's website within five days of adoption.

## **LOCAL ECONOMY**

The City of Boca Raton provides a unique environment for business – a strong business environment, with economic resources and a well-educated and talented workforce, all

within a community known for its high quality of life. Boca Raton is a rich blend of corporate and regional headquarters, small businesses, and innovative start-up companies. There are economic opportunities for all types of companies and businesses. Boca Raton has grown from a small agricultural and retirement community to a large regional employment center with one of the largest business concentrations in South Florida. In fact, about half of all the large office buildings in Palm Beach County are in Boca Raton, and a number of national and international corporations call Boca Raton home. Boca Raton has easy access to road, rail, and air transportation. It is becoming a hub for technology, medical, financial, security and educational businesses, although many other business categories are represented in the City.

Boca Raton continues to face competition for new and existing national and regional corporate headquarters. The City continues to work with economic development agencies



Corporate Relocation & Expansion

From the white sand to the putting green, the boardroom and everywhere in-between, the benefits of having a corporate headquarters in Boca Raton are intertwined with every aspect of this vibrant city. Boca Raton has a strong and well-diversified corporate community built on a long history of technology and entrepreneurship. Boca Raton is a city that has it all.  
Join us!



For information about joining Boca Raton's corporate community, contact the Office of Economic Development at (561) 393-7761 or [www.businessinboca.com](http://www.businessinboca.com)

such as the State of Florida Department of Economic Opportunity, Palm Beach County, and the Palm Beach County Business Development Board to attract businesses to the City and to retain and promote the growth of existing businesses in the City. The City created and published a brochure highlighting the economic development program and the benefits of Boca Raton. The brochure is available on the City's website at [myboca.us](http://myboca.us).

Through its Economic Development Incentive Policy, the City has committed \$4.8 million in long-term economic development incentives and has leveraged over \$18 million in State and County incentives. This has resulted in a total of 10,075 jobs created or retained in the City.

The City of Boca Raton continues to face tremendous competition for the relocation of new businesses to the City and for the retention of businesses already in the City. In 2018, as part of its expansion plan, Mobile Help has committed to creating and retaining 348 jobs at their headquarters based in Boca Raton. To ensure continued long-term success of the City's Economic Incentive Program, the Economic Development Fund is budgeted to add another \$1.0 million in funding to the Economic Development reserves this year.



The City continues to support and fund a strong Economic Development Incentive Program for fiscal year 2019. One of the primary components in the City's Economic Development Incentive Policy is to provide economic development incentives for companies seeking to relocate to the City or to expand their existing business within the City. Based on the criteria listed in the policy, including job creation and/or retention, capital investment and job salaries, the City can provide incentives through a number of different methods including providing the local match for state economic development programs, making grants and/or loans, and subsidizing rents and leases. It also can provide non-financial incentives such as expedited permitting.

Major business centers within the City include the Park at Broken Sound, formerly known as the Arvida Park of Commerce (APOC), which has over 5 million square feet of office space on its 700 acres, the Florida Atlantic University (FAU) Research Park, which is currently home to 20 companies, and the Technology Business Incubator located at the FAU Research Park, which currently hosts 10 technology companies in the early stages of development in various industries such as pharmaceutical development, software and application development, and advanced electrical engineering applications.

The three schools of higher learning in the City - Florida Atlantic University (FAU), Lynn



University and Palm Beach State College - all continue to have educational successes. FAU received a \$652,820 grant from the National Science Foundation (NSF) to establish an Artificial Intelligence and Deep Learning Training Research Laboratory in South Florida. The Charles E. Schmidt College of Medicine at FAU is becoming an international hub for biomedical research. Lynn University began preparations for the 2019 grand opening of the *Christine E. Lynn University Center* and announced plans for a new health and wellness center. In addition, the university revamped spaces and completed construction projects across campus, including expanded and new walkways, classroom and library upgrades, locker room makeovers and added parking. Building on a foundation as Palm Beach County's largest institution of higher education, Palm Beach State College has launched *Panther Strong 2023*, a new five-year strategic plan that sets an

### Panther Strong 2023



aggressive goal of being a nationally recognized leader in advancing student success. One of the top producers of associate degree graduates in the U.S., PBSC also offers baccalaureate degrees, professional certificates, career training and corporate and continuing education.

On December 18, 2018, the City of Boca Raton hosted the Cheribundi Boca Raton Bowl at the FAU stadium. In its fifth year, this ESPN college bowl game hosted a week of activities for the UAB Blazers and the Northern Illinois Huskies leading up to game day. By almost all measures, the event was a huge success for Boca Raton and Palm Beach County. There were 22,614 attendees at the Bowl Game and 1.4 million household viewers of the live broadcast of the Boca Raton Bowl game on ESPN. The 2018 Boca Bowl was the highest rated pre-Christmas weekday bowl for viewership.



Additionally, almost all the public schools in the Boca Raton have received an “A” rating, the highest rating possible, by the State of Florida, and there are a number of nationally known private schools operating within the City.

Boca Raton also remains a regional shopping and dining location. The Town Center at Boca Raton recently completed its multimillion-dollar renovation. Town Center continues to expand and is considered the premier regional mall in South Florida. Other high-quality destination shopping and dining areas in the City include Boca Center, and the downtown areas of Mizner Park and Royal Palm Place.

## **MAJOR INITIATIVES**

### **For the Year**

With goals and priorities of a financially sound City government, world class municipal services, vibrant and sustainable City and a strong partnership with community, the City continues to demonstrate its ability to be one of the most financially secure local governments in Florida. As part of its strategic planning efforts a financial summit was held to ensure long term sustainability of the city.

The City’s taxable value is \$22.469 billion, making the City’s taxable value the highest of any municipality in Palm Beach County and the fourth highest in the three South Florida counties behind Miami, Miami Beach and Ft. Lauderdale.

The Boca Raton Community Redevelopment Agency’s taxable value saw an increase of 26.5% for the year, the fifth consecutive year over year growth since 2008. The City of Boca Raton’s taxable property values increased 6.32% for fiscal year 2017-18. This is the fifth year of growth after four prior years of declines in property values.



The City of Boca Raton established the Art in Public Places Advisory Board in early 2018 to integrate works of art in the public realm and strengthen cultural awareness within the



community. The first Call to Artists was issued and work was completed on the “Red Reef Park West Maintenance Wall Murals” in late Fall 2018. The mural on the Red Reef Park West gatehouse was also added and completed at the end of calendar year 2018. Future projects include murals on the Spanish River Park/Beach Tunnels anticipated to be completed in May 2019.

In 2017, Palm Beach County Voters approved a one cent sales surtax to fund infrastructure improvements throughout the county for the next ten years. The City of Boca Raton received 6.6 million for infrastructure projects. The City has earmarked these funds to pay street pavement projects, reconstruction of Fire Station No. 6, Recreation Park construction, and other relevant projects. Revenue and expenditures that are part of the Infrastructure Sales Tax initiative are reported in a separate fund in the City financials. Expenditures are reviewed quarterly by a Citizens Oversight Committee. The Citizens Oversight Committee provides a report to City Council annually.

The City continues to move forward with several projects that involve the master planning of City facilities. The first is the Waterfront Master Plan, which provided an analysis of the use of the City’s waterfront parks (those along the Intracoastal Waterway and the Atlantic Ocean) and recommendations for improvements and modifications that would facilitate better utilization of the parks. Following several public meetings to gather input from the public, the City’s consultant presented conceptual design of the property known as the Wildflower Park and the adjacent Silver Palm Park.

As part of other Waterfront Master Plan improvements, Hillsboro El Rio Park Phase 2 along 18th Street and the El Rio Canal design was completed. Construction will begin in



January 2019, and estimates have the park completed in the fall of the same year. The new park will include jogging and fitness trails, picnic pavilions, pickleball courts, basketball courts, sand volleyball and a soft launch for canoes and kayaks. Another long-term project, the revitalization of Lake Wyman & Rutherford Parks the City’s staff and consultants are currently working on the permit applications to the appropriate local, state, and federal agencies. Improvements will include canoe and kayak trails and launches, restroom facilities, replacing the existing boardwalk and extending the boardwalk path. Estimated completion for this project early fall 2021.

On February 2, 2018, the City entered into an interlocal agreement with the Greater Boca Raton Beach and Park District to provide funding to the District for the acquisition of real property for the development of a public golf course. The District will reimburse the City for all associated costs, including all principal and interest payments, attorneys, and other fees related to the 15-year \$19.1 million bonds issued on February 23, 2018. The Note is secured by the City's pledge of its non-ad valorem revenues. The City holds title to the property for as long as the Note remains outstanding. Upon full reimbursement by the District to the City, the City shall convey to the District the title and interest in the Ocean Breeze property.

To improve communications with residents, business owners and visitors, and to provide additional information about the City's operations, news and events, the City created a Communications and Marketing Division. The City now has an updated website, is active in a number of social media platforms, and has created numerous opportunities for the residents to receive information about City programs and current events, and to ask questions and report concerns.

The City is continuing its commitment to sustainability. A Sustainability Manager joined the City in May of 2018. The position is working to create a sustainability action plan which will guide actions in the City and community. The Manager works with regional networks to assess vulnerability to and prepare for sea level rise and climate change. In addition, the Sustainability office is growing outreach efforts with students and residents and working with departments to increase sustainability in City operations.

The Boca Raton Community Redevelopment Agency (CRA) has continued their support and vision for Downtown Boca...where residents, businesses and visitors engage in a vibrant and happening destination. A place where they can come early, stay late, and enjoy all the attractions downtown has to offer – dining, shopping, living, culture, nightlife and recreation to name a few. One of the CRA's goal is to drive engagement within the downtown that results in positive consumer experiences and economic growth for businesses.

The downtown completed new initiatives and projects in the past year, while effectively communicating these improvements to the community. Two new public engagement programs included a more in-depth and revamped [www.DowntownBoca.org](http://www.DowntownBoca.org) as well as photo and social media opportunities with LED Penguins, which further encouraged interaction with Downtown Boca.



Marketing and promotional outreach was developed specifically to communicate transit and parking programs launched in 2018 – a new Shared Ride Waiting Area pilot and a new downtown parking meter zone to enhance the customer traffic and parking experiences. The introduction of a promotional material highlighting Downtown Boca and

its revolving array of attractions and dining options, was well received and utilized by event and wedding planners at nearby resorts.

### **For the Future**

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

Through the recent economic downturn, Boca Raton has maintained its strong financial position through prudent long-term financial planning and fiscal actions to reduce or contain fixed costs.

For the 2019 fiscal year, the City approved a slight increase in operating tax rate of \$3.4690 per \$1,000. The City's 2019 debt service tax rate decreased 6.59% to \$0.2097 per \$1,000 based upon voter approved bond issues. The net result was that there was a slight decrease in the total tax rate.

The Florida Legislature is again considering various proposals relating to the local government financial transparency, building permits and related activities, impact fees, home rule, and various other proposals. Potential legislation could have a significant impact on a local government's ability to maintain and or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function at its' present level.

## **LONG RANGE FINANCIAL PLANNING**

The City Council has adopted financial policies for operating, capital and debt management. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. A long-range financial plan is presented to the City Council annually in the spring. This document forecasts the General Fund and several other fund operations for the next five years and is used to guide the development of the annual operating budget and to achieve the long-term goal of a financially sound city.

The Capital Improvements Program (CIP) is prepared and presented to the City Council as part of the annual budget process. The projects represent the City's plan for infrastructure improvement and major equipment acquisition for the next six years.

The approved CIP also includes funding for Wastewater Upgrades, Replacements and Expansion, Police Services Facilities, and Beach Restoration.

## **OTHER INFORMATION**

### **Independent Audit**

The City Charter, Article 3, Section II, requires an annual audit of the City's financial statements by independent accountants selected by the City Council. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boca Raton, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This was the 38<sup>th</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## **Award for Distinguished Budget**

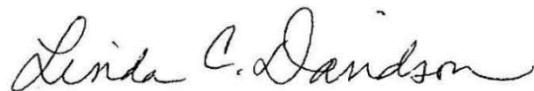
The City received the GFOA Award for the Distinguished Budget Presentation for the City budget for the fiscal year ended September 30, 2018. It was the 36<sup>th</sup> consecutive year the City received the award for the document, which serves as the City's primary fiscal policy document.

## **ACKNOWLEDGEMENTS**

The completion and issuance of this report could not have been accomplished without the dedicated efforts of the entire staff of the Financial Services Department. Special thanks must be given to Patricia White, Alyssa Doerr, Christine DiVito, Cormac Conahan, Kadem Chevere, Carlisha Jenkins, Ann Harris-Wynter, Pedro Morales and Luciana Teixeira, for their dedication in the creation and compilation of this document. Our appreciation is also extended to Stephanie Biagini, Shannon Estremera, Jean-Michel Neault, Stephen Timberlake, George Brown, Michael Woika, Sharon McGuire, Jessica Del Vecchio, Leslie Harmon and Ella Moore-Poitier for providing support in the preparation of this report. Credit must also be given to the City Council and City Management for their commitment to support in their sound fiscal management practices with emphasis on long-term financial stability.

We believe that this report clearly illustrates the strong financial posture of the City of Boca Raton and we wish to take this opportunity to thank you and the citizens of Boca Raton for the vital role you have historically played in enabling the City to achieve and maintain this high degree of fiscal responsibility.

Respectfully yours,

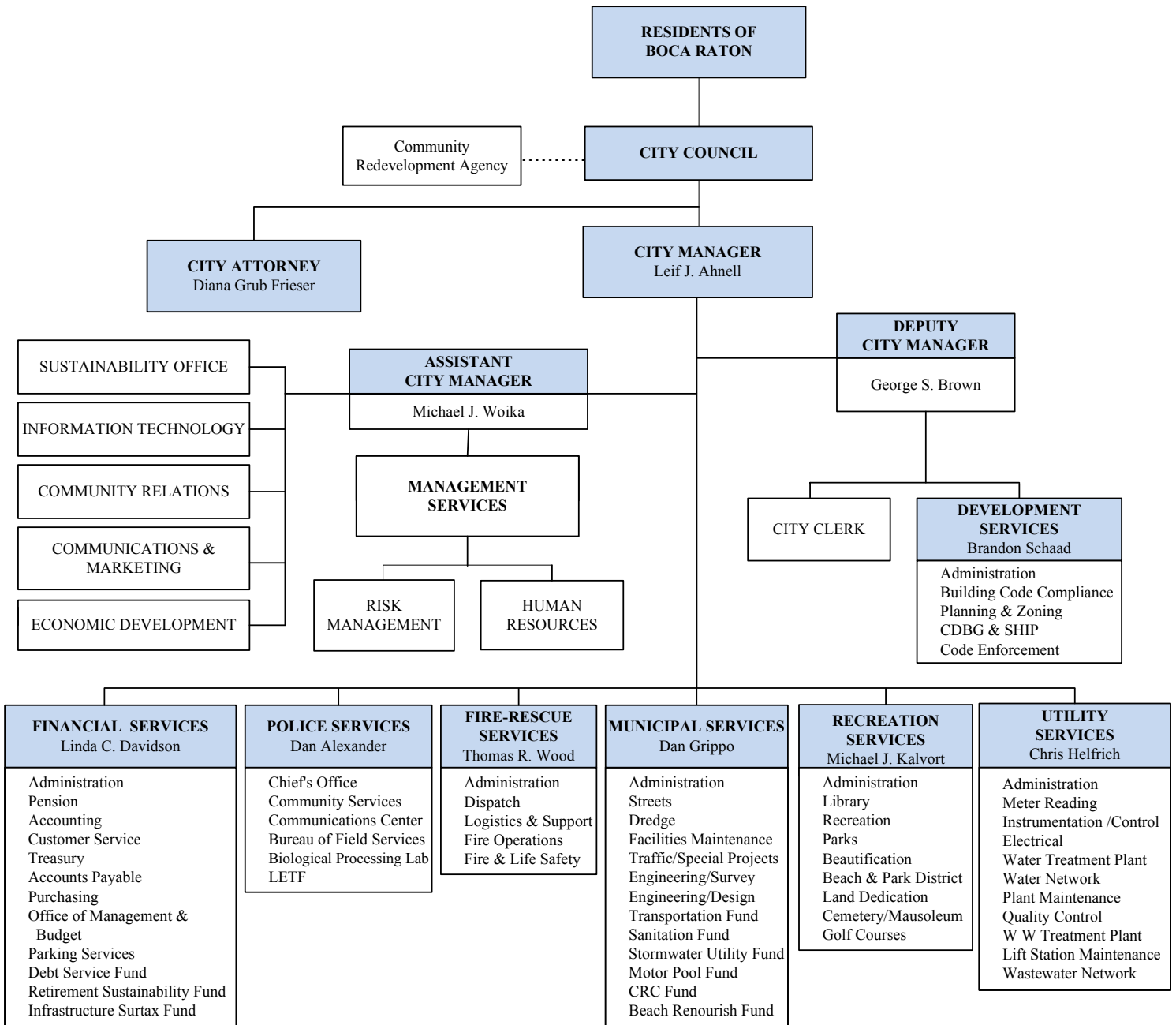


Linda C. Davidson, C.P.A., C.G.F.O.  
Financial Services Director

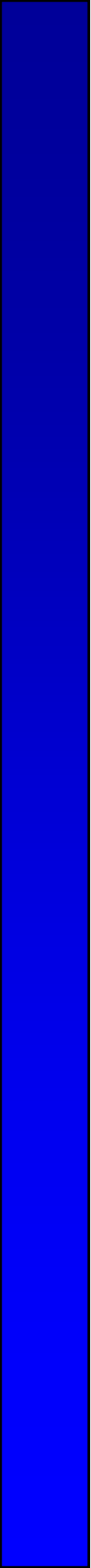
**LIST OF PRINCIPAL OFFICIALS**  
**September 30, 2018**

Mayor ..... Scott Singer  
Deputy Mayor ..... Jeremy Rodgers  
Council Member ..... Andrea Levine O'Rourke  
Council Member ..... Monica Mayotte  
Council Member ..... Andy Thomson  
City Manager ..... Leif J. Ahnell  
Deputy City Manager ..... George S. Brown  
Assistant City Manager ..... Michael J. Woika  
City Attorney ..... Diana Grub Frieser  
City Clerk ..... Susan S. Saxton  
Development Services Director ..... Brandon Schaad  
Financial Services Director ..... Linda C. Davidson  
Fire/Rescue Services Chief ..... Thomas R. Wood  
Recreation Services Director ..... Michael J. Kalvort  
Police Services Chief ..... Dan Alexander  
Utility Services Director ..... Chris Helfrich  
Municipal Services Director ..... Vacant  
Office of Management and Budget Director ..... Sharon McGuire  
Information Technology Director ..... Sandra Stevens  
Human Resources Director ..... Mark Buckingham

# CITY OF BOCA RATON ORGANIZATIONAL STRUCTURE











## INDEPENDENT AUDITORS' REPORT

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

### *Report on the 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 Boca Raton, Florida, (the City), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Schedules of Changes in Net Pension Liability and Related Ratios, the Schedules of Employer Contributions, the Schedule of Changes in Total OPEB Liability and Related Ratios, and the budgetary comparison schedules on pages 1-18 and 111-126 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate 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. In our opinion, based on our audit and the procedures performed as described above, 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 our report dated March 25, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Marcum LLP*

West Palm Beach, FL  
March 25, 2019



# Management's Discussion and Analysis

## (Unaudited)

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Boca Raton, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- The assets plus deferred outflows of resources of the City exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$886.420 million (net position). Of this amount, \$155.816 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5.503 million which includes a prior period adjustment that reduced the beginning net position by \$7.017 million and affected governmental and business-type activities. The prior period adjustment comprised of a \$2.403 million adjustment due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and a \$4.614 million adjustment for a change in accounting principle, after a prior year reimbursement was later considered to be disallowed. These adjustments are further explained in Note 12. The net increase, before prior period adjustments, of \$12.520 million in the City's net position was attributable to an increase in general revenues in the governmental activities of \$5.927 million and an increase in operating revenues for the business-type activities of \$6.593 million, primarily in water and sewer operations.
- The City's business-type activities reported total net position of \$401.338 million, which is an increase of \$6.169 million, or 1.6%, after prior period adjustments, in comparison to the prior year. Approximately 27.80% of the total or \$111.578 million is unrestricted and thus available for spending at the City's discretion.
- At the end of the current fiscal year, fund balance for the General Fund was \$48.232 million, or 28.81% of the general fund expenditures and other financing uses. Of this balance, \$170 thousand has been restricted for the Army Corp of Engineers for an overflow site in the event of emergency dredging of the Intracoastal Waterway, \$12.936 million has been committed for hurricane/disaster emergency, \$1.233 million was assigned for the subsequent years' budget, \$347 thousand for inventories and an advance to the Golf Course Fund was non-spendable, \$223 thousand for ROW Beautification and \$33.323 million was unassigned.
- As a result of decisions made by the United States Federal Reserve regarding target rates, interest rates increased by a considerable margin this past fiscal year, resulting in a modest increase in interest earnings for the City. The City's blended average portfolio yield increased from 0.61% in 2017 to 1.08% in 2018.

## **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

The focus of the *government-wide financial statements* is on the overall financial position and activities of the City of Boca Raton. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the City's fiduciary funds because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary funds are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties.

The *Statement of Net Position* presents financial and capital resources of the City. Assets and deferred outflows of resources; and liabilities and deferred inflows of resources are presented, with the net of these reported as net position. For example, the City reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the City. On the other hand, the City reports liabilities even though these liabilities might not be paid until several years into the future.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The *Statement of Activities* presents the revenues and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private-sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, law enforcement, fire rescue, physical environment, transportation, community development and parks and recreation. The business-type activities include water and sewer utility, cemetery/mausoleum, golf course, stormwater utility, and sanitation.

The City's government-wide financial statements are presented on pages 21-23 of this report.

### **Fund Financial Statements**

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the

General Fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary (pension) funds.

### **Governmental Funds**

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period of time after the end of the fiscal year. Additionally, included on the balance sheet are the City's deferred inflows and deferred outflows of resources. The difference between a fund's total assets and deferred outflows and the fund's total liabilities and deferred inflows is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The City maintains twenty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the major funds which are the General Fund, Community Redevelopment Agency Mizner Park Revenue Fund, the Five Year Capital Improvement Fund and the Beach and Park Operations Fund. The City presents data from all other non-major governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City's governmental fund financial statements are presented on pages 24-29.

### **Proprietary Funds**

Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare

the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. The City uses Internal Service Funds to account for its fleet of vehicles, information technology systems and self-insurance/benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City presents a separate column for the Water and Sewer Utility Fund since it is most significant to the City. The remaining four non-major enterprise funds are aggregated and reported in a single column. Internal Service Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 30-34.

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position.

The City's fiduciary fund financial statements are presented on pages 35-36.

### **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 37-106.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as other post-employment benefits. This section also includes a comparison between the City's adopted and final budget and actual financial results. The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the general fund and for the major special revenue funds to demonstrate compliance with this budget.

Required supplementary information can be found on pages 107-122.

Combining and individual fund statements and schedules referred to earlier in connection with major and non-major governmental funds and proprietary funds are presented



immediately following the required supplementary information and can be found on pages 123-160 of this report.

## Government-Wide Financial Analysis

The following schedule is a summary of the fiscal 2018 Statement of Net Position found on pages 21-22 with comparative information for fiscal 2017.

### CITY OF BOCA RATON, FLORIDA Net Position (in thousands)

Net Position	Governmental Activities 2018	Governmental Activities 2017	Business- type Activities 2018	Business- type Activities 2017	Total 2018	Total 2017
Current and other assets	\$ 292,699	\$ 262,280	\$ 185,702	\$ 178,059	\$ 478,401	\$ 440,339
Capital assets	385,287	395,534	252,792	256,613	638,079	652,147
Total assets	<u>677,986</u>	<u>657,814</u>	<u>438,494</u>	<u>434,672</u>	<u>1,116,480</u>	<u>1,092,486</u>
Deferred outflows	49,406	49,112	4,498	5,134	53,904	54,246
Current liabilities	21,651	15,369	10,364	9,453	32,015	24,822
Bonds and loans payable	50,665	43,542	22,634	26,935	73,299	70,477
Other non-current liabilities	150,647	156,579	6,127	7,131	156,774	18,016
Total liabilities	<u>222,963</u>	<u>215,490</u>	<u>39,125</u>	<u>43,520</u>	<u>262,088</u>	<u>259,010</u>
Deferred inflows	19,347	5,688	2,529	1,118	21,876	6,806
Net investment in capital assets	356,695	383,364	227,958	229,424	584,653	612,788
Restricted net position	84,149	77,176	61,802	75,550	145,951	152,726
Unrestricted net position	44,238	25,208	111,578	90,195	155,816	115,403
Total net position	<u>\$ 485,082</u>	<u>\$ 485,748</u>	<u>\$ 401,338</u>	<u>\$ 395,169</u>	<u>\$ 886,420</u>	<u>\$ 880,917</u>

The overall position of the City increased during the 2018 fiscal year. Changes in net position over time can be one of the best and most useful indicators of financial position. The net increase, before prior period adjustments, of \$12.520 million is attributable to an increase in general revenues in the governmental activities of \$5.927 million and an increase in operating revenues for the business-type activities of \$6.593 million.

Deferred outflows decreased by \$341 thousand mostly due to demographic gains and losses used in the calculation of the net pension liability for the retirement plans.

By far, the largest portion of the City's net position (66%) reflect its investment in capital assets (such as land, roads, parks, buildings, machinery and equipment) less any related outstanding debt and deferred outflows used to acquire those assets. Although the capital assets are shown net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate and pay for these liabilities. With a 2018 balance of \$584.653 million, net investment in capital assets decreased by 5%, or \$28.135 million, less than the 2017 balance of \$612.788 million. Acquisitions amounts were out-paced by depreciation expenses, resulting in a net decrease to net investment in capital assets.

16% of the City's net position represents resources that are subject to external restrictions on how they may be used. The \$145.951 million ending balance in restricted net position reflects a net decrease of \$6.775 million less than the 2017 balance of \$152.726 million that was primarily due to the expenses incurred in 2018 for additional cleanup after a major hurricane, Hurricane Irma that hit Florida in September 2017.

The remaining 18% of the City's net position are unrestricted and may be used to meet the City's on-going obligations to its citizens and creditors. The ending balance of \$155.816 million is a 35%, or \$40.412 million, increase from the 2017 balance of \$115.403 million. \$9.103 million of this increase is due to the fluctuation of valuation in the City's three main retirement plans. This increase in unrestricted net position was the result of operations in the governmental activities.

The following schedule is a summary of the fiscal year ended September 30, 2018 Statement of Activities found on page 23 with comparative information for fiscal year ended September 30, 2017.

**CITY OF BOCA RATON, FLORIDA**  
**Changes in Net Position**  
(in thousands)

<u>Changes in Net Position</u>	<u>Governmental Activities 2018</u>	<u>Governmental Activities 2017</u>	<u>Business- Type Activities 2018</u>	<u>Business- Type Activities 2017</u>	<u>Total 2018</u>	<u>Total 2017</u>
Revenues:						
Program revenues:						
Charges for services	\$ 67,528	\$ 67,820	\$ 69,761	\$ 70,676	\$ 137,289	\$ 138,496
Operating grants & contributions	6,781	7,679			6,781	7,679
Capital grants & contributions	1,036	4,747	1,017	6,295	2,053	11,042
General revenues:						
Property taxes	79,753	74,866			79,753	74,866
Other taxes	63,490	57,730			63,490	57,730
Other	5,956	4,515	1,478	836	7,434	5,351
Total revenues:	<u>224,544</u>	<u>217,357</u>	<u>72,256</u>	<u>77,807</u>	<u>296,800</u>	<u>295,164</u>
Expenses:						
General government	32,066	28,232			32,066	28,232
Law enforcement	49,796	72,198			49,796	72,198
Fire rescue	53,134	35,501			53,134	35,501
Physical environment	5,507	5,034			5,507	5,034
Transportation	25,420	20,177			25,420	20,177
Community development	6,384	5,702			6,384	5,702
Parks and recreation	44,873	42,614			44,873	42,614
Interest and fiscal charges	1,293	1,968			1,293	1,968
Water and sewer			52,174	49,730	52,174	49,730
Cemetery			671	720	671	720
Golf course			2,777	3,090	2,777	3,090
Stormwater utility			2,804	2,596	2,804	2,596
Sanitation			7,831	7,101	7,381	7,101
Total expenses	<u>218,473</u>	<u>211,426</u>	<u>65,807</u>	<u>63,237</u>	<u>284,280</u>	<u>274,663</u>
Increase in net position before transfers	6,071	5,931	6,449	14,162	12,520	20,501
Transfers	(144)	408	144	(408)		
Increase in net position	<u>5,927</u>	<u>6,339</u>	<u>6,593</u>	<u>14,162</u>	<u>12,520</u>	<u>860,416</u>
Net position beginning of year, as previously stated						
	485,748	479,409	395,169	381,007	880,917	860,416
Prior period adjustment						
	(6,593)		(424)		(7,017)	
Net position, beginning of year, as restated						
	<u>479,155</u>	<u>479,409</u>	<u>394,745</u>	<u>381,007</u>	<u>873,900</u>	<u>860,416</u>
Net position end of year	<u>\$ 485,082</u>	<u>\$ 485,748</u>	<u>\$ 401,338</u>	<u>\$ 395,169</u>	<u>\$ 886,420</u>	<u>\$ 880,917</u>

Changes in net position:

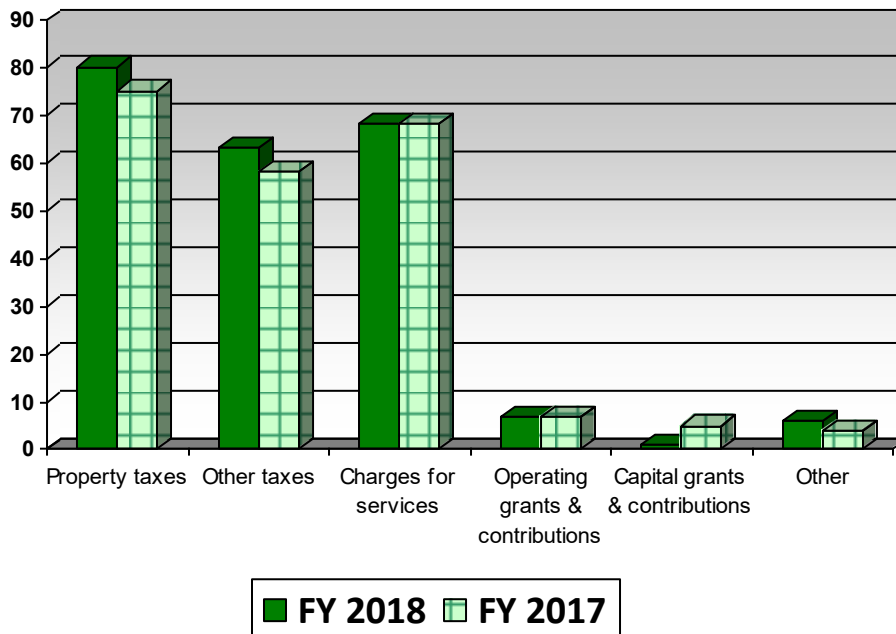
Governmental activities increased the City's net position by \$5.927 million, before prior period adjustments, a decrease of \$412 thousand compared to fiscal year 2017. This decrease in change in net position is a result of the following:

- Property tax revenue increased by approximately \$4.887 million due to an increase in new construction and property tax values.
- Operating grants and contributions received by the City decreased by approximately \$899 thousand and capital grants and contributions decreased by \$3.711 million.
- Other taxes increased by \$5.760 million, of which \$2.160 million was due to this being the first full fiscal year with a new voter approved 1-cent infrastructure surtax that went into effect on January 1, 2017.
- Expenses during 2018 increased by approximately \$7.047 million from 2017 primarily as a result of Hurricane Irma related expenses, a major hurricane that struck the entire state of Florida in September 2017 with debris cleanup continuing in fiscal year 2018.

The following is a table and chart of the fiscal years 2018 and 2017 revenues by source for governmental activities.

**Governmental Activities  
Revenues by Source  
FY 2018 and 2017  
(in millions of dollars)**

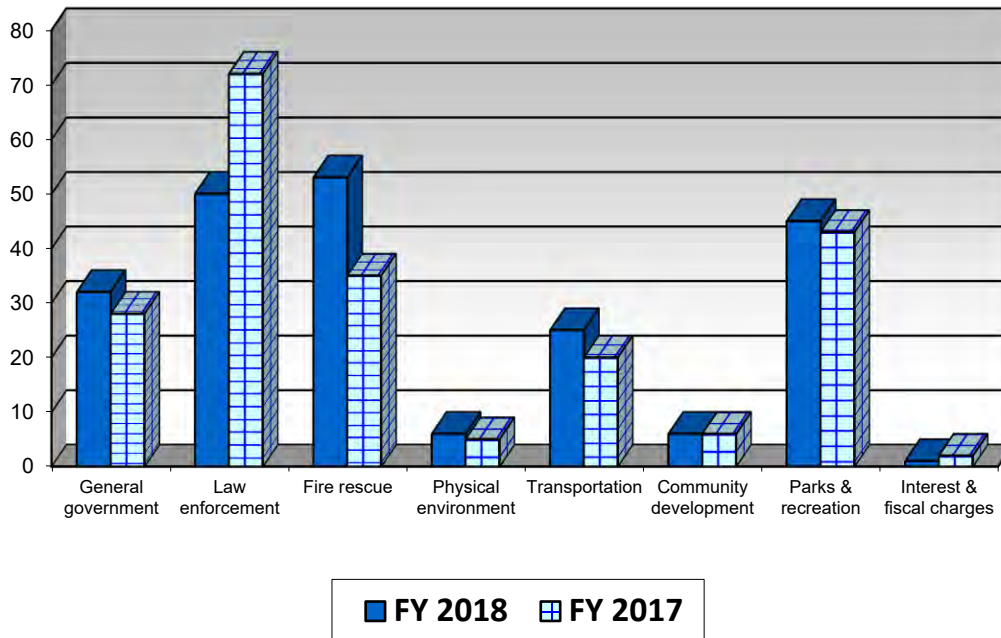
Revenues by Source	2018		2017	
	Revenues	2018 %	Revenues	2017 %
Property taxes	\$ 79.75	36	\$ 74.87	34
Other taxes	63.49	28	57.73	27
Charges for services	67.53	30	67.82	31
Operating grants & contributions	1.04	3	7.68	4
Capital grants & contributions	1.04	0	4.75	2
Other	5.96	3	4.52	2
<b>Total revenues</b>	<b>\$ 224.54</b>	<b>100</b>	<b>\$ 217.36</b>	<b>100</b>



The following is a table and chart of the fiscal years 2018 and 2017 expenses by source for governmental activities.

**Governmental Activities  
Expenses by Source  
FY 2018 and 2017  
(in millions of dollars)**

Expenses by Source	2018		2017	
	Expenses	2018 %	Expenses	2017 %
General government	\$ 32.07	15	\$ 28.23	13
Law enforcement	49.80	23	72.20	34
Fire rescue	53.13	24	35.50	17
Physical environment	5.51	2	5.03	2
Transportation	25.42	12	20.18	10
Community development	6.38	3	5.70	3
Parks & recreation	44.87	20	42.61	20
Interest and fiscal char	1.29	1	1.97	1
<b>Total revenues</b>	<b>\$ 218.47</b>	<b>100</b>	<b>\$ 211.42</b>	<b>100</b>



**Business-Type Activities**

Net position for business-type activities at September 30, 2018 was \$401.338 million (after prior period adjustments), a 1.56%, or \$6.169 million, increase from the 2017 balance of \$395.169 million.

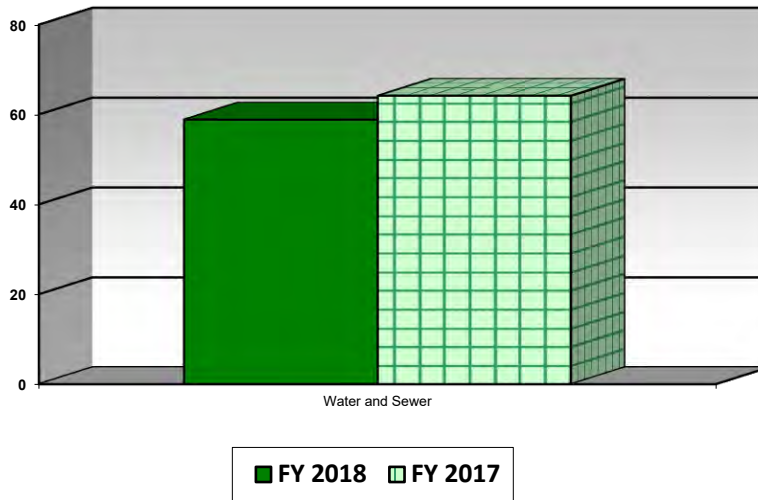
The change in net position for the Water and Sewer Fund was \$6.628 million in 2018, a 52.83%, or \$7.424 million, decrease from the \$14.052 million change in net position reported in 2017.

The following table and charts show the revenues, expenses and net position for the business-type activities by source for the fiscal year ended September 30, 2018.

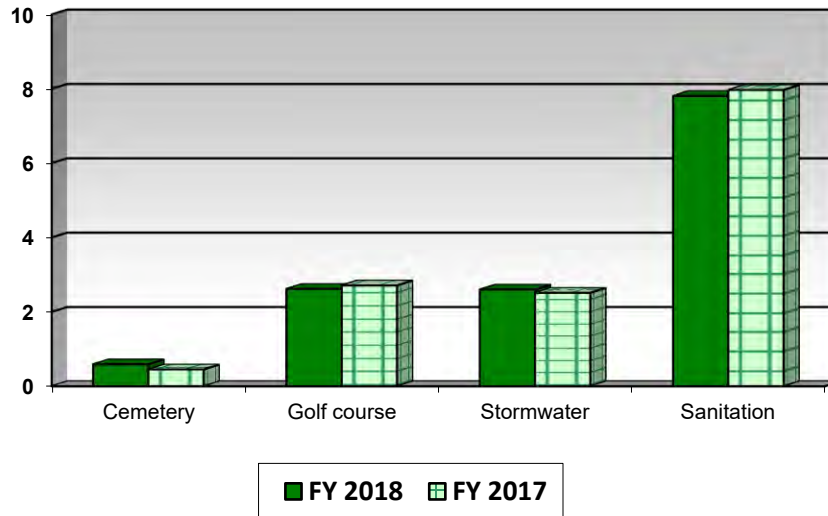
**Business-Type Activities  
Revenues by Source  
FY 2018 and 2017  
(in millions of dollars)**

Fund	2018		2017	
	Revenues	2018 %	Revenues	2017 %
Water and sewer	\$ 58.855	81.22	\$ 64.166	82.47
Cemetery	.588	0.81	.451	0.58
Golf course	2.616	3.61	2.710	3.48
Stormwater	2.599	3.59	2.512	3.23
Sanitation	7.807	10.77	7.968	10.24
<b>Total revenues</b>	<b>\$ 72.465</b>	<b>100.00</b>	<b>\$ 77.807</b>	<b>100.00</b>

**Water and Sewer Fund**



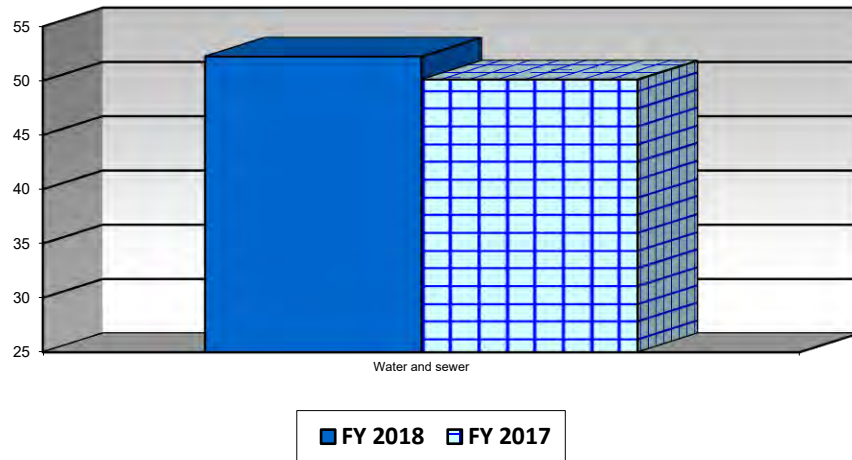
**Non-major Enterprise Funds**



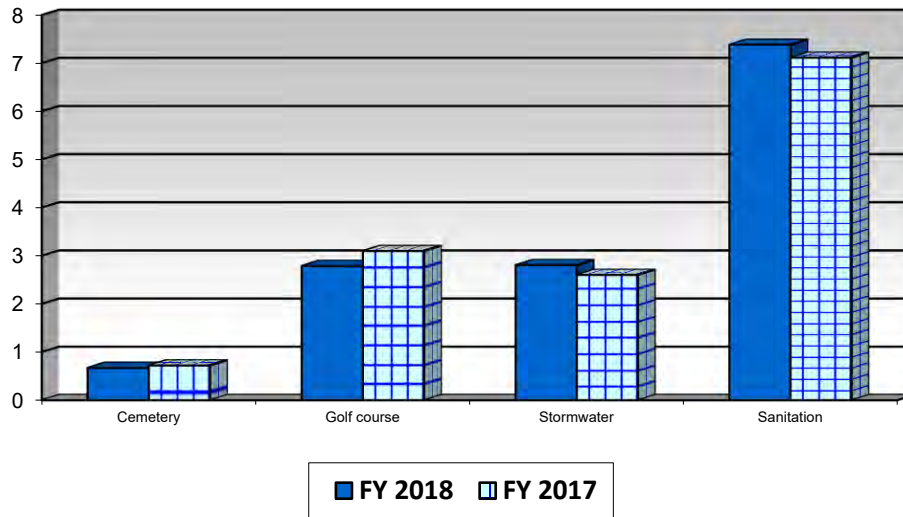
**Business-Type Activities  
Expenses by Source  
FY 2018 and 2017  
(in millions of dollars)**

<b>Fund</b>	<b>2018 Actual Expenses</b>	<b>2018 %</b>	<b>2017 Actual Expenses</b>	<b>2017 %</b>
Water and sewer	\$ 52.227	79.29	\$ 50.114	78.74
Cemetery	.671	1.02	.720	1.13
Golf course	2.788	4.23	3.097	4.86
Stormwater	2.804	4.25	2.601	4.09
Sanitation	7.381	11.21	7.114	11.18
<b>Total revenues</b>	<b>\$ 65.871</b>	<b>100.00</b>	<b>\$ 70.712</b>	<b>100.00</b>

**Water and Sewer Fund**



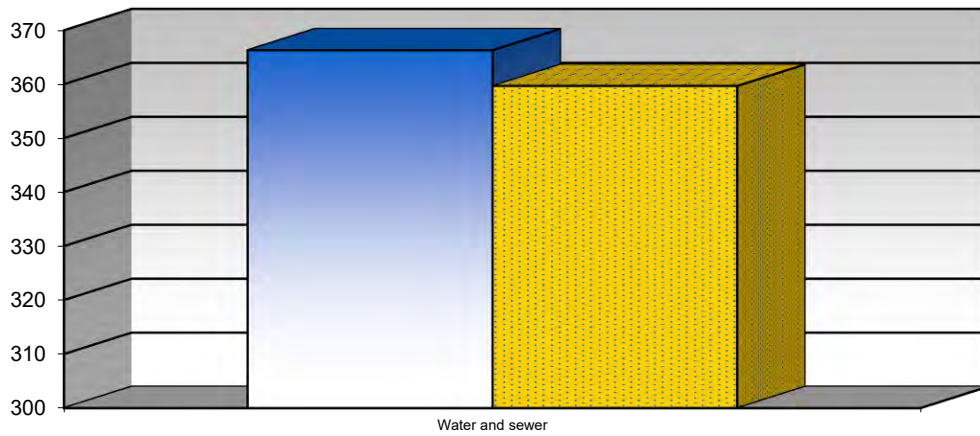
**Non-major Enterprise Funds**



**Business-Type Activities  
Net Position by Source  
FY 2018 and 2017  
(in millions of dollars)**

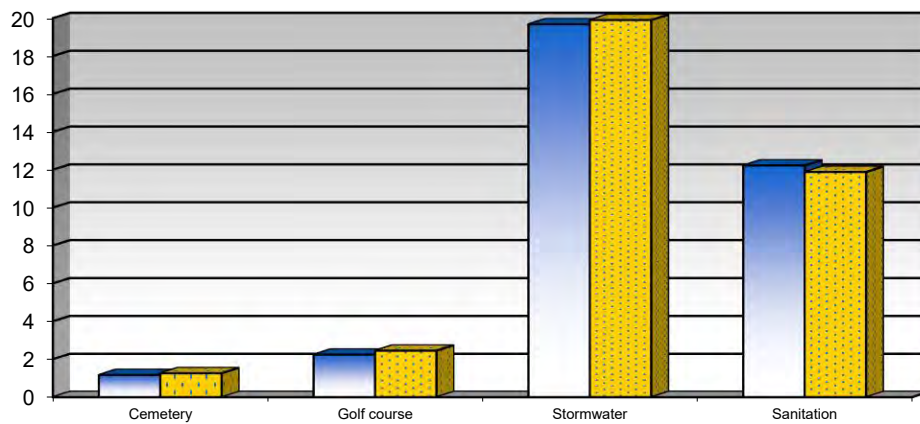
<b>Fund</b>	<b>2018</b>	<b>2017</b>
Water and sewer	\$ 366.030	\$ 359.681
Cemetery	1.165	1.258
Golf course	2.241	2.450
Stormwater	19.678	19.901
Sanitation	12.224	11.879
<b>Total net position</b>	<b>\$ 401.338</b>	<b>\$ 395.169</b>

**Water and Sewer**



■ FY 2018    ■ FY 2017

**Non-major Enterprise Funds**



■ FY 2018    ■ FY 2017

## Financial Analysis of the City of Boca Raton's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The fund financial statements for the governmental funds are provided on pages 22-26. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

#### Major Fund Information FY 2018 (in thousands)

Fund	General Fund	Community Redevelopment Agency Mizner Park Revenue Fund	Five Year Capital Improvement Fund	Beach and Park Operations Fund
Revenues	\$ 159,694	\$ 14,429	\$ 11,973	\$ 17,907
Expenditures	159,178	3,000	8,543	17,829
Other financing sources (uses)	(8,217)	(9,438)	(2,151)	(78)
Increase (decreases) in fund balance	\$ (7,701)	\$ 1,991	\$ 1,279	\$ -

#### Major Fund Information FY 2017 (in thousands)

Fund	General Fund	Community Redevelopment Agency Mizner Park Revenue Fund	Five Year Capital Improvement Fund	Beach and Park Operations Fund
Revenues	\$ 152,195	\$ 11,391	\$ 16,679	\$ 16,678
Expenditures	146,542	3,000	22,964	16,552
Other financing sources (uses)	(11,502)	(8,502)	2,009	(126)
Increase (decreases) in fund balance	\$ (5,849)	\$ (111)	\$ (4,276)	\$ -

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance in the General Fund was \$48.232 million, of which \$33.323 million or 69.1% was unassigned fund balance. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures and other financing uses. Unassigned fund balance represents 19.9% of total general fund expenditures and other financing uses, while total fund balance represents 28.8% of that same amount.

The fund balance of the City's General Fund decreased by \$7.701 million in 2018, which is an additional \$1.852 million decrease in net position from the 2017 decrease in net position of \$5.849 million. This decrease was due primarily to the increase in personnel costs offset by a reduction of pension costs relating to law enforcement and fire rescue personnel.

The fund balance of the City's Community Redevelopment Agency (CRA) Mizner Park Revenue Fund increased by \$1.991 million in 2018, a \$2.103 million increase from the



2017 change in net position. Revenues increased by \$3.039 million while expenditures increased by \$2.103 million. Other financing uses increased by \$935 thousand related to debt service.

The fund balance of the City's Five Year Capital Improvement Fund increased by \$1.279 million, a \$5.555 million increase from the 2017 change in net position primarily from decreased spending on transportation and capital outlay projects.

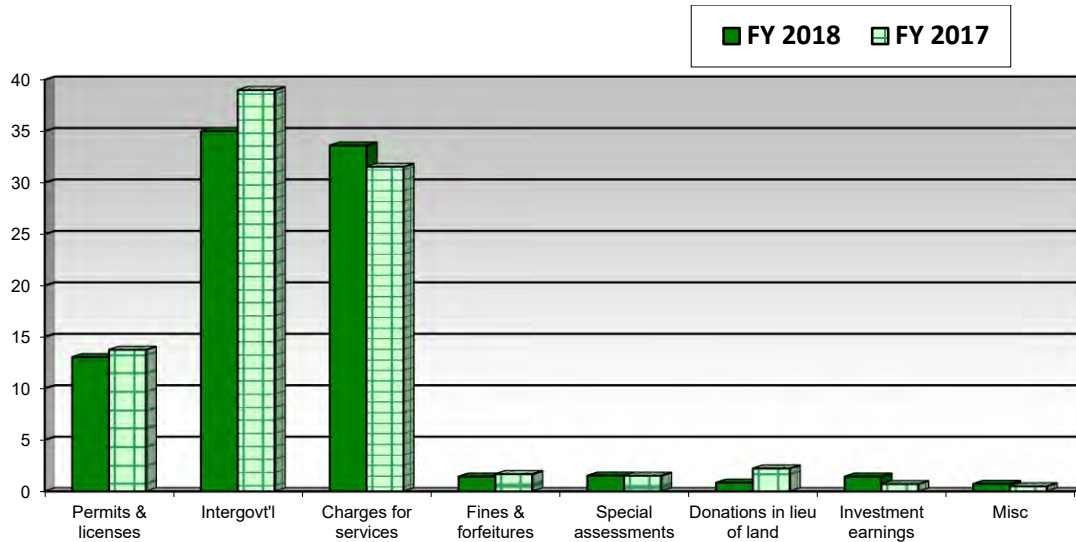
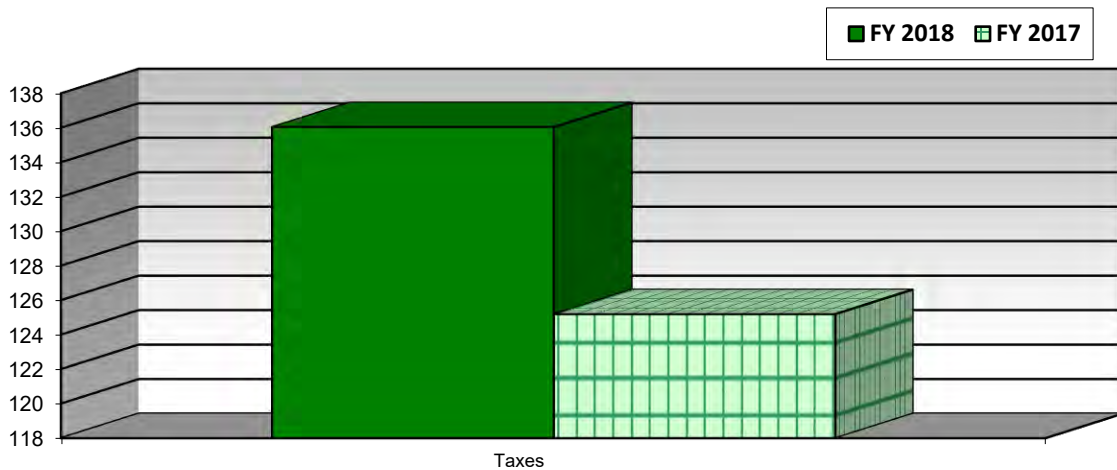
The Beach and Park Operations Fund increased contributions from an independent special district by \$999 thousand. This increase relates to increases in the district's operating and capital costs; the City provides services to the special district through several interlocal agreements.

The fund balance in the other non-major governmental funds increased by \$4.413 million, a \$645 thousand increase from the 2017 change in net position. The increase was primarily attributable to infrastructure surtax revenue.

The following table and charts compares revenues by source for the governmental funds for fiscal years 2018 and 2017.

**Governmental Funds  
Revenues by Source  
FY 2018 and 2017  
(in millions of dollars)**

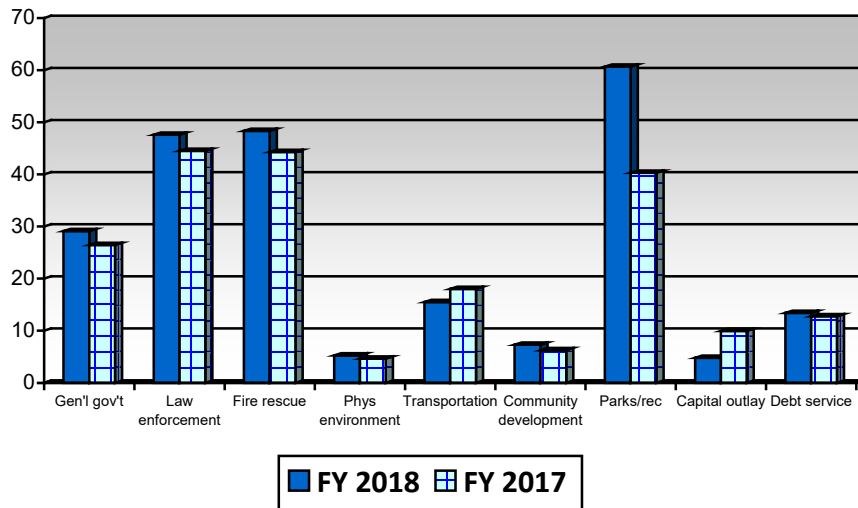
Revenues by Source	2018 Revenues	2017 Revenues
Taxes	\$ 136.043	\$ 125.190
Permits & licenses	13.031	13.752
Intergovernmental	34.985	38.983
Charges for services	33.605	31.537
Fines & forfeitures	1.430	1.668
Special assessments	1.520	1.513
Donations in lieu of land	0.841	2.218
Investment earnings	1.433	0.701
Misc	0.724	0.484
<b>Total revenues</b>	<b>\$ 223.612</b>	<b>\$ 216.046</b>



The following table and chart compares governmental expenditures by program for fiscal years 2018 and 2017.

**Governmental Funds Expenditures by Program  
FY 2018 and 2017  
(in millions of dollars)**

Expenditures by Program	2018	2017
	Actual YTD	Actual YTD
General government	\$ 29.103	\$ 26.459
Law enforcement	47.595	44.501
Fire rescue	48.332	44.293
Physical environment	5.269	4.652
Transportation	15.487	18.003
Community development	7.310	6.255
Parks and recreation	60.655	40.307
Capital outlay	4.811	9.962
Debt service	13.406	12.777
<b>Total expenditures</b>	<b>\$ 231.968</b>	<b>\$ 207.209</b>



## Proprietary Funds

The table below summarizes both the operating income (loss) and the change in net position for each of the City's proprietary funds. The current year operating income in the Water and Sewer Fund was \$5.370 million as compared with \$8.529 million in the prior year.

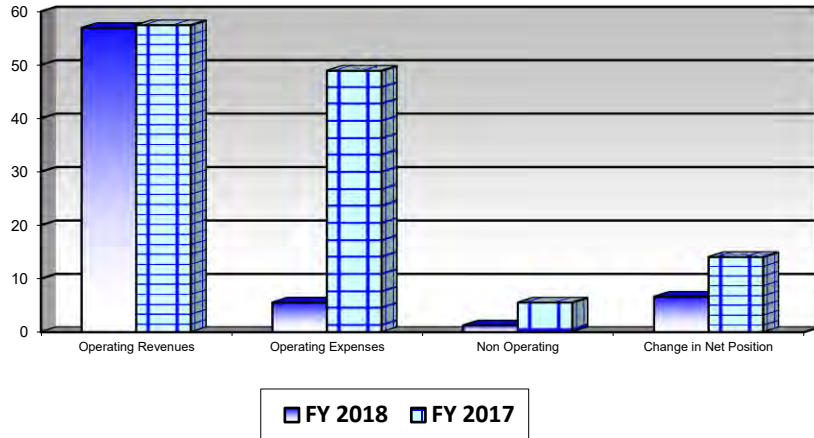
<b>Fund</b>	<b>Operating Income (Loss) 2018</b>	<b>Operating Income (Loss) 2017</b>	<b>Change in Net Position 2018</b>	<b>Change in Net Position 2017</b>
Water and sewer	\$ 5,370	\$ 8,529	\$ 6,628	\$ 14,052
Cemetery / mausoleum	(295)	(271)	(83)	(268)
Golf course	(345)	(571)	(172)	(388)
Stormwater utility	(270)	(122)	(205)	(90)
Sanitation	335	734	425	856
Fleet management	(212)	277	3,252	3,797
Information technology	(2,701)	(2,449)	(232)	686
Insurance programs	(121)	1,902	125	2,017
Retirement sustainability	2,707	2,561	7,924	7,654
<b>Total</b>	<b>\$ 4,467</b>	<b>\$ 10,590</b>	<b>\$ 17,661</b>	<b>\$ 28,315</b>

The Cemetery/Mausoleum Fund experienced an operating loss of \$295 thousand resulting in a decrease in net position. The Golf Course Fund experienced an operating loss of \$345 thousand resulting in a decrease in net position. The Stormwater Utility Fund generated an operating loss of \$270 thousand and a decrease in net position. The Sanitation Fund generated an operating income of \$335 thousand and an increase in net position.

Fleet Management experienced an operating loss of \$212 thousand and an increase in net position of \$3.252 million due to transfers from other funds for future vehicle and heavy equipment replacement. The Information Technology Fund recovered part of the cost of its operations through transfers in from other departments. The Self Insurance Fund increased its net position by \$125 thousand due primarily to less than anticipated claims costs. The Retirement Sustainability Fund experienced an increase in net position of \$7.924 million due to an additional transfer of \$5.000 million from the General Fund.

The following chart and table summarizes the operations of the Water and Sewer Fund for fiscal years 2018 and 2017.

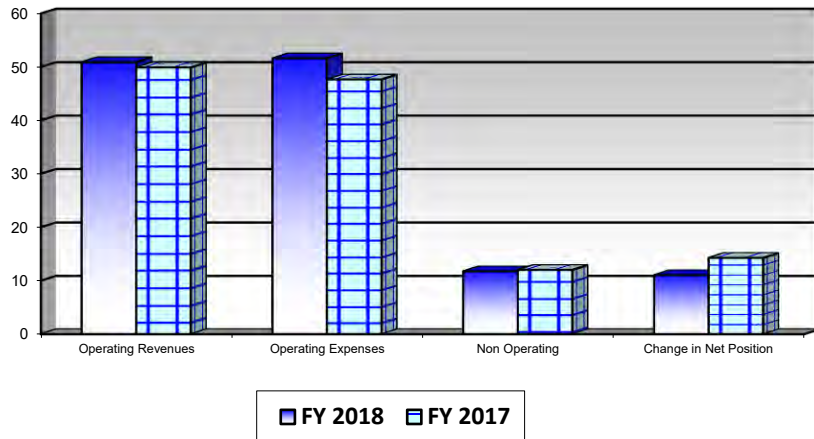
**Water and Sewer Fund  
Summary of Operations  
FY 2018 and 2017  
(in millions of dollars)**



Fiscal Year	Operating Revenues	Operating Expenses	Non Operating Revenues (Expenses)	Change in Net Position
2018	\$ 56.911	\$ 51.541	\$ 1.258	\$ 6.628
2017	57.434	48.905	5.523	14.052

The following chart and table summarizes the operations of the proprietary funds excluding the Water and Sewer Fund for fiscal years 2018 and 2017.

**Proprietary Funds, excluding Water and Sewer Fund  
Summary of Operations  
FY 2018 and 2017  
(in millions of dollars)**



Fiscal Year	Operating Revenues	Operating Expenses	Non Operating Revenues (Expenses)	Change in Net Position
2018	\$ 50.882	\$ 51.603	\$ 11.755	\$ 11.034
2017	49.898	47.650	12.015	14.263

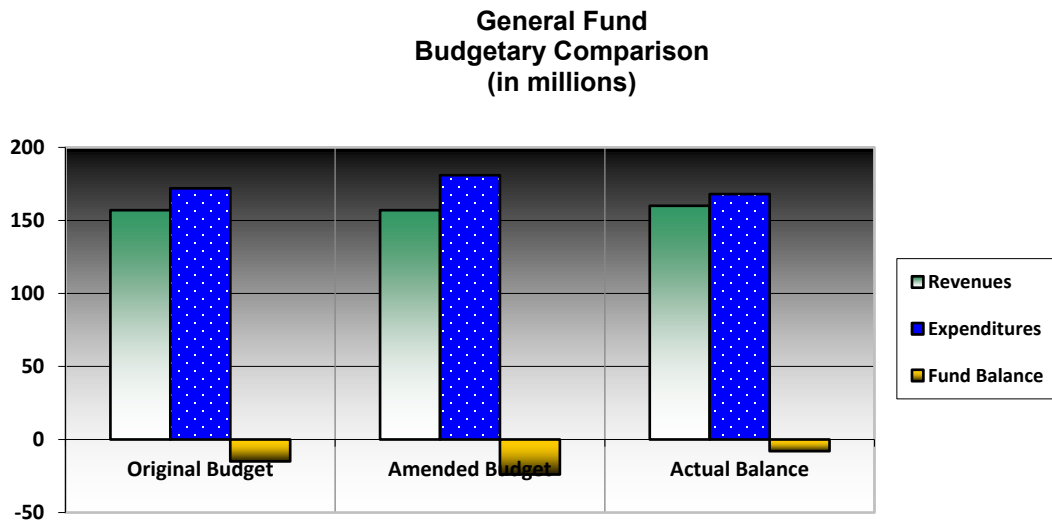
## General Fund Budgetary Highlights

The difference between the original and final amended budget for 2018 was an increase of \$9.056 million funded from unassigned fund balance related to increased operating costs for general government, public safety, physical environment, transportation and parks and recreation.

The City generated a positive variance of approximately \$16.069 million between the final adopted budget and actual results of operations. Actual revenues were greater than final budgeted revenues by \$2.868 million due to the collection of additional property and franchise taxes, increased development and redevelopment activity and increased fire assessment collections. Actual expenditures during the year were less than final budgeted expenditures by \$13.201 million. This positive variance is due primarily to actual operating costs being less than anticipated; general government of \$7.356 million, public safety of \$1.976 million, physical environment of \$1.117 million, transportation of \$1.269 million and parks and recreation of \$1.483 million.

Both the original and the final budget anticipated \$14.714 and \$23.770 million, respectively, to be drawn down from available unassigned fund balance. During the year however, expenditures in most areas were below the budgetary estimates while revenues were greater than the budgetary estimates, producing a positive budget variance of \$16.069 million.

The following chart and table depicts the fiscal year 2018 original and amended budgets, as well as, the actual balance.



Budgetary Comparison	Original Budget	Amended Budget	Actual Balance
Revenues	\$ 157	\$ 157	\$ 160
Expenditures	172	181	168
Fund Balance	\$ (15)	\$ (24)	\$ (8)

## Capital Assets and Debt Administration

### Capital Assets

As of year-end, the City had \$638.080 million invested in a variety of capital assets, as reflected in the following schedule. In 2018, there was a net decrease (additions less retirements and depreciation) of \$14.068 million.

#### Capital Assets Net of Depreciation and Amortization (in thousands)

Fund	Governmental Activities 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017	Total 2018	Total 2017
Land	\$ 138,136	\$ 138,136	\$ 833	\$ 833	\$ 138,969	\$ 138,969
Utility plant in service			183,332	181,038	183,332	181,038
Buildings	51,179	53,672	501	560	51,680	54,232
Improvements other than buildings	27,973	29,245	13,286	13,944	41,259	43,189
Equipment	20,564	19,359	29,926	30,723	50,490	50,082
Intangible	60	36	1,895	2,069	1,955	2,105
Infrastructure	144,816	154,051			144,816	154,051
Construction in progress	2,559	1,035	23,019	27,446	25,578	28,481
<b>Total</b>	<b>\$ 385,287</b>	<b>\$ 395,534</b>	<b>\$ 252,792</b>	<b>\$ 256,613</b>	<b>\$ 638,079</b>	<b>\$ 652,147</b>

Major capital asset events during the fiscal year included:

- Capital projects under construction decreased by \$2.903 million.

Additional information can be found in Note 6 Capital Assets on pages 70-72.

### Debt Administration

As of year-end, the City had \$72.1 million in debt (bonds, notes, etc.) outstanding compared to the \$68.9 million last year, an 4.6% increase (considering debt issuance). Of this amount of debt outstanding as of the end of fiscal year 2018, approximately 24% was backed by the full faith and credit of the government and the balance was secured by various revenue sources.

#### Bonded Debt and Loans Payable (in thousands)

Fund	Governmental Activities 2018	Governmental Activities 2017	Business-type Activities 2018	Business-type Activities 2017	Total 2018	Total 2017
General Obligation bonds	\$ 17,495	\$ 21,550			\$ 17,495	\$ 21,550
Revenue bonds	25,271 <sup>1</sup>	12,736	\$ 22,440	\$ 26,625	47,711	39,361
Special Assessment debt with government commitments	6,860	7,955			6,860	7,955
<b>Total</b>	<b>\$ 49,626</b>	<b>\$ 42,241</b>	<b>\$ 22,440</b>	<b>\$ 26,625</b>	<b>\$ 72,066</b>	<b>\$ 68,866</b>

The debt position of the City is summarized below and is more fully explained in Note 9 Long-Term Debt on pages 73-79.

During fiscal year 2018, the City had the following debt activity:

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

<sup>1</sup> Includes accreted interest on Capital Appreciation Bonds, for FY 2018 that amount was \$4,116 thousand.

The increase in revenue bonds for Governmental Activities was due to the issuance of \$19.1 million to facilitate the purchase of the Ocean Breeze Golf Course by the Greater Boca Raton Beach and Park District.

The City's General Obligation Bonds were rated AAA by all three credit rating agencies. Boca Raton was the first municipality in Florida to have been granted this credit rating by all three rating agencies. The Water and Sewer Utility Fund bonds are also rated AAA by Fitch Rating Services, Standard and Poor's and Moody's Investor Service. Under Florida Statutes, no debt limit margin is placed on local governments.

### **Economic Factors and Next Year's Budgets and Rates**

The City Council during the annual Goal Setting Session in May 2018, established goals and priorities which included: a financially sound City government, top quality municipal services and a strong partnership with our stakeholders. These goals were used as a guide to prioritize funding for the Fiscal Year 2018-19 Approved Budget. The City expenditures have been strategically linked to the goals, objectives, core businesses, and existing obligations of the City.

- For FY 2018-19 property values increased 6.30% in the City. The net increase is composed of a 4.37% increase from reassessments of existing properties and an increase of 1.93% from new construction (net of CRA Downtown values). This is the sixth consecutive increase in property values after four prior years of decline. The City increased slightly the operating property tax rates in 2018 but the debt service rate declined slightly. The operating millage rate for 2019 is 3.4690 and the debt service millage is 0.2097 for a total millage rate of 3.6787 mills per \$1,000 of taxable value.
- Current projections indicate that General Fund revenues will grow at an estimated rate of 1-2% annually for the next several years while at the same time operating costs are projected to increase at 3-4% annually.
- The Florida Legislature is again considering various proposals relating to the local government financial transparency, building permits and related activities, impact fees, home rule, and various other proposals. Potential legislation could have a significant impact on a local government's ability to maintain and or improve services to residents. The City is carefully monitoring these initiatives and their future impact on the City's ability to function at its' present level.

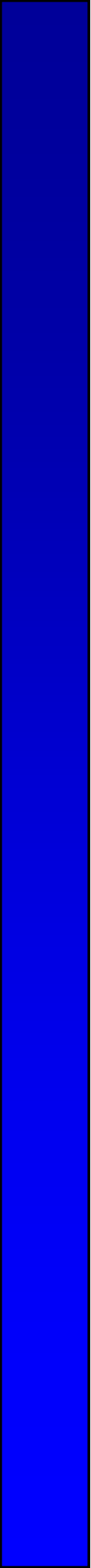
### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Additional Information is also available on the City's website at [www.myboca.us](http://www.myboca.us). If you have any questions about this report or would like additional financial information, please contact:

City of Boca Raton  
Financial Services Department, Room 160  
201 W. Palmetto Park Road  
Boca Raton, Florida 33432







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**CITY OF BOCA RATON, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<u>Primary Government</u>		<u>Total Primary Government</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Assets</b>			
Cash and cash equivalents	\$ 125,656,632	\$ 62,484,417	\$ 188,141,049
Investments	112,008,494	40,426,909	152,435,403
Receivables, net	20,110,274	10,326,899	30,437,173
Advances to other funds	320,000	(320,000)	
Due from other governmental units	10,110,325	143,614	10,253,939
Inventories	672,449	60,146	732,595
Restricted:			
Cash and cash equivalents	2,696,064	29,807,344	32,503,408
Investments	2,404,031	41,862,571	44,266,602
Interest receivable on investments	9,392	52,253	61,645
Accounts receivable	6,718		6,718
Assessment receivable		791,987	791,987
Interest receivable on assessments		65,620	65,620
Notes receivable	18,705,000		18,705,000
Capital assets:			
Non-depreciable	140,694,789	23,851,352	164,546,141
Depreciable (net)	244,592,709	228,940,694	473,533,403
Total assets	<u>677,986,877</u>	<u>438,493,806</u>	<u>1,116,480,683</u>
<b>Deferred outflows of resources:</b>			
Deferred amount on refunding	629,682	749,517	1,379,199
Deferred outflows for pensions	48,776,736	3,748,632	52,525,368
Total deferred outflows of resources	<u>49,406,418</u>	<u>4,498,149</u>	<u>53,904,567</u>

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

**CITY OF BOCA RATON, FLORIDA**  
**STATEMENT OF NET POSITION (continued)**  
**SEPTEMBER 30, 2018**

	<u>Primary Government</u>		<u>Total Primary Government</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 15,174,624	\$ 2,105,196	\$ 17,279,820
Accrued interest payable	338,690		338,690
Retainage payable	56,721	508,175	564,896
Due to other governments	1,466,453		1,466,453
Performance bonds and escrow funds	3,742,412	64,417	3,806,829
Unearned revenue	872,593	1,342,218	2,214,811
Current liabilities payable from restricted assets:			
Current accounts payable		1,332,700	1,332,700
Customer deposits payable		4,198,724	4,198,724
Current retainage payable		498,094	498,094
Current accrued interest payable		314,579	314,579
<b>Non-current liabilities</b>			
Due within one year:			
Compensated absences	1,701,125	222,510	1,923,635
Bonds and loans	8,894,599	4,375,000	13,269,599
Estimated liability for self-insured losses	2,401,000		2,401,000
Due in more than one year:			
Compensated absences	15,310,129	2,002,595	17,312,724
Bonds and loans	41,770,184	18,258,666	60,028,850
Net pension liability	119,908,921	3,039,770	122,948,691
Total OPEB liability	4,154,648	862,456	5,017,104
Estimated liability for self-insured losses	7,172,000		7,172,000
Total liabilities	<u>222,964,099</u>	<u>39,125,100</u>	<u>262,089,199</u>
<b>Deferred inflows of resources:</b>			
Deferred inflows for pensions	19,249,307	2,508,747	21,758,054
Deferred inflows for OPEB	97,239	20,187	117,426
Total deferred inflows of resources	<u>19,346,546</u>	<u>2,528,934</u>	<u>21,875,480</u>
<b>Net Position</b>			
Net investment in capital assets	356,694,558	227,958,215	584,652,773
Restricted - nonexpendable, perpetual care	4,797,789		4,797,789
Restricted for:			
Community development	22,800,990		22,800,990
Debt service	12,712,049	33,404,591	46,116,640
Law enforcement	1,189,703		1,189,703
Transportation	10,367,849		10,367,849
Economic development	5,909,433		5,909,433
Infrastructure	8,718,331		8,718,331
ROW beautification	223,025		223,025
Renewal and replacement		25,087,630	25,087,630
Operations and maintenance reserves		3,309,912	3,309,912
Capital projects	17,260,718		17,260,718
Other purposes	170,000		170,000
Unrestricted	44,238,205	111,577,573	155,815,778
Total net position	<u>\$ 485,082,650</u>	<u>\$ 401,337,921</u>	<u>\$ 886,420,571</u>

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

**CITY OF BOCA RATON, FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 32,066,339	\$ 26,056,841	\$ 382,564	\$ 333,849	\$ (5,293,085)		\$ (5,293,085)
Law enforcement	49,796,322	1,812,152	300,138		(47,684,032)		(47,684,032)
Fire rescue	53,134,093	14,042,806	115,554		(38,975,733)		(38,975,733)
Physical environment	5,507,134	270,206	2,303,494		(2,933,434)		(2,933,434)
Transportation	25,419,542	178,486			(25,241,056)		(25,241,056)
Community development	6,383,572	2,305,693	3,678,775		(399,104)		(399,104)
Parks and recreation	44,872,792	22,862,029		701,707	(21,309,056)		(21,309,056)
Interest and fiscal charges	1,293,107				(1,293,107)		(1,293,107)
Total Governmental Activities	218,472,901	67,528,213	6,780,525	1,035,556	(143,128,607)		(143,128,607)
Business-type Activities:							
Water and sewer	52,174,260	56,704,277		836,255	\$ 5,366,272		5,366,272
Cemetery	670,622	375,135		180,876	(295,487)		(295,487)
Golf course	2,776,776	2,432,238			(163,662)		(163,662)
Stormwater utility	2,804,029	2,533,749			(270,280)		(270,280)
Sanitation	7,381,395	7,715,432			334,037		334,037
Total Business-Type Activities	65,807,082	69,760,831		1,017,131	4,970,880		4,970,880
<b>Total Primary Government</b>	<b>\$ 284,279,983</b>	<b>\$ 137,289,044</b>	<b>\$ 6,780,525</b>	<b>\$ 2,052,687</b>	<b>(143,128,607)</b>	<b>\$ 4,970,880</b>	<b>(138,157,727)</b>
General revenues:							
Property tax					79,753,062		79,753,062
Utility tax					21,893,532		21,893,532
Franchise tax					13,214,624		13,214,624
Sales tax					7,177,413		7,177,413
Infrastructure surtax					6,471,239		6,471,239
Gas tax					2,244,500		2,244,500
Incremental property tax					12,489,146		12,489,146
State shared revenues, unrestricted					2,923,865		2,923,865
Investment earnings					2,279,477		2,279,477
Gain on disposal of capital asset					391,720	1,154,328	3,433,805
Miscellaneous					361,826	115,663	507,383
Transfers					(144,400)	208,108	569,934
Total general revenues and transfers					149,056,004	1,622,499	150,678,503
Change in net position					5,927,397	6,593,379	12,520,776
Net position, beginning as originally stated					485,748,083	395,168,519	880,916,602
Prior period adjustment					(6,592,830)	(423,977)	(7,016,807)
Net position, beginning as restated					479,155,253	394,744,542	873,899,795
Net position, ending					\$ 485,082,650	\$ 401,337,921	\$ 886,420,571

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**CITY OF BOCA RATON, FLORIDA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
SEPTEMBER 30, 2018**

	<b>General</b>	<b>Community Redevelopment Agency Mizner Park Revenue</b>	<b>Five Year Capital Improvement Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,437,603	\$ 1,908,870	\$ 11,730,278
Investments	28,443,212	2,147,914	10,456,304
Receivables, net:			
Accounts receivable	4,913,596	14,214,453	31,840
Assessments			
Interest	155,771	7,197	43,386
Due from other funds	1,896,253		
Advance to other funds	320,000		
Due from other governmental units	2,541,710		3,332,914
Inventories	26,677		
Restricted:			
Cash and cash equivalents			
Investments			
Interest receivable on investments			
Restricted accounts receivable			
Total assets	60,734,822	18,278,434	25,594,722
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total deferred outflows of resources			
Total assets and deferred outflows of resources	\$ 60,734,822	\$ 18,278,434	\$ 25,594,722
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 9,650,759		\$ 1,567,529
Performance bonds and escrow funds	1,851,104		56,103
Due to other governmental units	42,502		1,423,951
Due to other funds			
Unearned revenue	871,051		
Total liabilities	12,415,416		3,047,583
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	87,847	\$ 14,214,453	
Total deferred inflows of resources	87,847	14,214,453	
<b>FUND BALANCES</b>			
Non-spendable:			
Non-spendable inventories	26,677		
Non-spendable advance	320,000		
Perpetual care, cemetery			
Perpetual care, mausoleum			
Restricted for:			
Army Corp of Engineers	170,000		
Debt service			
Housing			
Infrastructure			
Law enforcement			
Transportation			
Downtown		4,063,981	
Economic development			
Land dedication			
Land proceeds			
Committed to:			
Hurricane/disaster emergency	12,936,470		
Parking			
Right of way beautification	223,025		
Right of way acquisition			
Assigned to:			
Capital projects			22,547,139
Subsequent year's budget	1,232,700		
Unassigned	33,322,687		
Total fund balances	48,231,559	4,063,981	22,547,139
Total liabilities, deferred inflows of resources and fund balances	\$ 60,734,822	\$ 18,278,434	\$ 25,594,722



Beach and Park Operations Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 200	\$ 38,172,715	\$ 74,249,666
	25,130,644	66,178,074
820		19,160,709
	186,643	186,643
	101,323	307,677
		1,896,253
		320,000
2,325,364	1,784,484	9,984,472
		26,677
	2,696,064	2,696,064
	2,404,031	2,404,031
	9,392	9,392
	6,718	6,718
<u>2,326,384</u>	<u>70,492,014</u>	<u>177,426,376</u>
<u>\$ 2,326,384</u>	<u>\$ 70,492,014</u>	<u>\$ 177,426,376</u>
\$ 561,598	\$ 1,019,040	\$ 12,798,926
16,388	1,818,817	3,742,412
		1,466,453
1,748,398	147,855	1,896,253
	1,542	872,593
<u>2,326,384</u>	<u>2,987,254</u>	<u>20,776,637</u>
		14,302,300
		<u>14,302,300</u>
		26,677
		320,000
	1,677,739	1,677,739
	2,773,373	2,773,373
		170,000
	12,712,049	12,712,049
	885,532	885,532
	8,718,331	8,718,331
	1,189,703	1,189,703
	10,367,849	10,367,849
	4,497,469	8,561,450
	5,909,433	5,909,433
	16,397,206	16,397,206
	5,942	5,942
		12,936,470
	3,067	3,067
		223,025
	2,367,067	2,367,067
		22,547,139
		1,232,700
		33,322,687
<u>2,326,384</u>	<u>67,504,760</u>	<u>142,347,439</u>
<u>\$ 2,326,384</u>	<u>\$ 70,492,014</u>	<u>\$ 177,426,376</u>

**CITY OF BOCA RATON, FLORIDA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2018**

Ending fund balance - governmental funds	\$	142,347,439
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental capital assets, excluding Internal Service Funds	\$ 704,702,244	
Less accumulated depreciation/amortization	<u>(332,541,853)</u>	
Net capital assets		372,160,391
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the governmental funds.		
Note receivable	18,705,000	
Accrued interest on note receivable	123,453	
Operating lease revenues	14,214,453	
Communication Service Tax revenues	<u>87,847</u>	
		33,130,753
Long term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable on long-term debt	(338,690)	
Bonds and loans payable	(50,664,782)	
Deferred amount on refunding	629,682	
Compensated absences	(16,312,546)	
Supplemental SERP pension accrual	(465,708)	
Net pension liability	(118,619,951)	
Total OPEB liability	<u>(3,928,070)</u>	
Total long-term liabilities		(189,700,065)
Deferred outflows/inflows of resources reported on the statement of net position:		
Deferred outflows - pensions	47,466,812	
Deferred inflows - pensions	(18,407,338)	
Deferred inflows - OPEB	<u>(91,936)</u>	
		28,967,538
Internal service funds are used by management to charge the costs of fleet management, management information systems and insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Assets and deferred outflows	112,777,833	
Liabilities and deferred inflows	<u>(14,601,239)</u>	
Net position		<u>98,176,594</u>
Net position of governmental activities	\$	<u><u>485,082,650</u></u>

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

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**CITY OF BOCA RATON, FLORIDA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>General</u>	<u>Community Redevelopment Agency Mizner Park Revenue</u>	<u>Five Year Capital Improvement Fund</u>
<b>REVENUES</b>			
Taxes	\$ 99,867,789	\$ 12,489,146	\$ 9,104,368
Licenses and permits	13,031,240		
Intergovernmental	16,088,365		2,360,540
Charges for services	28,069,262	1,908,824	
Fines and forfeitures	1,358,982		
Special assessments			
Donations in lieu of land			333,849
Investment earnings (loss)	627,043	31,429	174,836
Miscellaneous	651,404		
Total revenues	<u>159,694,085</u>	<u>14,429,399</u>	<u>11,973,593</u>
<b>EXPENDITURES</b>			
Current:			
General government	28,627,300		471,463
Law enforcement	46,826,827		557,983
Fire rescue	47,280,404		1,052,017
Physical environment	5,269,402		
Transportation	6,273,539		3,623,955
Community development		3,000,000	
Parks and recreation	24,677,212		
Capital outlay	223,047		2,837,628
Debt service:			
Principal			
Interest			
Bond issuance costs			
Total expenditures	<u>159,177,731</u>	<u>3,000,000</u>	<u>8,543,046</u>
Excess (deficiency) of revenues over expenditures	<u>516,354</u>	<u>11,429,399</u>	<u>3,430,547</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	21,000		
Transfers out	(8,238,100)	(9,437,900)	(2,151,200)
Issuance of debt			
Premium (discount) on debt issue			
Total other financing sources (uses)	<u>(8,217,100)</u>	<u>(9,437,900)</u>	<u>(2,151,200)</u>
Net change in fund balances	(7,700,746)	1,991,499	1,279,347
Fund balances - beginning, as previously reported	60,545,835	2,072,482	21,267,792
Prior period adjustment	(4,613,530)		
Fund balances - beginning, restated	<u>55,932,305</u>	<u>2,072,482</u>	<u>21,267,792</u>
Fund balances - ending	<u>\$ 48,231,559</u>	<u>\$ 4,063,981</u>	<u>\$ 22,547,139</u>

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

<u>Beach and Park Operations Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	\$ 14,581,156	\$ 136,042,459
		13,031,240
\$ 15,180,668	1,355,780	34,985,353
2,726,088	900,977	33,605,151
	71,236	1,430,218
	1,519,976	1,519,976
	506,650	840,499
	599,926	1,433,234
	72,009	723,413
<u>17,906,756</u>	<u>19,607,710</u>	<u>223,611,543</u>
	3,996	29,102,759
	209,997	47,594,807
		48,332,421
		5,269,402
	5,589,826	15,487,320
	4,309,798	7,309,798
16,977,572	19,000,000	60,654,784
851,184	899,289	4,811,148
	8,087,014	8,087,014
	5,274,703	5,274,703
	44,050	44,050
<u>17,828,756</u>	<u>43,418,673</u>	<u>231,968,206</u>
<u>78,000</u>	<u>(23,810,963)</u>	<u>(8,356,663)</u>
	11,420,485	11,441,485
(78,000)	(2,248,485)	(22,153,685)
	19,100,000	19,100,000
	(47,750)	(47,750)
<u>(78,000)</u>	<u>28,224,250</u>	<u>8,340,050</u>
	4,413,287	(16,613)
	63,091,473	146,977,582
		(4,613,530)
	63,091,473	142,364,052
<u>\$</u>	<u>\$ 67,504,760</u>	<u>\$ 142,347,439</u>

**CITY OF BOCA RATON, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds	\$	(16,613)
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 depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 3,951,772	
Less current year depreciation/amortization	<u>(15,934,818)</u>	(11,983,046)
The net effect of the various miscellaneous transactions involving capital assets (i.e. sales, trade ins and donations) is to decrease net position.		(44,062)
Some revenues and expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.		
Operating lease revenues	396,869	
Communications Service Tax revenues	23,644	
Compensated absences	(754,824)	
OPEB Liability	(49,185)	
Net effect of accrued interest on long term debt (difference between amount that would have been accrued in prior year and current year accrual)	<u>(85,943)</u>	(469,439)
Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension liability on the statement of net position.		8,386,912
Notes receivable, principal		18,705,000
Accrued interest on Notes Receivable		123,453
The issuance of long-term debt (e.g., bonds and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Debt issued or incurred:		
Issuance of debt	(19,100,000)	
Bond discount	47,750	
Debt retired:		
Principal payments on bonds and loans	8,087,014	
Change in accreted interest on tax increment revenue bonds payable	3,627,720	
The governmental funds report bond premiums, discounts and similar items as expenditures when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.		
Amortization of deferred amount on refunding	(311,241)	
Amortization of bond discount	(3,125)	
Amortization of bond premium	<u>217,976</u>	(7,433,906)
Deferred outflows/inflows of resources reported on the statement of net position:		
Change in deferred outflows - pensions	754,374	
Change in deferred inflows - pensions	(13,071,516)	
Change in deferred inflows - OPEB	<u>(91,936)</u>	(12,409,078)
Internal service funds are used by management to charge costs of fleet management, management information systems and insurance programs to individual funds.		
The net revenue of the activities of the internal service funds is reported with governmental activities:		
Net operating loss of the internal service funds	(327,875)	
Impact of external transactions on the net position of governmental activities:		
Investment income	722,790	
Gain on disposal of capital assets	105,461	
Net transfers from governmental funds to internal service funds decrease the fund balances of the governmental funds, but have no effect on net position as reported on a government-wide basis.	<u>10,567,800</u>	<u>11,068,176</u>
Change in net position of governmental activities	\$	<u>5,927,397</u>

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

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**CITY OF BOCA RATON, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<b>Business - Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 54,077,489	\$ 8,406,928	\$ 62,484,417	\$ 51,406,966
Investments	32,934,484	7,492,425	40,426,909	45,830,420
Interest receivable on investments	221,863	27,779	249,642	182,919
Interest receivable on assessments	33,202		33,202	
Accounts receivable	8,083,715	1,522,037	9,605,752	272,326
Assessments receivable	438,303		438,303	
Due from other governmental units	24,804	118,810	143,614	2,400
Inventories		60,146	60,146	645,772
<b>Total unrestricted current assets</b>	<b>95,813,860</b>	<b>17,628,125</b>	<b>113,441,985</b>	<b>98,340,803</b>
Restricted assets:				
Cash and cash equivalents	29,807,344		29,807,344	
Investments	41,862,571		41,862,571	
Interest receivable on investments	52,253		52,253	
Interest receivable on assessments	65,620		65,620	
Assessments receivable	791,987		791,987	
<b>Total restricted current assets</b>	<b>72,579,775</b>		<b>72,579,775</b>	
<b>Total current assets</b>	<b>168,393,635</b>	<b>17,628,125</b>	<b>186,021,760</b>	<b>98,340,803</b>
Noncurrent assets:				
Capital assets:				
Utility plant in service	391,537,119		391,537,119	
Land	245,873	586,735	832,608	
Buildings		2,259,661	2,259,661	1,313,785
Golf course improvements		3,660,473	3,660,473	
Cemetery lot improvements		588,373	588,373	
Stormwater utility improvements		17,361,373	17,361,373	
Equipment	54,974,524	12,188,391	67,162,915	30,892,035
Construction in progress	23,018,744		23,018,744	
Less accumulated depreciation	(238,805,463)	(16,718,818)	(255,524,281)	(19,117,606)
Intangible assets	3,541,626		3,541,626	896,432
Less accumulated amortization	(1,646,565)		(1,646,565)	(857,540)
<b>Total capital assets (net of accumulated depreciation/amortization)</b>	<b>232,865,858</b>	<b>19,926,188</b>	<b>252,792,046</b>	<b>13,127,106</b>
<b>Total noncurrent assets</b>	<b>232,865,858</b>	<b>19,926,188</b>	<b>252,792,046</b>	<b>13,127,106</b>
<b>Total assets</b>	<b>401,259,493</b>	<b>37,554,313</b>	<b>438,813,806</b>	<b>111,467,909</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	749,517		749,517	
Deferred outflows for pensions	2,775,758	972,874	3,748,632	1,309,924
<b>Total deferred outflows of resources</b>	<b>3,525,275</b>	<b>972,874</b>	<b>4,498,149</b>	<b>1,309,924</b>

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



**CITY OF BOCA RATON, FLORIDA  
PROPRIETARY FUNDS (continued)  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<b>Business - Type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Water and Sewer</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,640,385	\$ 405,691	\$ 2,046,076	\$ 1,966,711
Advances from other funds		320,000	320,000	
Compensated absences	140,870	81,640	222,510	69,870
Retainage payable	508,175		508,175	
Performance bonds and escrow funds	63,417	1,000	64,417	
Estimated liability for self-insurance losses				2,401,000
Unearned revenue	1,322,213	20,005	1,342,218	
Total unrestricted current liabilities	<u>3,675,060</u>	<u>828,336</u>	<u>4,503,396</u>	<u>4,437,581</u>
Current liabilities payable from restricted assets:				
Accounts payable and accrued liabilities	1,391,820		1,391,820	
Customer deposits payable	4,198,149	575	4,198,724	
Restricted retainage payable	498,094		498,094	
Revenue bonds payable, current portion	4,375,000		4,375,000	
Accrued interest payable	314,579		314,579	
Total current liabilities payable from restricted assets	<u>10,777,642</u>	<u>575</u>	<u>10,778,217</u>	
Total current liabilities	<u>14,452,702</u>	<u>828,911</u>	<u>15,281,613</u>	<u>4,437,581</u>
Non-current liabilities:				
Compensated absences	1,267,829	734,766	2,002,595	628,838
Net pension liability	2,358,864	680,906	3,039,770	1,288,970
Total OPEB liability	562,563	299,893	862,456	226,578
Revenue bonds payable	18,258,666		18,258,666	
Estimated liability for self-insurance				7,172,000
Total noncurrent liabilities	<u>22,447,922</u>	<u>1,715,565</u>	<u>24,163,487</u>	<u>9,316,386</u>
Total liabilities	<u>36,900,624</u>	<u>2,544,476</u>	<u>39,445,100</u>	<u>13,753,967</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows for pensions	1,841,134	667,613	2,508,747	841,969
Deferred inflows for OPEB	13,169	7,018	20,187	5,303
Total deferred inflows of resources	<u>1,854,303</u>	<u>674,631</u>	<u>2,528,934</u>	<u>847,272</u>
<b>NET POSITION</b>				
Net investment in capital assets	208,032,027	19,926,188	227,958,215	13,097,691
Restricted for:				
Debt service	33,404,591		33,404,591	
Renewal and replacement	25,087,630		25,087,630	
Operations and maintenance reserves	3,309,912		3,309,912	
Unrestricted	96,195,681	15,381,892	111,577,573	85,078,903
Total net position	<u>\$ 366,029,841</u>	<u>\$ 35,308,080</u>	<u>\$ 401,337,921</u>	<u>\$ 98,176,594</u>

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

**CITY OF BOCA RATON, FLORIDA  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for sales and services		\$ 12,999,831	\$ 12,999,831	
Fleet management				\$ 4,419,732
Management information processing				8,369,582
Insurance premiums				18,833,794
Insurance premium tax				3,313,019
Retirement sustainability				2,706,700
Water sales	\$ 33,302,727		33,302,727	
Sewer service charges	21,209,759		21,209,759	
Other	2,398,198	58,424	2,456,622	
Total operating revenues	<u>56,910,684</u>	<u>13,058,255</u>	<u>69,968,939</u>	<u>37,642,827</u>
<b>OPERATING EXPENSES</b>				
Personnel services	11,455,322	5,944,394	17,399,716	6,439,192
Materials and supplies	4,307,938	348,567	4,656,505	2,730,499
General and administration	12,333,456		12,333,456	
Other services and charges	9,832,658	5,689,856	15,522,514	9,668,570
Insurance claims				12,379,675
Pension benefits				3,313,019
Depreciation of capital assets	13,438,171	1,650,005	15,088,176	3,439,747
Amortization	173,593		173,593	
Total operating expenses	<u>51,541,138</u>	<u>13,632,822</u>	<u>65,173,960</u>	<u>37,970,702</u>
Operating income (loss)	<u>5,369,546</u>	<u>(574,567)</u>	<u>4,794,979</u>	<u>(327,875)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings (loss)	1,047,141	107,187	1,154,328	722,790
Interest expense	(633,122)		(633,122)	
Gain (loss) on disposal of capital assets	60,813	54,850	115,663	105,461
Total nonoperating revenues (expenses)	<u>474,832</u>	<u>162,037</u>	<u>636,869</u>	<u>828,251</u>
Income (loss) before transfers and contributions	<u>5,844,378</u>	<u>(412,530)</u>	<u>5,431,848</u>	<u>500,376</u>
Transfers in		208,600	208,600	10,567,800
Transfers out	(52,800)	(11,400)	(64,200)	
Capital contributions	836,255	180,876	1,017,131	
Change in net position	6,627,833	(34,454)	6,593,379	11,068,176
Net position, beginning as originally stated	359,680,652	35,487,867	395,168,519	87,211,026
Prior period adjustment	(278,644)	(145,333)	(423,977)	(102,608)
Net position, beginning as restated	<u>359,402,008</u>	<u>35,342,534</u>	<u>394,744,542</u>	<u>87,108,418</u>
Net position, ending	<u>\$ 366,029,841</u>	<u>\$ 35,308,080</u>	<u>\$ 401,337,921</u>	<u>\$ 98,176,594</u>

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

**CITY OF BOCA RATON, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Enterprise Funds			Governmental Activities
	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	59,018,100	13,271,312	72,289,412	37,679,039
Payments to suppliers	(24,173,172)	(6,148,143)	(30,321,315)	(15,970,918)
Payments to employees	(13,650,072)	(5,793,122)	(19,443,194)	(6,280,763)
Claims paid				(12,166,675)
<b>Net cash provided by (used in) operating activities</b>	<u>21,194,856</u>	<u>1,330,047</u>	<u>22,524,903</u>	<u>3,260,683</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in		208,600	208,600	10,567,800
Transfers out	(52,800)	(11,400)	(64,200)	
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>(52,800)</u>	<u>197,200</u>	<u>144,400</u>	<u>10,567,800</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Contributions	621,187	180,876	802,063	
Payment of bond principal	(4,139,724)		(4,139,724)	
Acquisition of capital assets	(9,797,701)	(1,450,439)	(11,248,140)	(5,252,259)
Interest paid	(728,037)		(728,037)	
Proceeds from sale of capital assets	60,813	54,850	115,663	137,151
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(13,983,462)</u>	<u>(1,214,713)</u>	<u>(15,198,175)</u>	<u>(5,115,108)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	848,316	87,187	935,503	583,900
Sale of investments	48,683,355	5,007,150	53,690,505	28,411,912
Purchase of investments	(74,797,055)	(7,492,425)	(82,289,480)	(45,830,420)
<b>Net cash provided by (used in) investing activities</b>	<u>(25,265,384)</u>	<u>(2,398,088)</u>	<u>(27,663,472)</u>	<u>(16,834,608)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(18,106,790)</u>	<u>(2,085,554)</u>	<u>(20,192,344)</u>	<u>(8,121,233)</u>
<b>Cash and cash equivalents</b>				
<b>Beginning of year</b>	<u>101,991,623</u>	<u>10,492,482</u>	<u>112,484,105</u>	<u>59,528,199</u>
<b>End of year</b>	<u>\$ 83,884,833</u>	<u>\$ 8,406,928</u>	<u>\$ 92,291,761</u>	<u>\$ 51,406,966</u>

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

(Continued)

**CITY OF BOCA RATON, FLORIDA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (continued)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Enterprise Funds			Governmental Activities
	Water and Sewer	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>				
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income	\$ 5,369,546	\$ (574,568)	\$ 4,794,978	\$ (327,875)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	13,438,171	1,650,005	15,088,176	3,439,747
Amortization	173,593		173,593	
Change in assets, liabilities, deferred outflows & deferred inflows				
(Increase) decrease in accounts receivable	546,457	180,176	726,633	(12,738)
(Increase) decrease in assessments receivable	241,185		241,185	
(Increase) decrease in due from other governmental units	(24,804)	37,888	13,084	48,950
(Increase) decrease in inventories		(1,263)	(1,263)	(1,448)
(Increase) decrease in other assets		3,231	3,231	483,585
(Increase) decrease in deferred pension outflows	331,644	164,605	496,249	148,548
Increase (decrease) in accounts payable and accrued liabilities	(101,940)	(95,400)	(197,340)	(686,395)
Increase (decrease) in retainage payable	(128,254)	(8,319)	(136,573)	
Increase (decrease) in customer deposits payable	22,365	575	22,940	
Increase (decrease) in compensated absences	57,733	38,038	95,771	47,477
Increase (decrease) in total OPEB liability	(13,362)	(495)	(13,857)	14,499
Increase (decrease) in estimated liability for self-insurance losses				213,000
Increase (decrease) in unearned revenue	1,322,213	(5,582)	1,316,631	
Increase (decrease) in net pension liability	(1,087,052)	(422,488)	(1,509,540)	(602,238)
Increase (decrease) in deferred inflows for pensions	1,034,192	356,626	1,390,818	490,268
Increase (decrease) in deferred inflows for OPEB	13,169	7,018	20,187	5,303
Total adjustments	15,825,310	1,904,615	17,729,925	3,588,558
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 21,194,856</b>	<b>\$ 1,330,047</b>	<b>\$ 22,524,903</b>	<b>\$ 3,260,683</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Unrealized (loss) on investments	\$ (545,519)	\$ (56,457)	\$ (601,976)	\$ (272,415)
Noncash portion of capital contributions	215,068		215,068	

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

**CITY OF BOCA RATON, FLORIDA  
PENSION TRUST FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2018**

**ASSETS**

Cash and cash equivalents	\$ 18,000,109
Investments:	
Common and preferred stock	212,212,018
U.S. government securities	29,877,510
Corporate bonds and debentures	87,979,919
Foreign Government Agency	286,770
Master limited partnership investments	3,053,997
Commingled funds	161,627,867
Real estate	42,049,125
Private Equity	17,855,787
Multi Asset Class	44,706,052
Florida Municipal Pension Trust Fund	44,691,143
Total Investments	644,340,188
Receivables:	
Interest and dividends	1,018,509
Unsettled trades receivable	3,231,065
Total receivables	4,249,574
Other assets	17,926
Prepaid expenses	32,235
Total assets	666,640,032

**LIABILITIES**

Accounts payable and accrued liabilities	561,876
Unsettled trades payable	1,080,022
Total liabilities	1,641,898

<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$ 664,998,134</b>
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The notes to the financial statements are an integral part of this statement.

**CITY OF BOCA RATON, FLORIDA  
PENSION TRUST FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**ADDITIONS**

Contributions:		
City	\$	14,130,202
State		3,313,019
Employee		7,506,125
Transfer from other pension trust funds		419,432
Total contributions		<u>25,368,778</u>
Investment income:		
Interest revenue		7,738,871
Dividends		6,184,880
Net appreciation (depreciation) in fair value of investments		39,057,215
Other investment income		13,009
Investment expense		<u>(3,592,870)</u>
Total investment income		<u>49,401,105</u>
Total additions		<u>74,769,883</u>

**DEDUCTIONS**

Benefits paid:		
Retirement		29,699,360
Disability		956,362
Death		1,569,470
Deferred retirement option plan		7,350,552
Termination refunds		130,875
Administrative expenses		382,659
Transfer to other pension trust funds		<u>419,432</u>
Total deductions		<u>40,508,710</u>

Net increase/(decrease) in net position 34,261,173

**NET POSITION RESTRICTED FOR PENSIONS**

Beginning of year		<u>630,736,961</u>
End of year	\$	<u>664,998,134</u>

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

**CITY OF BOCA RATON, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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**1. The City of Boca Raton**

The City of Boca Raton, Florida (the City) was incorporated in 1925 and operates under a Charter granted by the Legislature of the State of Florida, Chapter 65-1264, Special Acts, Laws of Florida. The City is governed by an elected City Council (4 members) and an elected Mayor, and provides, under the administration of an appointed City Manager, the following services: public safety, recreation, sanitation, cemetery, streets and traffic engineering, planning and zoning, water and sewer services, and general administrative services.

**2. Summary of Significant Accounting Policies**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's governmental accounting policies are described below.

**A. Reporting Entity**

As required by various GASB Statements, the accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The City is financially accountable if the City Council appoints a voting majority of an organization's governing body and the City is able to impose its will on that organization, or the City has a financial benefit/burden relationship or operational responsibility with the organization. Blended component units are, in substance, part of the City's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the City.

**Blended Component Unit**

The City Council of Boca Raton, Florida created the Boca Raton Community Redevelopment Agency (CRA) in 1980 as an independent special district by City Resolution No. 162-80. The CRA was established to prepare or have prepared a community redevelopment plan for areas within the City of Boca Raton, which are determined to be slum or blighted areas, and to carry out the community redevelopment purposes of Part III, Chapter 163, of the Florida Statutes. As a tax increment district, the CRA receives operating revenues from tax increment assessments from three taxing jurisdictions within Palm Beach County. Funds are also provided by private contributions, fees collected, interest income, and the unexpended fund balance from the previous year. The funds of the CRA included within the reporting entity are the Community Redevelopment Agency Mizner Park Revenue Fund (major special revenue fund), Community Redevelopment Agency Operating Fund (nonmajor special revenue fund) and the Community Redevelopment Agency Debt Service Fund (nonmajor debt service fund). During fiscal year 1989, the CRA entered into an interlocal agreement with the City. This agreement called for the City to make a secondary pledge of its excise tax revenues for the CRA's debt. On February 5, 1991, the City, by referendum, adopted a resolution



**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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declaring the City Council Members to constitute the Board of Commissioners of the CRA. Under Florida Statute 163.356, this made the CRA a dependent special district of the City. The CRA is reported as a blended component unit since its Board of Commissioners is the same as the governing body of the City and the City has the financial benefit/burden relationship for the CRA relating to the secondary pledge of the City's excise (public service) taxes for the CRA's debt.

**Discretely Presented Component Units**

There are no discretely presented component units for the City. The Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority have not met the established criteria for inclusion as component units and, therefore, are excluded from this report.

**B. Government-Wide And Fund Financial Statements**

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the City.

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary trust funds of the government are also excluded from this presentation since these resources are not available for general government funding purposes.

The Statement of Net Position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for goods or services that are recovered directly from customers for services rendered and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

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

**C. Measurement Focus, Basis Of Accounting And Financial Statement Presentation**

The government-wide financial statements, the proprietary fund financial statements and the fiduciary trust fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

All governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, public services taxes, franchise taxes and interest income associated with the current fiscal period are susceptible to accrual and are recorded as earned since they are measurable and available. In addition, revenue from Federal, State and local reimbursement type grants for which eligibility requirements have been met and which meet the availability criteria of twelve months have been accrued and recognized as revenues of the period. The City also considers funds due from the Greater Boca Raton Beach and Park District as available if received within a twelve-month period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. Licenses and permits, charges for services and miscellaneous revenues are recorded as revenue when received in cash, because they are generally not measurable until actually received.

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

Effective October 1, 2017, the City implemented the following GASB Pronouncements:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* replaced the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The implementation of this standard resulted in reducing prior year earnings by \$2.403 million.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements* requires a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. The City had no such agreement in place during FY 2018, therefore had no impact as a result of implementing this standard.

GASB Statement No. 83, *Certain Asset Retirement Obligations* requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred for ARO for which there is a legally enforceable liability associated with the retirement of a capital asset. This statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. As of September 30, 2018, the City had no ownership in capital assets that fit the description of capital assets for which there were legally enforceable liabilities associated with the retirement of those assets, therefore had no impact as a result of implementing this standard.

GASB: Statement No. 85, *Omnibus 2017* addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The implementation of this pronouncement did not result in a financial impact to the City.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* provides guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this pronouncement did not result in a financial impact to the City.

GASB Statement No. 88, *Certain Debt Disclosures* requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt

**CITY OF BOCA RATON, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The implementation of this pronouncement did not result in a financial impact to the City.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The implementation of this pronouncement did not result in a financial impact to the City.

**E. Major Funds and Basis of Presentation**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equities, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds. The non-major funds are presented in one column in the fund financial statements.

**i. Fund Types:**

The City reports the following major governmental funds:

***General Fund***

The primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

***Community Redevelopment Agency Mizner Park Revenue Fund***

Used to account for tax increment revenues assessed on downtown properties and land lease revenues that are used to fund the Mizner Park bond debt service and capital improvements that encourage development in the downtown.

***Five-Year Capital Improvement Program Fund***

Used to account for various building, park and street construction projects. Financing is being provided by general tax revenue, bond proceeds, excise tax and interest income.

**CITY OF BOCA RATON, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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***Beach and Park Operations Fund***

Used to account for beach and park operations reimbursed through an interlocal agreement with the Greater Boca Raton Beach and Park Tax District. The Fund did not meet the minimum criteria for major fund determination during fiscal 2018. However, it will continue to be presented as a major fund for the purpose of consistency and to highlight the operations of the Fund.

The City reports the following major proprietary fund:

***Water and Sewer Fund***

Used to account for the provision of water and sewer services to residents of the City and to some residents of Palm Beach County.

Additionally, the City reports the following fund types:

***Internal Service Funds***

Used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City's Internal Service Fund operations include Fleet Management and Information Technology for direct services and Self-Insurance for the provision of employee health, workers' compensation and property and general liability insurance for the City. The City also has an Internal Service Fund for retirement sustainability to separate funding for certain receipts and expenditures for all of the City's defined benefit plans and accounts for reserves to reduce the financial burden, if any, of retiree defined benefit plan payments on future taxpayers.

***Pension Trust Funds***

Used to account for activities of the City's General Employees' Pension Plan, the Police and Firefighters' Retirement System and the Executive Employees' Retirement Plan that accumulate resources for pension benefits and disability benefit payments.

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

**ii. Revenue and Expenditure or Expense Types:**

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. All revenues that are not program revenues are general revenues, and include *all* taxes, as well as grants, contributions and investment earnings that are not restricted to a particular program.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of

**CITY OF BOCA RATON, FLORIDA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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sales and services, administrative expenses, and depreciation and amortization on capital assets. All items not meeting this definition are reported as nonoperating revenues and expenses.

**F. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity**

**i. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand and time deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Investment Pool, investment pools governed by interlocal agreements, and the Florida Municipal Investment Trust.

The City maintains a cash and investment pool that is available for use by all funds. This pool has deposits and other investments with maturities generally less than one year. In addition, longer-term investments are also held by the investment pool. Pooled cash is classified as "Cash and Cash Equivalents" in the Statement of Net Position and pooled investments are combined with other separate investments and classified as "Investments."

Long-term investments are valued at fair value.

**ii. Receivables and Payables**

During the course of its operations, the City has numerous transactions between funds to provide goods or render services. To the extent that certain transactions between funds were not paid for or received as of September 30, 2018, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. Balances of advances to and from other funds are considered non-spendable fund balances of the respective funds since these balances are not available for appropriation.

All trade and other receivables are shown net of an allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is calculated based on the City's historical bad debt experience.

Water and wastewater charges to customers are based on actual water consumption. Consumption is determined on a bi-monthly cycle basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

**iii. Inventories**

All inventories are valued at weighted average cost. Perpetual inventory records are maintained and adjusted annually to physical inventory amounts as of September 30th of

**CITY OF BOCA RATON, FLORIDA  
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each year. Inventory is reported using the consumption method whereby inventories are recorded as expenditures/expenses when used.

**iv. Restricted Assets**

Certain proceeds of the City’s enterprise fund revenue bonds, as well as certain resources set aside in accordance with bond covenants or local ordinances are classified as restricted assets on the fund level balance sheet. The “operations and maintenance reserve” is used to report resources set aside to subsidize potential deficiencies from the City’s Water and Sewer Utility operations that could adversely affect debt service payments. The “renewal and replacement reserve” is used for the accumulation of resources to provide for replacement of existing system assets. The “debt service reserve” is used for the accumulation of resources needed to meet debt service requirements as they become due. Certain accounts receivable items in the Water and Sewer Fund are restricted to repay debt. Cash and investments of the City’s Perpetual Care Fund are restricted to providing perpetual care for the City’s cemetery and mausoleum. Additionally, cash and investments of the General Trust Fund are restricted as the funds are to be used only for specific purposes. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

**v. Capital Assets**

Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City’s capitalization threshold for tangible capital assets is \$5,000 and for intangible assets, including software, is \$35,000. In addition, these assets must have an estimated life of greater than one year. A \$35,000 threshold is maintained for additions to infrastructure capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. All infrastructure assets acquired subsequent to June 30, 1980 are reported. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant, equipment, intangible and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Life
Building	40
Building improvements	10-50
Roads	40
Bridges	50
Other Infrastructure	10-75
Equipment	3-40
Intangible	5-20

**vi. Deferred Outflows of Resources**

Deferred Outflows of Resources represents the expenses of net position applicable to future periods and will not be recognized as expenses until the future period to which it applies. The City currently reports the net deferred loss on refunding of debt, deferred

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outflows related to pension investment gains and losses, demographic gains and employer pension contributions made after the measurement date, which will be recognized in future fiscal years.

**vii. Unearned Revenue**

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

**viii. Liabilities – Performance Bonds, Escrow for Performance Bonds and Escrow Funds**

Liabilities include amounts paid to the City by contractors as guarantees of performance. These amounts may be due back to the contractors.

**ix. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits and compensatory time. All vacation, sick pay and compensatory time is accrued when earned in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

**x. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types of the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable premium or discount. These premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method of amortization which approximates the effective interest method. Issuance costs are expensed in the year they are incurred.

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

For purposes of measuring the net pension liability and OPEB liability, information about the fiduciary net position of the City's three pension plans and additions to/deductions from the City's Pension Plans fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.



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**xi. Deferred Inflows of Resources**

Deferred Inflows of Resources represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. Currently, the items in this category are Pension and Other Post Employment Benefits (OPEB). The respective balances represent the difference between the expected and actual pension and OPEB expense. The Pension expense is amortized over the investment terms of the pension assets and the OPEB expenses are amortized over the average expected remaining lifetime of both active and inactive employees.

**xii. Net Position**

Net position is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as net investment in capital assets, reduced by accumulated depreciation and any outstanding debt and related deferred outflows incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted. The first category represents net position related to property, plant, equipment and infrastructure.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned net position are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions by either an ordinance or resolution.

The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

**xiii. Fund Balance**

The City classifies fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The City reports the following fund classifications:

***Nonspendable fund balance***

Nonspendable fund balances are amounts that cannot be spent because they are either not in spendable form such as inventory or legally or contractually required to be maintained intact such as a perpetual trust.

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***Restricted fund balance***

Restricted fund balances are amounts that are constrained by the imposition externally by creditors, grantors, contributors, or laws or regulations of other governmental agencies or imposed by law through constitutional provisions or enabling legislation.

***Committed fund balance***

Those amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution (which are equally binding as the highest decision-making authority) are classified as committed fund balances.

***Assigned fund balance***

Amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are recommended by the City Manager, based on the City Council direction during the annual budget process, and the City Council authorizes assignments by the adoption of a resolution.

***Unassigned fund balance***

Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City's policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Council adopted a Fund Balance Policy by Resolution No. 137-2009 which is a financial standard to maintain a General Fund minimum unassigned fund balance of 10 percent of budgeted expenditures. General Fund is the only fund that reports a positive unassigned fund balance amount. The other governmental funds may report negative unassigned fund balance if that fund's expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes. As part of the annual budget adoption process, which is accomplished through an ordinance, the City Council reviews the fund balance commitments. Any action to establish, modify or rescind fund balance classifications would be taken through the adoption of an ordinance approved by City Council.

**G. Other Policies**

**i. Property Taxes**

***Calendar of Property Tax Events***

- January 1, 2017 – Property taxes are based on assessed property value at this date as determined by the Palm Beach County Property Appraiser.
- June 28, 2017 –Property assessment roll and certificates of value by the Palm Beach County Property Appraiser are provided to the City.
- July 25, 2017 – Proposed tax millage rate approved by the City Council and provided to the Palm Beach County Property Appraiser, who mails notices to the taxpayers.

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- October 2, 2017\* – Property tax millage rate ordinance approved by the City Council.
- October 1, 2017 – Beginning of fiscal year for which taxes are levied.
- April 1, 2018 – Unpaid property taxes become delinquent and become a lien.
- May 15, 2018 – The Palm Beach County Property Appraiser notifies the City of the taxable value on the final property tax assessment roll.
- June 1, 2018 – Tax certificates are sold by the Palm Beach County Tax Collector.

***Property Tax Collection***

Property tax collections are governed by Chapter 197, Florida Statutes. The Palm Beach County Tax Collector (Tax Collector) bills and collects all property taxes levied within the County. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January and 1% in February. If property taxes are not paid by April 1, the County adds a 3% penalty on real estate and a 1 ½% penalty on personal property.

The Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. Certificates not sold revert back to the County. The Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the land by paying the Tax Collector the face amount of the tax certificate plus interest and other costs. The owner of a tax certificate may at any time after taxes have been delinquent (April 1), for two years, file an application for a tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property which is sold at public auction.

The Tax Collector remits current taxes collected through four distributions to the City in the first two months of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied. The Tax Collector pays the City interest on monies held from day of collection to day of distribution. The City has no control over the investment program of the Tax Collector as this program is governed by State statutes.

***Property Tax Limitation***

The City is permitted by state statutes to levy taxes up to 10 mills of assessed value. The total millage rate levied by the City for the fiscal year ended September 30, 2018, was 3.6788. Current tax collections for the City were approximately 97% of the total tax levy.

**ii. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, deferred inflows/outflows and disclosure of contingent assets and liabilities at the date of the

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\* Final budget hearing rescheduled due to Hurricane Irma. Authorization to postpone approval by City Council was granted from the Governor for the entire state of Florida.

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financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**iii. Encumbrances**

Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

**3. Deposits and Investments**

**A. General Authorization**

Cash and cash equivalents include cash on hand, amounts in demand and time deposits, and short-term investments with original maturity dates within three months of the date acquired by the City. All of the City's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

The City's investment practices are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, Section 20, the adopted investment policy, and various legal covenants related to outstanding bond issues. For all investments authorized by statute and policy, the City applies the "*Prudent Man Rule*" when developing investment strategies.

**B. Types of Investments**

The City is authorized to invest in a wide range of securities that include certificates of deposit, money market funds, U.S. Treasury obligations, State and U.S. Government Agencies and Enterprises, State and Local Government Series, corporate bonds, the State Board of Administration investment pool, interlocal investment pools, the Florida Municipal Investment Trust, mutual funds, foreign obligations of the government of Israel (State of Israel), and repurchase agreements. The City uses only financial institutions qualified as public depositories by the State of Florida or "approved" security dealers to place its investments unless bond covenants specifically require other financial institutions to be used. In addition to the investments above, the Pension trust funds are authorized to invest in commercial paper, real estate; and domestic, international, convertible, commingled, common and preferred stock.

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The City participates in five pooled investment funds, two of which behave as SEC-regulated money market funds under SEC Rule 2a7. Therefore, in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which established criteria for an external investment pool for making the selection to qualify to measure its investments at amortized cost, these pools are exempt from the GASB Statement No. 72, *Fair Value Measurement and Application* hierarchy disclosures and are reported at amortized cost. Detailed information for these pooled investment funds are as follows:

**i. Florida PRIME**

The State Board of Administration (SBA) administers the Florida PRIME pool which is governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME pool. Florida PRIME invests in a pool of investments whereby the City owns a share of the respective pool, not the underlying securities. The fair value of the position in the Florida PRIME pool is equal to the value of the pool shares. The investments in the Florida PRIME are not insured by FDIC or any other governmental agency.

With regard to redemption gates, Chapter 218.409(8) (a), Florida Statutes, states, "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the Executive Director may extend the moratorium until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2018, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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**ii. FLCLASS**

The Florida Cooperative Liquid Assets Securities System Trust (FLCLASS) is a common law trust established, created, and authorized by an Interlocal Agreement by and among participating Florida public agencies. FLCLASS is an authorized investment pool under Section 218.415(16)(a), Florida Statutes, and was established for participating Florida agencies on April 1, 2015 under the Interlocal Agreement and commenced operations on July 15, 2015 (inception). FLCLASS is available for investment by any unit of local government within the State of Florida. The purpose of FLCLASS is to enable such units to cooperate in the investment of their available funds. FLCLASS operates like a money market mutual fund with each share valued at \$1.00.

**iii. FMIVT**

The City additionally participates in three pooled investment funds administered by the Florida League of Cities which do not meet the criteria required to be exempted from fair value leveling. These funds are referred to collectively as follows:

The Florida Municipal Investment Trust (FMIVT) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust.

**C. Distribution of Investments for City and Pension Plans**

**i. City of Boca Raton**

At September 30, 2018, the City of Boca Raton had the following cash, cash equivalents and investments:

<b>Portfolio/Investments</b>	<b>Fair Value</b>	<b>Weighted Average Maturity</b>	<b>Credit Rating</b>	<b>Rating Agency</b>	<b>Percent Distribution</b>
Cash Deposits	\$ 139,742,692				33.5%
Florida PRIME	50,727,915	40 days	AAAm	S&P	12.2%
FLCLASS	30,173,850	72 days	AAAm	S&P	7.2%
<b>Total Cash &amp; Cash Equivalents</b>	<b>220,644,457</b>				<b>52.9%</b>
FMIVT 0-2 Year High Quality Government Fund	26,370,085	0.8 years	AAAf/S1	Fitch, S&P	6.3%
FMIVT 1-3 Year High Quality Bond Fund	13,444,227	1.5 years	AAAf/S2	Fitch, S&P	3.2%
FMIVT Intermediate High Quality Bond Fund	4,094,141	4.3 years	AAAf/S3	Fitch, S&P	1.0%
U.S. Government Securities:					
U.S. Government Agencies:					
Federal National Mortgage Association	8,855,050	2.0 years	AA+	S&P	2.1%
Federal Home Loan Mortgage Corporation	69,997,725	1.5 years	AA+	S&P	16.8%
Federal Home Loan Bank	61,931,475	1.4 years	AA+	S&P	14.8%
Federal Farm Credit Bank	1,956,080	1.6 years	AA+	S&P	0.5%
Certificates of Deposit	7,065,132	0.6 years	Not rated		1.7%
International Investments:					
Foreign Bond	2,988,090	0.6 years	AA-	S&P	0.7%
<b>Total Investments</b>	<b>196,702,005</b>				<b>47.1%</b>
<b>Total Cash and Investments</b>	<b>\$ 417,346,462</b>				<b>100.0%</b>

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

***Fair Value Hierarchy***

The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs.

The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank's (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

**At September 30, 2018, the investments by fair value level are:**

Investment Type	As of 9/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FMLvT 0-2 Year High Quality Government Fund	\$ 26,370,085	-	\$ 26,370,085	-
FMLvT 1-3 Year High Quality Bond Fund	13,444,227	-	13,444,227	-
FMLvT Intermediate High Quality Bond Fund	4,094,141	-	4,094,141	-
U.S. Government Agencies:				
Federal National Mortgage Association	8,855,050	-	8,855,050	-
Federal Home Loan Mortgage Corporation	69,997,725	-	69,997,725	-
Federal Home Loan Bank	61,931,475	-	61,931,475	-
Federal Farm Credit Bank	1,956,080	-	1,956,080	-
International Investments:				
Foreign Bond	2,988,090	-	2,988,090	-
<b>Total Investments at Fair Value</b>	<b>189,636,873</b>	<b>\$ -</b>	<b>\$ 189,636,873</b>	<b>\$ -</b>
Certificates of Deposit (exempt)	7,065,132			
<b>Total Investments</b>	<b>\$ 196,702,005</b>			

***FMLvT 0-2 Year High Quality Government Fund***

This fund invests mainly in US government and agency securities and asset-backed securities. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. (Level 2 inputs).

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***FMLvT 1-3 Year High Quality Bond Fund***

This fund invests mainly in US government and agency securities and asset-backed securities. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. (Level 2 inputs).

***FMLvT Intermediate High Quality Bond Fund***

This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. (Level 2 inputs).

***U.S. Government Securities***

The City's investment policy allows investments in U.S. Treasury, but there were no U.S. Treasury Notes in the City's investment portfolio at September 30, 2018.

***U.S. Government Agencies***

Security prices were obtained from a pricing service, Interactive Data Corporation (IDC). The underlying securities have observable level 1 quoted pricing inputs or observable level 2 significant other observable pricing inputs.

***International Investments***

The City's investment portfolio allows investments in obligations of the government of Israel (State of Israel) and the single foreign obligation that is in the City's investment portfolio at September 30, 2018 is an Israel Jubilee Bond. The security prices were valued using a matrix pricing technique. Matrix pricing is used to value securities based on broker/dealer quotes (Level 2 inputs).

***Violations:***

There were no violations of the legal or contractual provisions for deposits and investments.

***Interest Rate Risk***

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The City's investment policy limits investments to those having a maturity, at the time of purchase, of less than five years. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2018.

***Credit Risk***

Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. The City's investment policy allows



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investments in U.S. Government sponsored agencies and enterprises, the Florida PRIME investment pool, interlocal investment pools, and the Florida Municipal Investment Trust. The ratings of the investments held at year end are shown above. All are rated within the policy guidelines.

***Concentration of Credit Risk***

In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The percentage allocation of each cash investment type in the portfolio is shown in the preceding information. The City's investment policy allows investment concentrations in various percentages for different types of investments. GASB Statement No. 40 requires disclosures when the percent is 5% or more of total investments position in any one issuer. As of September 30, 2018, the City had more than 5% invested with Florida PRIME, FLCLASS, FMIvT, Federal Home Loan Mortgage Corporation, and Federal Home Loan Bank. The percentage concentrations of investments from each issuer are shown above.

***Custodial Risk***

The City's investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2018, the City's investment portfolio was held with a third-party custodian.

**ii. Executive Employees' Retirement Plan**

At September 30, 2018, the Executive Employee's Retirement Plan (EERP) invested in securities and fixed income investments listed as follows:

Executive Employees' Retirement Plan Portfolio/Investments	Value	Weighted Average Maturity	Credit Rating	Percent Distribution
<b>Cash and short-term investments</b>	<b>\$ 179,482</b>			<b>0.40%</b>
FMIvT Core Plus Fixed Income Fund	5,384,475	7.00 years	Not rated	12.00%
FMIvT Broad Market High Quality Bond Fund	4,487,063	6.40 years	AAf/S4 Fitch	10.00%
FMIvT Large Cap Diversified Value Portfolio	17,050,838		Not rated	38.00%
FMIvT Diversified Small Cap Equity Portfolio	5,922,923		Not rated	13.20%
FMIvT International Equity Portfolio	7,762,618		Not rated	17.30%
FMIvT Core Real Estate	4,083,227		Not rated	9.10%
<b>Total Investments</b>	<b>44,691,144</b>			<b>99.60%</b>
<b>Total Cash and Investments</b>	<b>\$ 44,870,626</b>			<b>100.00%</b>

***Fair Value Hierarchy***

The investments are measured and reported at fair value and classified according to the following hierarchy:

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Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs.

The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank's (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

**At September 30, 2018, the investments by fair value level are:**

Investment Type	As of 9/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
FMIvT Broad Market High Quality Bond Fund	\$ 4,487,063	-	\$ 4,487,063	-
FMIvT Large Cap Diversified Value Portfolio	17,050,838	-	17,050,838	-
FMIvT Diversified Small Cap Equity Portfolio	5,922,923	-	5,922,923	-
FMIvT International Equity Portfolio	7,762,618	-	7,762,618	-
<b>Total Investments at Fair Value</b>	<b>35,223,442</b>	<b>\$ -</b>	<b>\$ 35,223,442</b>	<b>\$ -</b>

Investment at the net asset value (NAV) <sup>†</sup>	As of 9/30/2018	Redemption Frequency
FMIvT Core Real Estate	4,083,227	Quarterly
FMIvT Core Plus Fixed Income	5,384,475	Monthly
Total Investments measured at NAV	9,467,702	
<b>Total Investments</b>	<b>\$ 44,691,144</b>	

***FMIvT Broad Market High Quality Bond Fund***

This fund invests mainly in US government and agency securities, asset-backed securities and corporate bonds and notes. The underlying securities have observable Level 1 quoted pricing inputs or observable Level 2 significant other observable pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. Value is based on market-corroborated data. (Level 2 inputs).

***FMIvT Large Cap Diversified Value Portfolio***

This portfolio invests mainly in domestic stocks and in a single underlying fund, the Intech U.S. Broad Enhanced Plus Fund, LLC (Intech Fund), shares of which are not publicly traded. The majority of the underlying securities have observable Level 1 quoted pricing

<sup>†</sup> As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

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inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. Value is based on market-corroborated data. (Level 2 inputs).

***FMIvT Diversified Small to Mid Cap Equity Portfolio***

This portfolio invests mainly in domestic stocks. The majority of the underlying securities have observable Level 1 quoted pricing inputs. Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted market prices, the net asset value of the portfolio is not publicly quoted. Value is based on market-corroborated data. (Level 2 inputs).

***FMIvT International Equity Portfolio***

This portfolio invests in a single underlying fund, the Investec International Dynamic Equity Fund, LLC (Investec Fund), shares of which are not publicly quoted. The Investec Fund invests in stocks sold on U.S. and international exchanges, all of which have observable Level 1 quoted pricing inputs. The value of the portfolio's shares of the Intech Fund investment are determined based on the net asset value provided by the Investec Fund, which was calculated in accordance with generally accepted accounting principles. Value is based on market-corroborated data. (Level 2 inputs).

***FMIvT Core Real Estate Fund***

This portfolio invests in a single underlying fund, the Morgan Stanley Prime Property Fund (Morgan Stanley Fund), shares of which are not publicly quoted. The Morgan Stanley Fund invests in core real estate in the U.S. The value of the Morgan Stanley Fund investments was determined based on quarterly real estate appraisals, which were calculated in accordance with generally accepted accounting principles. Value is based on unobservable inputs (Level 3 inputs). This fund is reported at NAV as a practical expedient. There are no unfunded commitment requirements.

***FMIvT Core Plus Fixed Income Fund***

This fund invests in two underlying funds, the Franklin Templeton Global Multi-Sector Plus Fund, LP and the Pioneer Institutional Multi-Sector Fixed Income Portfolio, LLC. Shares of these funds are not publicly quoted. These underlying funds invest in a variety of financial instruments, including equity investments, asset-backed securities, debt securities, swaps, forward exchange contracts, credit-linked notes, escrow accounts, litigation trusts for both U.S. and foreign companies and governments. Value is based on unobservable inputs. (Level 3 inputs). This fund is reported at NAV as a practical expedient. There are no unfunded commitment requirements.

***Interest Rate Risk***

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. The EERP has a maximum maturity at purchase of 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days. Bankers' Acceptances maximum maturity

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shall not exceed 270 days from the time of purchase. Nonnegotiable certificates of deposit shall not exceed 2 years. No investments held in the portfolio exceed these limits.

***Credit Risk***

The EERP allows investments in Commercial Paper with A1/P1 or a comparable rating as provided by two of the top nationally recognized statistical rating organizations; and that the corporation's long-term debt, if any, is rated at least A1/A+ by a nationally recognized statistical rating organization or, if backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated at least AA (or comparable rating) by at least two of the nationally recognized statistical rating agencies publishing ratings for financial institutions. Banker's Acceptances issued with the U.S. by institutions with a long-term debt rating of at least AA or short term debt rating of P1 (or comparable rating) as provided by one nationally recognized statistical rating organization.

Nonnegotiable Certificates of Deposit must be rated at least A1/P1 (or comparable rating) and a long-term rating of a least A (or comparable rating) as provided by two of the top nationally recognized rating agencies. Guaranteed Investment Contracts must be rated in the highest category by AM Best Rating System or a comparable nationally recognized statistical rating organization. All investments held at September 30, 2018 in the portfolio met these requirements.

***Concentration of Credit Risk***

The EERP allows no more than \$5 million in certificates of deposit with any one depository at one time. Corporate fixed income securities are limited to no more than 3% of any one corporation at the time of purchase. No more than \$10 million in investment agreements with other financial institutions may be entered into with any one financial institution. GASB Statement No. 40 requires disclosures when the percent is 5% or more of fiduciary net position in any one issuer. As of September 30, 2018, all investments were within the allowable limits.

**iii. General Employees' Pension Plan**

At September 30, 2018, the General Employees' Pension Plan's (the Plan) portfolio consisted of the following securities and fixed income investments:

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General Employees' Pension Plan Portfolio/Investments	Value	Weighted Average Maturity	Credit Rating	Percent Distribution
Cash deposits	\$ 11,649,684			5.18%
Short-term investments	1,444,207			0.64%
<b>Total Cash and Short-Term Investments</b>	<b>13,093,891</b>			<b>5.82%</b>
U.S. Government Securities:				
U.S. Treasury Securities:				
U.S. Treasury bonds	10,388,004	7.69 years	Aaa Moody's	4.62%
U.S. Government Sponsored Agencies:				
Mortgage Backed Securities:				
		15.73 years		
Federal National Mortgage Association	133,819		Aaa Moody's	0.06%
Government National Mortgage Association	12,100		Aaa Moody's	0.01%
Federal Home Loan Mortgage Corporation	165,026		Aaa Moody's	0.07%
Corporate Bonds & Debentures:				
Corporate Obligations:				
		3.07 years		
Bonds	3,200,841		Aa Moody's	1.42%
Bonds	19,957,775		A Moody's	8.87%
Bonds	7,880,958		Baa Moody's	3.50%
Government issued commercial mortgage-backed securities	616,425	3.09 years	Aaa Moody's	0.27%
Stock and Convertible Securities:				
Common stock	74,375,094			33.04%
Convertible preferred stock	2,479,448			1.10%
Corporate convertible bonds	14,526,010			6.45%
Preferred stock	104,363			0.05%
Master limited partnership investments	3,053,997			1.36%
Real Estate Funds:				
Real estate direct investment partnership	9,701,655			4.31%
Real estate investment trust	6,859,221			3.05%
Commingled Funds:				
International equity fund	26,501,889			11.77%
Domestic equity fund	32,030,148			14.23%
<b>Total Investments</b>	<b>211,986,773</b>			<b>94.18%</b>
<b>Total Cash and Investments</b>	<b>\$ 225,080,664</b>			<b>100.00%</b>

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied Aa+ rating from Standard & Poor's.

***Fair Value Hierarchy***

The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs.

The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank's (primary external

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pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, mutual fund equities and Real Estate Investment Trusts (REITs).

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed, municipal bonds and corporate obligations, including asset backed securities.

The Plan has investments in alternative asset classes including commingled funds, master limited partnerships and a core real estate fund which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

**At September 30, 2018, the investments by fair value level are:**

Investment Type	As of 9/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
Corporate bonds and debentures	\$ 31,655,999	-	\$ 31,655,999	-
U.S. government securities	10,698,949	-	10,698,949	-
<b>Total Debt Securities</b>	<b>42,354,948</b>	<b>-</b>	<b>42,354,948</b>	<b>-</b>
Stock and convertible securities:				
Common stock	74,375,094	\$ 74,375,094	-	-
Convertible preferred stock	2,479,448	2,437,484	41,964	-
Preferred stock	104,363	104,363	-	-
Master limited partnership	1,525,522	1,525,522	-	-
Commingled equity funds	36,725,703	36,725,703	-	-
Corporate convertible bonds	14,526,010	14,526,010	-	-
<b>Total Stock and Convertible Securities</b>	<b>129,736,140</b>	<b>129,694,176</b>	<b>41,964</b>	<b>-</b>
<b>Total investments at fair value</b>	<b>\$ 172,091,088</b>	<b>\$ 129,694,176</b>	<b>\$ 42,396,912</b>	<b>\$ -</b>

Investment measured at the net asset value (NAV) <sup>‡</sup>	As of 9/30/2018	Redemption Frequency	Redemption Notice Period	Unfunded Commitments
Real estate direct investment partnership	\$ 9,701,655	Quarterly	30 Days	-
Real estate investment trust	6,859,221	Monthly	5 Days	-
Master limited partnership	1,528,475	Daily	N/A	-
Commingled funds	21,806,334	Daily	2 Days	-
<b>Total investments measured at NAV</b>	<b>39,895,685</b>			<b>-</b>
<b>Total investments</b>	<b>\$ 211,986,773</b>			<b>\$ -</b>

<sup>‡</sup> As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position

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***Real Estate Direct Investment Partnership***

This fund enters into real estate partnerships with various joint venture partners that provide management, leasing and construction-related services to the properties in which the Fund has an ownership interest. The funds are valued at net asset value.

***Real Estate Investment Trust***

This trust (REIT) owns, operates or finances income-producing real estate. For a company to qualify as a REIT, it must meet certain regulatory guidelines. REITs often trades on major exchanges like other securities and provide investors with a liquid stake in real estate.

***Master Limited Partnership***

This partnership (MLP) invest primarily in master limited partnerships as well as domestic common stocks or similar equity securities of high quality, financially secure companies listed on principal exchanges.

***Commingled Funds***

This fund consists of assets from several accounts that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment, diversification and professional money management.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to provide sufficient liquidity to pay obligations as they become due. Treasury inflation indexed securities are limited to ten year maturities. The weighted average maturity in years for each investment type at September 30, 2018, is included in the preceding information.

***Credit Risk***

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to have a minimum rating by two of the three major credit rating agencies. The minimum rating for corporate bonds is Baa2 (Moody's) or BBB (Standard & Poor's/Fitch). The minimum rating for short-term commercial paper/bankers acceptances is P-1 (Moody's), A-1 (Standard & Poor's) or F-1 (Fitch) with the issuer having a minimum long-term debt rating of A. The minimum rating for commercial mortgage-backed and asset-backed securities is Aaa (Moody's/Standard & Poor's) or AAA (Fitch). Further, the investment policy does not permit private mortgages or tax-exempt bonds. At September 30, 2018, the portfolio met the credit rating limitations of the investment policy as presented in the preceding information.

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***Concentration of Credit Risk***

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. The investment policy requires that corporate bond issues cannot represent more than 2% of the total bond portfolio. The policy further requires that corporate bond issues rated below A3/A- (Moody's/Standard & Poor's) cannot represent more than 20% of the total bond portfolio. GASB Statement No. 40 requires disclosures when the percent is 5% or more of fiduciary net position in any one issuer. At September 30, 2018, the portfolio met the corporate single issuer and quality ratings limitations of the policy.

***Custodial Credit Risk***

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or commingled funds.

***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is therefore, not exposed to foreign currency risk.

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

At September 30, 2018, the Police and Firefighter's Retirement System invested in the following securities and fixed income investments:



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Portfolio/Investments	Value	Weighted Avg Maturity	Credit Rating	Percent Distribution
Cash and Short-Term Investments				
Cash Deposits	\$ 488,481			0.12%
Short-term Investments	4,238,255			1.08%
<b>Total Cash and Short-Term Investments</b>	<b>4,726,736</b>			<b>1.20%</b>
Common Stock	135,253,113			34.47%
U.S. Government Securities				
U.S. Treasury Securities:				
U.S. Treasury notes	2,138,629	15.47 years	Aaa Moody's	0.55%
U.S. Treasury bonds	4,222,445		Aaa Moody's	1.08%
Municipal Provincial Securities:				
Municipal Provincial bonds	286,404	5.63 years	Aaa Moody's	0.07%
U.S. Government Sponsored Agencies:				
Mortgage-backed Securities				
Federal National Mortgage Association	8,139,477	26.67 years	Aaa Moody's	2.07%
Government National Mortgage Association	2,777,379		Aaa Moody's	0.71%
Federal Home Loan Mortgage Corporation	1,614,227		Aaa Moody's	0.41%
Foreign Government Agencies:				
Foreign Government Treasury Notes	286,770	3.71 years	Aa Moody's	0.07%
Corporate Bonds & Debentures:				
Corporate Obligations:				
Bonds	\$ 2,195,304	16.29 years	Aaa Moody's	0.56%
Bonds	2,786,688		Aa Moody's	0.71%
Bonds	8,039,675		A Moody's	2.05%
Bonds	10,008,373		Baa Moody's	2.55%
Bonds	2,075,523		Ba Moody's	0.53%
Bonds	6,781,594		B Moody's	1.73%
Bonds	2,960,381		Caa Moody's	0.75%
Bonds	637,508		Ca Moody's	0.16%
Bonds	36,112		C Moody's	0.01%
Bonds	3,130,831		Not rated	0.80%
Commercial Mortgage Backed Securities (CMBS):				
Asset Backed Securities:	634,485	27.63 years	Aaa Moody's	0.16%
ABS	1,394,131	3.38 years	Aaa Moody's	0.36%
ABS	1,117,305		Not rated	0.28%
Commingled Funds:				
Mutual funds	10,802,063			2.75%
Long/Short equity fund of funds	24,266,186			6.18%
International equity funds	63,557,502			16.20%
High yield fixed income fund	4,470,079			1.14%
Real Estate	25,488,249			6.50%
Private Equity	17,855,787			4.55%
Multi Asset Class	44,706,052			11.39%
<b>Total Investments</b>	<b>387,662,272</b>			<b>72.88%</b>
<b>Total Cash and Investments</b>	<b>\$ 392,389,008</b>			<b>100.00%</b>

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied AA+ rating from Standard & Poor's.

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***Fair Value Hierarchy***

The investments are measured and reported at fair value and classified according to the following hierarchy:

Level 1 – Investments reflect unadjusted quoted prices in active markets for identical assets.

Level 2 – Investments reflect prices that are based on inputs that are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active.

Level 3 – Investments reflect prices based upon unobservable inputs. The investment pricing transparency determines the category within the hierarchy and should not be observed as the investment risk. The custodian bank's (primary external pricing vendors) quoted prices were used to determine level classification based on the fair value hierarchy.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, mutual fund equities and REITs.

Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes U.S. Treasury bonds and notes, U.S. federal agencies, mortgage backed, municipal bonds and corporate obligations, including asset backed securities.

The Plan has investments in alternative asset classes including commingled funds and a real estate fund which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

**At September 30, 2018, the investments by fair value level are:**

Investment Type	As of 9/30/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 114,045,680	\$ 114,045,680	-	-
US government securities	19,178,561	-	\$ 19,178,561	-
Corporate bonds and debentures	21,522,678	-	21,522,678	-
Foreign government securities	286,770	-	286,770	-
Commingled funds	74,359,565	74,359,565	-	-
<b>Total investments at fair value</b>	<b>\$ 229,393,254</b>	<b>\$ 188,405,245</b>	<b>\$ 40,988,009</b>	<b>\$ -</b>

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Investment at the net asset value (NAV) <sup>§</sup>	As of 9/30/2018	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common stock (1)	21,207,433	-	Monthly	5 days
Corporate bonds and debentures (2)	20,275,232	-	Quarterly	90 days
Commingled Funds				
Commingled small cap equity fund (3)	24,266,186	-	Quarterly	65 days
High yield fixed income securities (4)	4,470,079	-	N/A	N/A
Total commingled funds	28,736,265	-		
Private equity (5)	17,855,787	\$ 70,742,233		
Multi asset class (6)	44,706,052	-		
Real estate direct investment partnership				
Real estate fund (7)	14,946,984	-	Quarterly	45 days
Private real estate fund (8)	10,541,265	2,390,397	N/A	N/A
Total real estate direct investment partnership	25,488,249	2,390,397		
<b>Total investments measured at NAV</b>	<b>158,269,018</b>	<b>73,132,630</b>		
<b>Total investments</b>	<b>\$ 387,662,272</b>	<b>\$ 73,132,630</b>		

***Common Stock***

This investment consists of warrants, rights and other derivatives instruments. These instruments are used opportunistically to gain exposure to certain stocks when purchasing the underlying physical security is either difficult or too expensive. They are used sparingly, and rarely consist of more than a few percent of the portfolio's total assets. The overall portfolio is highly liquid, and redeemable with daily liquidity, and five days' notice.

***Corporate Bonds and Debentures***

These are financial assets which are issued by the borrowing company, for a price which is equal to, less than, or more than, its face value, but are not one and the same.

***Commingled Funds***

This fund consists of assets from several accounts that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment, diversification, and professional money management.

***High Yield Fixed Income Securities***

These securities are a composite of yield bonds that are a higher paying bond with a lower credit rating than investment grade corporate bonds, Treasury bonds and municipal bonds. Because of the higher risk of default, these bonds pay a higher yield than investment grade bonds.

***Private Equity***

This is equity that share representing ownership of an interest in an entity that is not publicly listed or traded.

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<sup>§</sup> As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the Statement of Fiduciary Net Position.

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***Multi asset class***

This is a combination of asset classes such as cash, equity or bonds, used as an investment. It contains more than one asset class, creating a group, or portfolio of assets.

***Real estate fund***

This fund enters into real estate partnerships with various joint venture partners that provide management, leasing and construction-related services to the properties in which the Fund has an ownership interest. The fund is valued at net asset value.

***Private real estate fund***

The portfolio consists primarily of direct investments in privately negotiated real estate transactions. The portfolio is valued quarterly at net asset value.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to match anticipated cash flow requirements in order to pay obligations when due. The weighted average maturity as of September 30, 2018, in years, for each investment type is included in the preceding information.

***Credit Risk***

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to maintain a weighted average credit quality rating of A or better. The policy further limits high yield fixed income securities to 3% of the portfolio. The investment policy does not permit private placement bonds, except for Rule 144A securities of U.S. issuers which are limited to 10% percent of the portfolio. At September 30, 2018, for those where ratings are available, the portfolio met the credit rating limitations of the policy.

***Concentration of Credit Risk***

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. GASB Statement No. 40 requires disclosures when the percent is more than 5% of the fiduciary net position in any one issuer. At September 30, 2018, the portfolio met the corporate single issuer and quality ratings limitation of the policy.

***Custodial Credit Risk***

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or commingled funds in the name of the Plan.

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***Foreign Currency Risk***

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy permits a maximum of 10% of the fair value of the fixed income portfolio to be invested in Yankee securities (foreign issuers of U.S. dollar-denominated debt). At September 30, 2018, less than 3.6% of the fair value of the fixed income portfolio was invested in Yankee securities, which met the limitations of the policy. The Plan is not subject to foreign currency risk.

**D. Risks and Uncertainties – Pension Trust Funds**

The Plans invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the statement of fiduciary net position for each Plan. The Plans, through their investment advisors, monitor Plan investments and the risks associated therewith on a regular basis which each Plan believes minimizes these risks.

Contributions to the Plans are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

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**4. Receivables and Payables**

**A. Notes Receivable**

On February 2, 2018, the City entered into an interlocal agreement with the Greater Boca Raton Beach and Park District (District) to provide funding to the District for the acquisition of real property (Ocean Breeze Property) for the development of a public golf course. The District will reimburse the City for all associated costs, including all principal and interest payments, legal, and other fees related to the 15-year \$19.1 million bonds issued on February 23, 2018. The Note is secured by the City's pledge of its non ad valorem revenues. The City holds title to the property for as long as the Note remains outstanding. Upon full reimbursement by the District to the City, the City shall convey to the District the title and interest in the Ocean Breeze property, known as the Boca Raton National Golf Course.

**B. Accounts Receivable**

Accounts receivable as of the fiscal year-end for the City's individual major and non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental	General	Community Redevelopment Agency/ Mizner Park Revenue	Five Year Capital Improvement	Greater Boca Raton Beach & Park District	Other Governmental	Internal Services	Total
Receivables:							
Accounts, net	\$ 4,913,596		\$ 31,840	\$ 820	\$ 6,718	\$ 272,326	\$ 5,225,300
Assessments					186,643		186,643
Lease revenues		\$ 14,214,453					14,214,453
Interest on investments	155,771	7,197	43,386		110,715	182,919	499,988
<b>Net governmental receivables</b>	<b>\$ 5,069,367</b>	<b>\$ 14,221,650</b>	<b>\$ 75,226</b>	<b>\$ 820</b>	<b>\$ 304,076</b>	<b>\$ 455,245</b>	<b>\$ 20,126,384</b>

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

Business-type	Water & Sewer	Other Enterprise	Total
Receivables:			
Accounts, net	\$ 8,083,715	\$ 1,522,037	\$ 9,605,752
Assessments	1,230,290		1,230,290
Interest on assessments	98,822		98,822
Interest on investments	274,116	27,779	301,895
<b>Net business-type receivables</b>	<b>\$ 9,686,943</b>	<b>\$ 1,549,816</b>	<b>\$ 11,236,759</b>

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**C. Accounts Payable**

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

Governmental Payables	General	Five Year Capital Improvement	Beach and Park Operations	Other Governmental	Internal Services	Total
Payables:						
Vendors	\$ 6,122,340	\$ 1,567,529	\$ 255,224	\$ 990,098	\$ 1,637,028	\$ 10,572,219
Salaries and benefits	3,528,419		306,374	28,942	329,683	4,193,418
<b>Governmental payables</b>	<b>\$ 9,650,759</b>	<b>\$ 1,567,529</b>	<b>\$ 561,598</b>	<b>\$ 1,019,040</b>	<b>\$ 1,966,711</b>	<b>\$ 14,765,637</b>

Accounts payable and accrued liabilities for the City's business-type activities, including individual major funds, are as follows:

Business-type	Water & Sewer	Other Enterprise	Total
Payables			
Vendors	\$ 3,578,499	\$ 228,341	\$ 3,806,840
Salaries and benefits	459,975	177,350	637,325
<b>Business-type payables</b>	<b>\$ 4,038,474</b>	<b>\$ 405,691</b>	<b>\$ 4,444,165</b>

**5. Encumbrances**

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances from fiscal year 2018 that were re-appropriated on October 1, 2018 were:

Fund	Encumbrances
Major funds:	
General Fund	\$ 1,508,753
Five Year Capital Improvement Fund	3,775,527
<b>Total Major funds</b>	<b>5,284,280</b>
Non-Major Governmental Funds	5,808,878
<b>Total Encumbrances</b>	<b>\$ 11,093,158</b>

**CITY OF BOCA RATON, FLORIDA**  
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**6. Capital Assets**

The following is a summary of capital asset activity for the fiscal year ended September 30, 2018:

Governmental activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated/amortized:					
Land	\$ 138,135,702				\$ 138,135,702
Construction in progress	1,034,882	\$ 2,701,300		\$ 1,177,095	2,559,087
<b>Total capital assets not being depreciated/amortized</b>	<b>139,170,584</b>	<b>2,701,300</b>	<b>-</b>	<b>1,177,095</b>	<b>140,694,789</b>
Capital assets being depreciated/amortized:					
Buildings	92,457,529	181,156			92,638,685
Improvements other than buildings	60,563,548	1,001,121			61,564,669
Equipment	62,190,134	6,413,585	\$ 34,834	3,847,494	64,791,059
Intangible	2,467,468	43,753		307,040	2,204,181
Infrastructure	375,911,114	-			375,911,114
<b>Total capital assets being depreciated/amortized</b>	<b>593,589,793</b>	<b>7,639,615</b>	<b>34,834</b>	<b>4,154,534</b>	<b>597,109,708</b>
Less accumulated depreciation/amortization for:					
Buildings	38,785,772	2,673,735			41,459,507
Improvements other than buildings	31,318,215	2,273,508			33,591,723
Equipment	42,831,158	5,172,966	34,834	3,811,954	44,227,004
Intangible	2,431,189	20,247		307,040	2,144,396
Infrastructure	221,860,260	9,234,109			231,094,369
<b>Total accumulated depreciation/amortization</b>	<b>337,226,594</b>	<b>19,374,565</b>	<b>34,834</b>	<b>4,118,994</b>	<b>352,516,999</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>256,363,199</b>	<b>(11,734,950)</b>	<b>-</b>	<b>35,540</b>	<b>244,592,709</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 395,533,783</b>	<b>\$ (9,033,650)</b>	<b>\$ -</b>	<b>\$ 1,212,635</b>	<b>\$ 385,287,498</b>

Business-type activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Water and sewer					
Capital assets not being depreciated/amortized:					
Land	\$ 245,873				\$ 245,873
Construction in progress	27,340,118	\$ 9,133,052		\$ 13,454,426	23,018,744
<b>Total capital assets not being depreciated/amortized</b>	<b>27,585,991</b>	<b>9,133,052</b>	<b>-</b>	<b>13,454,426</b>	<b>23,264,617</b>
Capital assets being depreciated/amortized:					
Utility plant in service	378,343,313	13,193,806			391,537,119
Equipment	54,107,236	1,117,699		250,411	54,974,524
Intangible	3,541,626				3,541,626
<b>Total capital assets being depreciated/amortized</b>	<b>435,992,175</b>	<b>14,311,505</b>	<b>-</b>	<b>250,411</b>	<b>450,053,269</b>
Less accumulated depreciation/amortization for:					
Utility plant in service	197,305,375	10,899,345			208,204,720
Equipment	28,312,328	2,538,826		250,411	30,600,743
Intangible	1,472,972	173,593			1,646,565
<b>Total accumulated depreciation/amortization</b>	<b>227,090,675</b>	<b>13,611,764</b>	<b>-</b>	<b>250,411</b>	<b>240,452,028</b>
<b>Total capital assets being depreciated/amortized, net</b>	<b>208,901,500</b>	<b>699,741</b>	<b>-</b>	<b>-</b>	<b>209,601,241</b>
<b>Total water and sewer capital assets, net</b>	<b>\$ 236,487,491</b>	<b>\$ 9,832,793</b>	<b>\$ -</b>	<b>\$ 13,454,426</b>	<b>\$ 232,865,858</b>



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Non-major funds, business-type activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 586,735				\$ 586,735
Construction in progress	106,309			\$ 106,309	-
<b>Total capital assets not being depreciated</b>	<b>693,044</b>	<b>-</b>	<b>-</b>	<b>106,309</b>	<b>586,735</b>
Capital assets being depreciated:					
Buildings	2,259,661				2,259,661
Improvements other than buildings	21,610,219				21,610,219
Equipment	10,936,881	\$ 1,556,750	\$(34,834)	270,407	12,188,390
<b>Total capital assets being depreciated</b>	<b>34,806,761</b>	<b>1,556,750</b>	<b>(34,834)</b>	<b>270,407</b>	<b>36,058,270</b>
Less accumulated depreciation for:					
Buildings	1,699,276	59,221			1,758,497
Improvements other than buildings	7,666,054	658,420			8,324,474
Equipment	6,008,722	932,366	(34,834)	270,407	6,670,681
<b>Total accumulated depreciation</b>	<b>15,374,052</b>	<b>1,650,007</b>	<b>(34,834)</b>	<b>270,407</b>	<b>16,753,652</b>
<b>Total capital assets being depreciated, net</b>	<b>19,432,709</b>	<b>(93,257)</b>	<b>-</b>	<b>-</b>	<b>19,304,618</b>
<b>Total non-major funds, capital assets, net</b>	<b>20,125,753</b>	<b>(93,257)</b>	<b>-</b>	<b>106,309</b>	<b>19,891,353</b>
<b>Total business-type activities, capital assets, net</b>	<b>\$ 256,613,244</b>	<b>\$ 9,739,536</b>	<b>\$ -</b>	<b>\$ 13,560,735</b>	<b>\$ 252,792,045</b>

Depreciation/amortization expense was charged to function / programs of the primary government as follows:

Category	Depr & Amort Expense
Governmental activities:	
General government	\$ 348,731
Law enforcement	1,356,277
Fire rescue	1,512,084
Physical environment	52,742
Transportation, including depreciation of general infrastructure assets	10,131,510
Community development	159,857
Parks and recreation	2,373,617
<b>Subtotal</b>	<b>15,934,818</b>
Depreciation and amortization of the capital assets held by the government's Internal Service Funds charged to the various functions based on their usage of the assets	3,439,747
<b>Total depreciation/amortization expense, governmental activities</b>	<b>19,374,565</b>
Business-type activities:	
Water and sewer depreciation	13,438,171
Water and sewer amortization	173,593
<b>Total water and sewer</b>	<b>13,611,764</b>
Cemetery	64,185
Golf course	81,972
Stormwater utility	666,124
Sanitation	837,724
<b>Total depreciation and amortization expense, business-type activities</b>	<b>15,261,769</b>
<b>Total government wide depreciation and amortization expense</b>	<b>\$ 34,636,334</b>

**Construction and Purchase Commitments:**

The City has active construction projects as of September 30, 2018. The projects include street and traffic projects and various water, wastewater and drainage projects. In

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addition, the City has outstanding purchase commitments for engineering and design services. At fiscal year-end, the City's significant commitments with contractors are as follows:

Project	Spent to-date	Remaining Commitment
Street and traffic projects	\$ 13,068,019	\$ 1,592,007
Water, wastewater and drainage projects	86,124,957	21,968,208
<b>Total</b>	<b><u>\$ 99,192,976</u></b>	<b><u>\$ 23,560,215</u></b>

The water and sewer improvements are financed through revenue bonds from system revenues. All other commitments are financed from existing City resources.

**7. Deferred Outflows and Inflows**

Deferred outflows and inflows as of the fiscal year-end as presented on the City's fund-level and government-wide statements in the aggregate, are as follows:

Deferred Outflows:	Fund-Level Statements	Government-Wide Statements
Deferred charge on refunding of bonds	\$ 749,517	\$ 1,379,199
Deferred outflows for pensions	5,058,556	52,525,368
<b>Total deferred outflows</b>	<b><u>\$ 5,808,073</u></b>	<b><u>\$ 53,904,567</u></b>

Deferred Inflows:	Fund-Level Statements	Government-Wide Statements
Unavailable revenue	\$ 14,302,300	
Deferred inflows for pensions	3,350,716	\$ 21,758,054
Deferred inflows for OPEB	25,490	117,426
<b>Total deferred inflows</b>	<b><u>\$ 17,678,506</u></b>	<b><u>\$ 21,875,480</u></b>

**8. Capital Contributions (System Development or Impact Fees)**

Capital contributions are fees designed to recover the cost of providing capacity for new customers. The fees represent a major source of financing for the Water and Sewer System (System) and will provide a significant portion of the debt service coverage for the 2008 and 2009 Revenue Bonds. A Florida State Supreme Court decision outlined the basic requirements of an equitable System Development Charge structure. These requirements are as follows:

- System development charges must reflect a pro rata share of the cost of new capacity.
- System development charges revenue may be applied only to capital projects expressly designed to expand System capacity.
- Anticipated system development charge revenues may not exceed the costs to be incurred by the municipality in expanding capacity to accommodate new users of the System.

The City's system development charge structure, implemented in 1980, was designed to comply with this decision. Compliance is achieved in the following manner:

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- The Consulting Engineers have reviewed the proposed Capital Improvement Program and identified the expansion portions of the program directed as providing capacity for growth.
- The debt service associated with the cost of providing for this growth will be met through system development charges from new customers and the capital recovery portion of the rates paid by new customers.
- System development charge revenues will be utilized solely for meeting construction costs or annual debt service or for early retirement of debt specifically designated for System expansion.

A computerized model has been developed to verify the validity of this approach. It is the City's intent to utilize this model to make necessary adjustments in the system development charge schedule from time to time to ensure that compliance with fee objectives is maintained.

The City has classified system development charges as capital contributions (non-operating revenue) as the fees are revenues which are incidental to the Water and Sewer Enterprise Fund's primary service activities which are provision of potable water and processing of wastewater.

**9. Long Term Debt**

**A. General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City as a whole and not its individual funds. In each year that debt is outstanding, an ad valorem tax is levied equal to principal and interest due. No reserves are maintained. These bonds generally are issued as 20-year serial bonds.

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

The City issues bonds where the City pledges income derived from the operations of the water and sewer system and a system development charge of the water and sewer system to pay debt service.

**C. Governmental Activities Revenue Bonds**

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

**D. Special Assessment Bonds**

The City issues special assessment debt to finance capital improvements in the Downtown District where both principal and interest are payable from pledged funds, which consist of special assessment proceeds on the benefitted property owners in the Downtown District. In the event that the pledged funds are insufficient to make the debt service payments, the City has committed to make an annual appropriation of available non-ad valorem revenues to make up any deficiencies.

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On September 25, 2017 the City Council adopted Resolution No. 115-2017, which equalized and adopted the special assessment roll for the Downtown Special Assessment and established the special assessment amounts due January 1, 2018. During the fiscal year, the City assessed \$1,496,211 and collected \$1,443,625 which was 96.49% of the assessment levied.

**E. Tax Increment Revenue Bonds**

The Boca Raton Community Redevelopment Agency (CRA or Agency) issued tax increment revenue bonds in a prior year to fund capital projects at Mizner Park. The Agency bonds are secured by a pledge of, and lien on, the pledged revenues as provided in the Agency resolution and on the deficiency payments received by the Agency pursuant to the Interlocal Agreement with the City. Pledged revenues consist of tax increment revenues and future land lease revenues of the Agency and the public service taxes (deficiency payments) of the City. In the event sufficient savings from the issuance of the Agency Bonds are realized, the Agency may use such savings to finance capital projects in Mizner Park, which would constitute public infrastructure or park improvements.

**F. Outstanding Bonds and Loans Payable**

Governmental activities bonds and loans outstanding at September 30, 2018 consist of the following:

Governmental activities	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
General Obligation (GO) Bonds:					
Series 2010	Improvement	\$ 9,225,000	\$ 6,370,000	3.00 – 4.00%	\$ 670,700
Series 2011 Refunding	Improvement	9,525,000	4,325,000	2.00 – 5.00%	1,223,500
Series 2011 Refunding	Improvement	6,060,000	2,535,000	2.00 – 3.00%	684,900
Series 2014 Refunding	Refunding	12,560,000	4,265,000	1.52%	2,184,828
<b>Total General Obligation Bonds</b>		<b>37,370,000</b>	<b>17,495,000</b>		
Special Assessment (SA) Bonds:					
Series 2009, Refunding	Refunding	11,205,000	4,165,000	2.00 – 4.25%	1,162,388
Series 2010	Improvement	3,705,000	2,695,000	2.00 – 4.125%	286,769
<b>Total Special Assessment Bonds</b>		<b>14,910,000</b>	<b>6,860,000</b>		
Revenue Bond:					
Series 2018	Long Term Advance	19,100,000	18,705,000	2.64%	1,617,788
Tax Increment Revenue Bonds:					
Series 1998, Refunding**	Refunding	72,560,168	6,566,021	3.60 – 5.00%	6,620,000
<b>Total for Governmental Activities</b>		<b>\$143,940,168</b>	<b>\$ 49,626,021</b>		

\*\* Account outstanding Includes \$4,116,422 of accreted interest on Capital Appreciation Bonds

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Business-type activities bonds outstanding at September 30, 2018 consist of the following:

Business-type activities	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
Utility system revenue bonds:					
Series 2008	Refunding	\$ 40,040,000	\$ 6,220,000	3.00 – 5.00%	\$ 3,359,675
Series 2009	Refunding	8,485,000	1,010,000	2.50 – 4.00%	1,028,675
Series 2015	Refunding	15,555,000	15,210,000	2.26%	1,703,225
<b>Total for Business-type Activities</b>		<b>\$ 64,080,000</b>	<b>\$ 22,440,000</b>		

Long-term bonds and loans payable activity for the fiscal year ended September 30, 2018 was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Bonds and notes payable:					
General obligation bonds	\$ 21,550,000		\$ 4,055,000	\$ 17,495,000	\$ 4,170,000
Tax increment revenue bonds	4,991,612		2,542,013	2,449,599	2,449,599
Accretion	7,744,142	450,266	4,077,986	4,116,422	
Special assessment bonds	7,955,000		1,095,000	6,860,000	1,155,000
Revenue bonds		\$ 19,100,000	395,000	18,705,000	1,120,000
Net premium on bonds	1,301,363	(47,750)	214,851	1,038,762	
<b>Total governmental bonds and loans payable, net</b>	<b>\$ 43,542,117</b>	<b>\$ 19,502,516</b>	<b>\$ 12,379,850</b>	<b>\$ 50,664,783</b>	<b>\$ 8,894,599</b>

Business-type activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Water and Sewer:					
Revenue bonds	\$ 26,625,000		\$ 4,185,000	\$ 22,440,000	\$ 4,375,000
Net premium on bonds	310,472		116,806	193,666	
<b>Total business-type bonds and loans payable, net</b>	<b>\$ 26,935,472</b>	<b>\$ -</b>	<b>\$ 4,301,806</b>	<b>\$ 22,633,666</b>	<b>\$ 4,375,000</b>

Other long-term liability activity for the fiscal year ended September 30, 2018 was as follows:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Governmental activities:					
Compensated absences	\$ 16,208,953	\$ 16,419,606	\$ 15,617,305	\$ 17,011,254	\$ 4,170,000
Net OPEB obligation	2,111,664		2,111,664	-	
Total OPEB liability	-	4,154,648		4,154,648	
Net pension liability	128,898,071		8,989,150	119,908,921	
Estimated liability for self-insurance losses	9,360,000	12,379,675	12,166,675	9,573,000	
<b>Total governmental activities, long-term liabilities</b>	<b>\$ 156,578,688</b>	<b>\$ 32,953,929</b>	<b>\$ 38,884,794</b>	<b>\$ 150,647,823</b>	<b>\$ 4,170,000</b>

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Business-type activities	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Water and Sewer:					
Compensated absences	\$ 1,350,966	\$ 67,508	\$ 9,775	\$ 1,408,699	\$ 140,870
Net OPEB obligation	297,281		297,281	-	
Total OPEB liability	-	562,563		562,563	
Net pension liability	3,445,916	2,358,864	3,445,916	2,358,864	
Total water and sewer	5,094,163	2,988,935	3,752,972	4,330,126	140,870
Other business-type activities:					
Compensated absences	778,368	123,520	85,482	816,406	81,640
Net OPEB obligation	155,055		155,055	-	
Total OPEB liability	-	299,893		299,893	
Net pension liability	1,103,394	680,906	1,103,394	680,906	
Total other business-type activities	2,036,817	1,104,319	1,343,931	1,797,205	81,640
<b>Total business-type activities, long-term liabilities</b>	<b>\$ 7,130,980</b>	<b>\$ 4,093,254</b>	<b>\$ 5,096,903</b>	<b>\$ 6,127,331</b>	<b>\$ 222,510</b>

Summary of Annual Debt Service Requirements:

**Governmental Activities:**

Fiscal Year Ending September 30,	General Obligation Bond Principal	General Obligation Bond Interest	Special Assessment Bond Principal	Special Assessment Bond Interest	Tax Increment Bond Principal	Tax Increment Bond Interest	Tax Increment Bond Accretion	Revenue Bond Principal	Revenue Bond Interest
2019	\$ 4,170,000	\$ 589,678	\$ 1,155,000	\$ 271,269	\$ 2,449,599	\$ 4,170,401	\$ 53,979	\$ 1,120,000	\$ 493,812
2020	4,260,000	477,704	1,205,000	226,688				1,150,000	464,244
2021	2,215,000	356,200	1,260,000	179,438				1,180,000	433,884
2022	2,305,000	262,900	1,320,000	128,681				1,215,000	402,732
2023	505,000	165,700	210,000	74,119				1,245,000	370,656
2024-2028	2,780,000	561,625	1,175,000	249,207				6,735,000	1,342,552
2028-2031	1,260,000	76,000	535,000	33,088				6,060,000	405,240
<b>Total</b>	<b>\$ 17,495,000</b>	<b>\$ 2,489,807</b>	<b>\$ 6,860,000</b>	<b>\$ 1,162,490</b>	<b>\$ 2,449,599</b>	<b>\$ 4,170,401</b>	<b>\$ 53,979</b>	<b>\$ 18,705,000</b>	<b>\$ 3,913,120</b>

**Business-type Activities:**

Fiscal Year Ending September 30,	Principal	Interest
2019	\$ 4,375,000	\$ 555,471
2020	3,470,000	424,564
2021	3,590,000	308,028
2022	1,470,000	232,102
2023	1,500,000	198,541
2024-2028	8,035,000	462,114
<b>Total</b>	<b>\$ 22,440,000</b>	<b>\$ 2,180,820</b>

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**G. Compensated Absences and Other Post Employment Benefit Obligations**

Accumulated compensated absences and other post employment benefit obligations are recorded in the government-wide and proprietary financial statements when earned. Expenditures are recorded in the governmental funds when paid. Each fund pays pension costs in proportion to the payroll costs incurred.

**H. Water and Sewer System Bond Covenants**

The Water and Sewer System (the System) bond ordinances provide for two separate revenue flows to meet the needs of the System operations, reserves and debt service. System Development Charges (impact fees) are deposited into separate accounts. An annual calculation determines the portion of the charge to be transferred to the debt service fund. Impact fees are restricted to payment of debt service related to the construction of new plant capacity. Impact fees may not be used for operations (see Note 8).

First, operating revenue of the System is used to meet the operations and maintenance requirements. Next, revenue is used to pay any portion of the bond interest, principal and reserve requirements not paid from impact fees. Next, an amount not less than 5% of the prior year's revenue is transferred to the System's renewal and replacement fund until the balance in the fund totals 1% of gross book value of assets of the System. Revenue is then used to fund an operation and maintenance reserve fund, which is maintained at a level equal to 1/12 of the operating budget. Remaining monies can be used for any legal City purpose.

At September 30, 2018, all reserves including the bond reserve account were fully funded. The rate structure is calculated annually to assure adequate coverage of all requirements.

**I. Tax Increment Revenue Bond Covenants**

**Mizner Park Project:**

The Community Redevelopment Agency bonds are secured by a pledge of, and a lien on, the pledged revenues as provided in the resolution and on the deficiency payments received by the Agency pursuant to an interlocal agreement with the City. Pledged revenues consist of tax increment revenues and future land lease revenues of the Agency and the public service taxes of the City. In the event that the tax increment revenues and the future lease revenues are insufficient to pay the required obligations under the Agency bonds, then the City is required to pay the Agency from available public service taxes an amount equal to any deficit in the amounts required to be on deposit in the sinking fund established under the bond resolution.

The Agency has leased the Mizner Park Project to a developer who has constructed a cultural, commercial and residential facility. The lease is an operating lease with scheduled rent increases over the life of the lease. The lease has a term of 99 years and requires minimum fixed future rentals of \$1,442,500 in 2019 and \$1,810,000 in 2020, 2021, 2022, and 2023 and \$115,895,833 in total there after, plus contingent rentals. Contingent rentals are the greater of the minimum fixed amount or 15% of the tenant's net

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operating income as defined in each lease agreement. In fiscal year 2018, rental income amounted to \$1,908,824 including the contingent rental payment of \$728,824.

The ability of the tenant to pay the Agency the lease revenues is dependent upon their ability to sublease the commercial facilities constructed thereon and such other guarantees contracted by the Agency. The Agency has an unsubordinated claim on the buildings constructed under the lease prior to the mortgage holder. All portions of the project have been constructed.

Management monitors the collection of pledged revenues to comply with the bond resolution. Tax increment and lease revenue payments of contingent rentals from the developer began in 2001 and are available for debt service. Management cannot presently make a reliable estimate of future contingent rentals. If lease rental and tax increment revenues are not sufficient for debt service, the City's pledge of public service tax would be required to be used for the repayment of the debt service.

Based on current information, management believes that there will be no future deficiencies in tax increment and lease revenues that will require the use of the City's public service tax revenues. The City's public service (excise) tax was increased from 8.5% to 10% effective January 1, 1997. The tax is levied on electric and water service and on the purchase of natural gas. The increase in revenues through September 30, 2004 was segregated into a special revenue lock box fund to cover future deficiencies in the pledged revenues for the debt service payments for the Mizner Park bonds. The City has restricted \$6,233,079 in the special revenue Mizner Park Lock Box Fund at September 30, 2018 to cover future deficiencies in the pledged revenues.

The City, in prior fiscal years, had advanced \$7,729,500 to the CRA from the Mizner Park Lock Box Fund to cover deficiencies in pledged revenues for principal and interest payments. In addition, the City, pursuant to interlocal agreements, advanced funds for operations and maintenance. During the 2018 fiscal year, the CRA repaid \$3 million to the City resulting in an outstanding balance of approximately \$24.5 million.



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**J. Pledged Revenues**

The City issues bonds that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds as of September 30, 2018 are as follows:

	Special Assessment (Governmental)	Tax Increment (Governmental)	Water & Sewer Revenues (Business Type)
Current revenue pledged	\$ 1,519,976	\$ 14,397,970	\$ 20,028,451
Current debt service	1,408,269	6,620,000	4,909,074
Total future revenues pledged	8,022,490	6,620,000	24,620,820
Description of debt	Special Assessment Refunding & Improvement Bonds, Series 2009-2010 (Visions 90 Projects)	Tax Increment Bonds, Series 1998 (Mizner Park Project)	Water and Sewer Utility Revenue Bonds, issued 2008, 2009 & 2015
Purpose of debt	Series 2009, to refund Special Assessment Bonds, Series 2001; Series 2010, to finance certain improvements within the Downtown District	To refund Tax Increment Bonds, Series 1992	Construction and Refunding
Term of commitment	2010-2030	1998-2018	2008-2020
Percentage of debt service to pledged revenues (current year)	93%	46%	25%

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

**K. Defeasance of Debt**

The City defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's general purpose financial statements. At September 30, 2018, \$13,210,000 of bonds outstanding is considered defeased.

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**10. Employee Retirement Systems**

The City of Boca Raton sponsors three defined benefit plans – General Employees’ Pension Plan, Police and Firefighters’ Retirement System and the Executive Employees’ Retirement Plan. The General Employees’ Pension Plan, the Police and Firefighters’ Retirement System and the Executive Employees’ Retirement Plan each issue a publicly available audited GAAP financial report that includes financial statements and required supplementary information. The information reported below is a brief summary of information reported in more detail in the independently published financial statements for each pension plan. Copies of these reports are available at City Hall in the Financial Services Department, Room 160, located at 201 West Palmetto Park Road, Boca Raton, FL 33432.

The pension plans’ financial statements are prepared using the accrual basis of accounting. Contributions from members are recognized in the period the City makes payroll deductions from participants. City contributions to each Plan are recognized when due as determined actuarially and are remitted on a monthly basis along with the members’ contributions. The City has made a formal commitment to provide the contributions to the pension plans. Benefit payments and refunds to members are recognized when due and payable in accordance with the terms of each plan.

**Current Membership of Pension Plans:**

Current membership, at September 30, 2018 in the General Employees’ Pension Plan, Police and Firefighters’ Retirement System and Executive Employees’ Retirement Plan, is comprised of the following:

Member Type	General Employees’ Pension Plan	Police and Firefighters’ Retirement System	Executive Employees’ Retirement Plan
Inactive plan members/beneficiaries			
currently receiving benefits	552	328	35
Inactive plan members entitled to, but not yet receiving, benefits	38	16	11
Active plan members	621	382	49
Pending refunds			2
<b>Total</b>	<b>1,211</b>	<b>726</b>	<b>97</b>

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

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Pension Plan	Measurement Date	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense/ (Income)
General Employees' Pension Plan	9/30/17	\$ 5,362,609	\$ 11,225,351	\$ 8,084,652	\$ 1,654,938
Police and Firefighters' Retirement System	9/30/17	106,701,610	36,219,140	11,307,908	8,960,107
Executive Employees' Retirement Plan	9/30/17	10,884,472	5,080,877	2,365,494	(185,894)
<b>Total</b>		<b>\$ 122,948,691</b>	<b>\$ 52,525,368</b>	<b>\$ 21,758,054</b>	<b>\$ 10,429,151</b>

**A. General Employees' Pension Plan**

**Plan Description:**

The General Employees' Pension Plan (GE Plan) is a single-employer defined benefit plan administered by a Board of Trustees (the Board) that covers all regular full-time City employees except police, fire, and executive management employees. The Board consists of eight trustees, each serving a term of three years. Four of the trustees are Plan members who are elected by members of the Plan and the other four trustees are appointed by City Council. The GE Plan was established by Ordinance No.1806, adopted April 17, 1973, by City Council. The GE Plan is also governed by Chapter 112, Florida Statutes. The Plan issued a publicly available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained online at <https://myboca.us/> or by writing to:

General Employees' Pension Plan  
Boca Raton City Hall, Suite 230  
201 West Palmetto Park Road  
Boca Raton, Florida 33432

The GE Plan is divided into three levels of benefit- Plan A, Plan B and Plan C. Employees hired prior to October 1, 1987 are enrolled in GE Plan A. Employees hired from October 1, 1987 to October 31, 2007 or transferred from GE Plan A are enrolled in GE Plan B. Employees hired on or after November 1, 2007, or who elect to transfer from GE Plan A or B, may enroll in GE Plan C or the City's defined contribution plan. On an ongoing basis, all assets accumulated for the payment of benefits may legally be used to pay benefits to members or beneficiaries of GE Plan A, B and C.

**Benefits Provided:**

Retirement benefits are calculated by multiplying the member's earnings averaged over five years times the member's years of continuous service times a multiplier determined by their plan level.

Members become eligible for unreduced benefits upon the attainment of age 65, without regard to service, age 55 with the completion of 20 years of continuous service, or age 53 with the completion of 30 years of continuous service. GE Plan A and B participants utilize a 3.00% multiplier and GE Plan C participants utilize a 1.75% multiplier.

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Members become eligible for a Rule 68 retirement benefit when age plus service equals 68 and requires a minimum age of 50 and minimum continuous service of 15 years. For the Rule of 68 retirement option, GE Plan A participants utilize a 2.5% multiplier. GE Plan B and C participants utilize a 1.50% multiplier.

Members qualify for alternate unreduced early retirement upon the attainment of age 55 and minimum continuous service of 15 years. GE Plan A and B participants utilize a 2% multiplier. GE Plan C participants utilize a 1.75% multiplier.

Members qualify for early retirement benefits upon attaining age 50 with 20 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year early retirement precedes the normal retirement age 55.

Active employees who become disabled receive 60% (50% of earnings for disabilities incurred away from work) of the monthly earnings in effect at the time of disability, reduced by workers' compensation or any public disability benefits to which the member is entitled. Disability benefits are paid until the earlier of death, recovery, or the end of the maximum benefit period. The maximum benefit period is until age 65 if the member became disabled prior to attainment of age 60 or for 60 months if the member became disabled after the attainment of age 60.

If an employee dies while an active member or on disability, the benefit is equal to 3.5 times the member's annual earnings as of the date of death or the date the member became disabled. The beneficiary receives an initial lump sum followed by monthly payments until the designated amount is paid in full. Interest, at a rate equal to the yield of the five-year U.S. Treasury Note on the first day of the fiscal year, is approved annually by the Board of Trustees and is credited on the unpaid balance.

If a member meets the minimum service requirement of 10 years of continuous service at the time employment terminates, the benefit will be paid when the member turns 65 or later attains the age requirement for unreduced benefits provided the service requirement for unreduced benefits was met prior to termination. A member may elect to take an immediate reduced benefit, when eligible, calculated in the same manner as for early retirement.

If termination occurs after the completion of 10 years of continuous service, the full accrued retirement benefit is payable at the normal retirement date. If termination occurs prior to the completion of 10 years of continuous service, the member's contributions will be refunded with interest credited at 3% per year, compounded annually.

The Deferred Retirement Option Plan (DROP) is available to all GE Plan members who are still actively employed and have attained the age of 55 with at least 20 years of continuous service, age 53 with at least 30 years of continuous service, or a reduced benefit at age 50 with 20 years of continuous service. Upon electing to participate in the

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DROP, members are considered to have retired for pension purposes of the GE Plan but continue to remain in active employment with the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate interest during the remainder of the member's employment with the City. City and employee contributions cease when a member elects to participate in the DROP. Maximum duration of participation is five years. If a member continues to remain in employment more than the maximum period, no further deposits will be made to the member's account and investment earnings will cease to be posted. Upon termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the GE Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2018, there were 60 DROP participants with a total balance of \$6,226,031.

There are no automatic annual cost-of-living adjustments for members in the Plan. However, under Section 12-03, City Code of Ordinance, provides for a biennial review of retirement and disability benefits. In 2017, Ordinance No. 5400 was passed by City Council, providing for a one-time lump sum payment equal to 2.2% of the annual retirement benefit to members who began receiving benefits on or after October 1, 2005 and on or before September 30, 2010. Members receiving benefits before October 1, 2005, received an increase of 5.5% to said monthly benefit payment effective October 1, 2017.

**GE Plan Contributions:**

GE Plan A and B members are required to contribute 9.65% of their annual earnings while GE Plan C members are required to contribute 6% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings does not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2018 determined using the actuarial valuation dated October 1, 2016 were 5.62% of covered payroll for GE Plan A, B and C members. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

**City's Net Pension Liability Regarding the GE Plan:**

The City's liability for the net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2016, rolled forward to September 30, 2017 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Assumption	Rate
Inflation	2.5%
Salary increases	3.0%
Investment rate of return	7.9%

Mortality were based on the State of Florida Mortality RP-2000 with Fully Generational Scale BB with 100% White Collar for females and 50/50 White Collar/Blue Collar for males. Effective for measuring liabilities at 10/1/2018, the mortality assumptions are the assumptions used by the Florida Retirement System (FRS).

The long-term expected rate of return on the GE plan investments is 7.9%. The GE plan's policy regarding the allocation of investments is established by the GE Plan Board of Trustees. The long-term expected rate of return of each pension plan asset class is based upon the historical average or mean returns. This historical data reveals a tendency for the returns of various asset classes to fall within a range, but the expected returns are based upon the average returns during these past periods. In order to determine the real rates of return, it is necessary to subtract the expected inflation rate from the nominal investment return. The long-term expected rate of return for the GE plan was calculated by weighing the expected future rates of return of each asset class by the corresponding target allocation percentages.

Best estimates of real rates of return for each major asset class included in the GE plan's target asset allocation as of September 30, 2017 are summarized as follows:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.0%
International equity	3.7%
Convertibles	6.0%
MLPs	9.7%
Infrastructure	4.0%
Fixed Income	0.0%
REITs	6.8%
Real estate	4.8%
Cash	0.8%

The discount rate used to measure the total pension liability was 7.9 percent. The projection of cash flows was used to determine the discount rate assumed the GE Plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the GE Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current GE Plan members. Therefore, the long-term expected rate of return on GE Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**Components of Increase (Decrease) in Net Pension Liability:**

Component	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at September 30, 2016	\$ 214,589,444	\$ 204,344,677	\$ 10,244,767
Changes for the year:			
Service cost	3,224,234	-	3,224,234
Interest	16,928,618	-	16,928,618
Assumption changes	2,087,606	-	2,087,606
Plan changes	1,501,811	-	1,501,811
Differences between expected and actual experience	(1,491,049)	-	(1,491,049)
Contributions - employer	-	2,340,675	(2,340,675)
Contributions - employee	-	2,431,496	(2,431,496)
Net investment income	-	22,496,220	(22,496,220)
Benefit payments, including refunds of employee contributions	(12,101,909)	(12,002,778)	(99,131)
Transfers	(310,001)	(409,132)	99,131
Administrative Expenses	-	(135,013)	135,013
Net changes	9,839,310	14,721,468	(4,882,158)
<b>Balance at September 30, 2017</b>	<b>\$ 224,428,754</b>	<b>\$ 219,066,145</b>	<b>\$ 5,362,609</b>

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.9 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.9%) or 1-percentage-point higher (8.9%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Rate	6.90%	7.90%	8.90%
Net pension liability (asset)	\$ 28,266,848	\$ 5,362,609	\$(14,074,966)

**GE Plan Fiduciary Net Position:**

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to GE Plan:

For the fiscal year ended September 30, 2018 the City recognized pension expense of \$3,748,444 on the government-wide Statement of Activities for the GE Plan. This amount is included as part of personal services expenses within the functional program activities.

At September 30, 2018, the City reports deferred outflows and inflows of resources related to the GE Plan from the following sources:

General Employees' Pension Plan	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gain/loss	\$ 52,741	\$ 1,337,256
Asset gain/loss	484,662	
Assumptions	1,847,046	
<b>Total</b>	<b>\$ 2,384,449</b>	<b>\$ 1,337,256</b>

Deferred outflows of resources related to the GE Plan, totaling \$2,093,506 resulting from City contributions subsequent to the measurement date, will be recognized as a reduction

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of the net pension liability for the fiscal year ending September 30, 2019. Other asset and liability gains & losses reported as deferred outflows of resources and as deferred inflows of resources related to the GE Plan will be recognized in pension expense in subsequent years as follows:

Year ended September 30:	To be expensed:
2019	\$ 1,339,739
2020	2,390,320
2021	(1,390,939)
2022	(1,291,927)

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provide additional information about the net pension liability, plan assets and contributions.

**B. Police and Firefighters' Retirement System:**

**Plan Description:**

The Police and Firefighters' Retirement System (PF Plan) is a single-employer defined benefit plan administered by Board of Trustees (the Board) which covers all City of Boca Raton (the City) police officers and firefighters. The Board consists of eight trustees, each serving a term of two years. Two of the trustees are eligible police officer members of the Plan who are elected by the other police officer members of the Plan. Two of the trustees are eligible firefighter members of the Plan who are elected by other firefighter members of the Plan. The other four trustees are appointed by the City Council. The PF Plan issued a publicly available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained online at the City's website at <https://myboca.us/> or by writing to:

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

The PF Plan was established by Ordinance No. 1806, adopted April 17, 1973, by City Council. The PF Plan is also governed by Chapters 112, 175, and 185, Florida Statutes. Pursuant to Chapters 175 and 185 of the Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the PF Plan. This amount totaled \$3,313,019 for the fiscal year ended September 30, 2018: \$1,928,872 for property insurance contracts for firefighters under Chapter 175 and \$1,384,147 for casualty insurance contracts for police officers under Chapter 185. This amount was recognized as an expenditure and revenue in the Retirement Sustainability Internal Service Fund.



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**Benefits Provided:**

The earliest date at which a police officer and a firefighter can receive full benefits is called the normal retirement date. The normal retirement date is the first day of the month coincident with or following completion of 20 years of continuous service or attainment of age 55 with 10 years of continuous service. There is no mandatory retirement date; members may work past their normal retirement date and continue to accrue additional benefits subject to certain maximums as described below.

Police officer members exercising normal retirement are entitled to receive monthly benefits payable at 3.5% of their average monthly earnings (AME), which is the highest two-year average preceding retirement, multiplied by their years of continuous services, subject to a maximum of the greater of 87.5% of AME or 2% of AME multiplied by the years of service. For those police officers retiring on or after April 14, 2015, the maximum benefit is 77% of AME. The maximum benefit shall be increased to include the percentage attributable to the past service purchase but in no event shall the total benefit exceed 87.5% of AME. For those members retiring on or after April 14, 2015, longevity pay shall not be included in AME and AME will be the highest 3-year average prior to retirement, provided that the AME for a police officer member who retires prior to October 1, 2017 shall be the greater of the arithmetic average of the highest 2 years preceding actual retirement or the arithmetic average of annual earnings for the 3 consecutive years immediately preceding retirement. A police officer, who becomes a member of the Plan on or after April 14, 2015, shall not have any overtime pay included in the calculation of AME.

Notwithstanding the prior maximums, the maximum normal retirement benefit for member who retire on or after July 24, 2018 shall be 84% of AME; provided, if a member's accrued benefit as of July 24, 2018 exceeded 84% of the AME, the member shall retain the accrued benefit as of that date but shall not thereafter accrue any additional benefit. In no event shall such member's normal retirement benefit be less than 2% of the AME for each year of service. For those members who purchased past service on or before April 14, 2015, the maximum benefit of 84% of AME shall be increased to include the percentage attributable to the previously past service, but in no event shall the maximum normal retirement benefit (when applied to the normal form of benefit) at the time of retirement shall not exceed 87.5% of AME. Past service purchased on or after April 14, 2015 shall not increase the maximum normal retirement benefit above 84% of the AME.

Firefighter members exercising normal retirement are entitled to receive monthly benefits of 3.4% of their AME, multiplied by the member's years of continuous service, subject to a maximum of 100% of AME. For those firefighter members retiring on or after April 14, 2015, the maximum benefit shall be the lesser of \$100,000 or 90% of AME. This maximum benefit will increase 2% per year.

Members separating from service receive a \$10.50 monthly supplement per year of service. Members retiring on or before October 26, 2010 received a \$10 monthly supplement per year of service. The supplement for terminated vested members was frozen as of April 14, 2015, and going forward, members are no longer eligible for the retirement supplement.

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A member of the PF Plan may be eligible for early retirement after attainment of age 50 with 10 years of continuous service. Members so qualifying may receive benefits under one of the following two options:

- The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as discussed above under normal retirement, or
- The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 3% for each year prior to the normal retirement date.

Active employees under a disability retirement shall be entitled to receive a retirement benefit equal to 75% of the member's average monthly earnings or accrued benefit if the disability occurred in-service. The monthly benefit for a non-service incurred disability is equal to the normal benefit accrued by the member as of the date of the disability. Such benefit is payable from the first day of disability. Disability benefits are paid until the earlier of death or recovery from disability.

If an active employee dies from a service-incurred death, a lump-sum payment of \$5,000 is paid to the beneficiaries. In addition, the surviving spouse receives a monthly benefit until death, equal to 75% of the average monthly earnings. An additional 7½% of the average monthly earnings is paid for each minor child, but in no event does the amount paid to the spouse and children exceed 90% of the member's average monthly earnings. The payments to the children end upon the earlier of death, marriage, attainment of age 18, or age 22 if the child is a full-time student in an accredited school.

If an active employee dies from a non-service incurred cause and has less than one year of continuous service, a single payment of \$2,500 is paid to the beneficiaries. If the employee has more than one year of continuous service, a single payment of \$5,000 is paid to the beneficiaries. If the employee has five or more years of service, the surviving spouse will receive a monthly pension equal to 65% of the employee's accrued pension. An additional 7½% of the average monthly earnings is paid for each minor child, but in no event does the amount paid to the spouse and children exceed 50% of the member's average monthly earnings. Payments to the children end upon the earlier of death, marriage, attainment of age 18, or age 22 if the child is a full-time student in an accredited school.

If a member terminates employment and is not eligible for any other benefits under the system, he or she is entitled to the following:

- With less than 10 years of continuous service, a refund of the member contribution is made plus 3% interest, or
- With 10 or more years of continuous service, the pension accrued to the date of termination, payable commencing at his or her normal retirement date, or at the member's option, a lump sum refund of the member contribution plus 3% interest.

Police officers and firefighters who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). Upon electing to participate

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in the DROP, members are considered to have retired for purposes of the pension plan, but continue to remain in active employment with the City. Under Section 12-153, City of Boca Raton Code of Ordinances, as of July 24, 2018, a police officer member's election into the DROP will be deemed irrevocable. The member's normal retirement benefit is calculated as if the member had actually retired on the date of DROP participation, using continuous service and average monthly earnings as of that date.

Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate interest during the remainder of the member's employment with the City. The DROP account may remain a commingled part of the pension plan or may be self-directed with an established retirement corporation. City and employee contributions cease when a member elects to participate in the DROP.

During the period of DROP participation, the member's DROP account is credited monthly with investment earnings at the same rate that is earned on the total pension fund or as self-directed, if applicable. In addition, each member's account is charged with a portion of the administrative expenses. The maximum duration of DROP participation is five years. If a member continues to remain in employment more than five years, no further deposits will be made to the member's account and investment earnings will cease to be posted. Administrative expenses will continue to be charged. There is no taxation of benefits during the period of DROP participation.

Upon termination of employment, members may elect to receive their funds from the DROP account in a lump sum, annual installments or monthly annuity distributions. Benefit distributions must commence by age 70 ½. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the PF Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2018, there were 99 DROP participants with a total balance of \$29,315,685.

Police officer members eligible to receive normal retirement benefits at the time they leave the employment of the City, on or after October 1, 2001, are eligible to receive a 2% annual increase every year after the year of retirement. Retirements before October 1, 2001 receive a 3% annual increase every 2 years. On or after April 14, 2015 a police officer member shall be eligible to receive an annual increase upon attainment of their normal retirement date while actively employed. For police officer members who enter the DROP on or after April 14, 2015, the annual increase on the retirement benefit will begin the earlier of 1 year after termination of employment or 3 years after DROP entry.

Firefighter members eligible to receive normal retirement benefits at the time they leave the employment of the City (who retired prior to April 14, 2015) and have 22 or more years of continuous service (or 20 years if retired prior to December 9, 2008), are eligible for a cost of living adjustment of 3% each year once they have attained the age of 52 or have been retired one year, whichever comes later. Firefighter members with 21 years of continuous service are eligible for the cost-of-living adjustment after two years and with 20 years of continuous service are eligible after three years. For firefighter members

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retiring on or after April 14, 2015, for that portion of the retirement benefit that accrues on or after April 14, 2015, the cost of living adjustment shall be based on the continuous service earned on or after April 14, 2015 and the annual cost of living adjustment shall be 2.5 percent.

Benefits payable for service-related death and disability benefits are increased by 3% each year starting with the date they would have attained age 52. No increases apply to nonservice related death or disability benefits unless they complete 20 years of continuous service prior to their death or disability. For firefighter members retiring on or after April 14, 2015, for that portion of the retirement benefit that accrues on or after April 14, 2015, the cost of living adjustment shall be based on continuous service earned on or after April 14, 2015, the annual increase in their retirement benefit shall be 2.5 percent.

**PF Plan Contributions:**

Firefighter member contributions are at the rate of 10.2% of compensation. Effective October 1, 2015 police officer member contributions increased from 10.2% to 11.5% of compensation. Employer contributions for the year ended September 30, 2018, determined using the actuarial valuation dated October 1, 2016, were 36.95% of covered payroll. The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. Administrative costs are funded through investment earnings.

Police officer members are required to contribute 11.5% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. For those police officers who became members of the Plan prior to April 14, 2015 annual earnings include basic wages, longevity pay and the first 300 hours of overtime but exclude any overtime earnings in excess of 300 hours, bonuses and any other extra compensation. For those police officers who became members of the Plan on or after April 14, 2015 annual earnings include basic wages only.

Firefighter members are required to contribute 10.2% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages, certification pay and longevity pay but exclude overtime, bonuses and any other extra compensation.

For police officers, the PF Plan receives funding from premium taxes on certain property and casualty insurance contracts written on City properties that is collected by the State and remitted directly to the PF Plan as a contribution, which was 7.84% of covered payroll for police officers. Employer contributions for the fiscal year ended September 30, 2018 determined using the actuarial valuation dated October 1, 2016 were 31.81% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

For firefighters, the PF Plan receives funding from premium taxes on certain property and casualty insurance contracts written on City properties that is collected by the State and remitted directly to the PF Plan as a contribution, which was 10.22% of covered payroll for firefighters. Employer contributions for the fiscal year ended September 30, 2018

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determined using the actuarial valuation dated October 1, 2016 were 24.20% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

**City's Net Pension Liability Regarding the PF Plan:**

The City's liability for the net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2016, rolled forward to September 30, 2017 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Assumption	Rate
Inflation	2.00%
Salary increases	4.25%
Investment rate of return	7.90%
Cost of living adjustment	varies

Mortality rates for non-disabled members is assumed to follow the fully generational RP-2000 Generational Mortality Tables for healthy Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Mortality rates for disabled members is based on the 1994 Group Annuity Mortality table with no projected mortality improvements set forward 5 years.

The long-term expected rate of return on the PF plan investments is 7.90%. The PF plan's policy in regard to the allocation of investments is established by the PF Plan Board of Trustees. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return for the PF plan by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimate of arithmetic real rates of return for each major asset class included in the PF Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

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Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	6.25%
U.S. Small Cap Equity	7.21%
Multi-Asset Class Solutions	4.90%
Equity Long/Short	5.10%
International Developed Equity	7.40%
Emerging Market Equity	9.42%
Core Fixed income	2.02%
Real Estate - Core	5.00%

The discount rate used to measure the total pension liability was 7.90 percent. The projection of cash flows was used to determine the discount rate assumed the PF Plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PF Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current PF Plan members. Therefore, the long-term expected rate of return on PF Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Components of Increase (Decrease) in Net Pension Liability:**

Component	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at September 30, 2016	\$ 449,464,453	\$ 338,440,068	\$ 111,024,385
Changes for the year:			
Service cost	9,139,764		9,139,764
Interest	35,591,072		35,591,072
Changes of benefit terms			
Differences between expected and actual experience	1,149,110		1,149,110
Changes of assumptions	2,864,781		
Contributions - employer		8,020,870	(8,020,870)
Contributions - State		2,771,797	(2,771,797)
Contributions - employee		3,620,915	(3,620,915)
Contributions - buy back	135,964	135,964	
Net investment income		38,904,664	(38,904,664)
Benefit payments, including refunds of employee contributions	(21,835,563)	(21,835,563)	
Administrative expense		(250,744)	250,744
Net changes	27,045,128	31,367,903	(4,322,775)
<b>Balance at September 30, 2017</b>	<b>\$ 476,509,581</b>	<b>\$ 369,807,971</b>	<b>\$ 106,701,610</b>

Florida State Statutes Chapters 175 and 185 establish minimum benefits and standards for all municipal Police Officer and Firefighter pension plans. The statutes govern the allocation of insurance premium excise taxes that are levied to provide a partial funding source for these plans. In 2015, the statutes were amended to allow the City and the Unions to mutually agree on the use of these funds. The balance of the insurance premium excise taxes to be used for future benefits at September 30, 2018 totals \$15,118,296.

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The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.90 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.90%) or 1-percentage-point higher (8.90%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Rate	6.90%	7.90%	8.90%
Net pension liability \$	166,446,311	\$ 106,701,610	\$ 57,700,247

**PF Plan Fiduciary Net Position:**

Detailed information about the PF Plan's Fiduciary Net Position is available in a separately issued financial report. The report may be obtained on the internet at the City's website (<http://myboca.us/>).

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to PF Plan:

For the fiscal year ended September 30, 2018 the City recognized pension expense of \$19,146,669 on the government-wide Statement of Activities for the PF Plan. This amount is included as part of personal services expenses within the functional program activities.

At September 30, 2018, the City reported deferred outflows and inflows of resources related to the PF Plan from the following sources:

Police and Firefighters' Retirement System	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 2,163,334	\$ 103,164
Changes of assumptions	11,419,980	
Actual earnings on pension plan investments		2,068,498
<b>Total</b>	<b>\$ 13,583,314</b>	<b>\$ 2,171,662</b>

Deferred outflows of resources related to the PF Plan, totaling \$13,499,580, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2019. Other asset and liability gains & losses reported as deferred outflows of resources and as deferred inflows of resources related to the PF Plan will be recognized in pension expense in subsequent years as follows:

Year ended September 30:	To be expensed:
2019	\$ 4,392,404
2020	5,087,625
2021	519,502
2022	743,139
2023	668,982

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI)

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following the notes to the financial statements, provide additional information about the net pension liability, plan assets and contributions.

**C. Executive Employees' Retirement Plan:**

**Plan Description:**

The Executive Employees' Retirement Plan (EE Plan) is a single-employer defined benefit plan administered by a five-member Board of Trustees (the Board) that covers the executive employees of the City of Boca Raton. Two of the trustees are members of the Plan appointed by the city manager, two are appointed by the city council, and the other is the city manager. The EE Plan was established by Ordinance 4745, adopted November 12, 2003, by City Council. The EE Plan is also governed by Chapter 112, Florida Statutes. The Plan issued a publicly available financial report that includes financial statements and required supplementary information for the retirement system. The report may be obtained online at <https://myboca.us/> or by writing to:

Florida Municipal Pension Trust Fund  
Florida League of Cities, Inc.  
Post Office Box 1757  
Tallahassee, FL 32302-1757  
Direct Line (850) 701-3633

EE Plan members are assigned to one of four divisions, each providing different levels of benefits depending on their division and entry into the plan. Division 1 includes D1, D2 and D3 pay classifications; Division 2 includes D4 and higher D pay classifications; Division 3 includes DD pay classifications and Division 4 includes the City Manager and City Attorney, if they elect to participate in the EE Plan.

Retirement benefits are calculated by multiplying the member's earnings averaged over five years (for Division 1 through Division 3) or two years (for Division 4) times the member's years of continuous service times a multiplier determined by their plan level subject to a maximum of 90%.

Division 1, Division 2 or Division 3 members in the plan on or before September 30, 2010 utilize multipliers of 3.05, 3.15 and 3.25 respectively. Division 4 members utilize a multiplier of 4.45 for the first 10 years and 3.35 thereafter. Members assigned to Division 1, Division 2, Division 3 and Division 4 categories after September 30, 2010 utilize multipliers of 2.35, 2.45, 2.55 and 2.65 respectively.

Members are eligible to retire the earlier of reaching age 65 with at least 6 years of vesting service or reaching age 55 with at least 10 years of vesting service or for new members after September 30, 2010 age 58 with at least 10 years of vesting service. Monthly benefits are calculated as a percentage of average final compensation. A cost of living increase of 2% per year for Divisions 1, 2 and 3 and 3% per year for Division 4 in current monthly benefits commence on October 1st following 5 years after retirement. Members who terminate with 10 years or more of benefit service and are eligible for immediate early or normal retirement receive a \$10 monthly supplement per year of service. The EE Plan also permits early retirement for all participants at the age of 50 and the completion of 10



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years of vesting service or for new members after September 30, 2010 age 53 and the completion of 10 years of vesting service.

Members qualify for early retirement benefits upon attaining age 50 with 10 years of continuous service or for new members after September 30, 2010 age 53 with 10 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year the early retirement precedes the normal retirement age 55 or 58 for new members who join the plan after September 30, 2010.

Members who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). They will remain active employees of the City, but will no longer contribute to the EE Plan. Their benefits will remain frozen and continue to accrue interest until they retire from the City, at which time DROP benefits will be paid. Maximum duration of participation is sixty months. At September 30, 2018, there were 7 DROP participants with a total balance of \$754,202.

Active employees who become disabled receive 60% of the average final compensation as of the date of disability payable starting at age 65. Disability benefits are paid until the earlier of death or recovery from disability. If an active employee dies, a member's beneficiary is entitled to an accrued benefit that varies with age, length of service and employee division. If an employee terminates his employment with the City and is not eligible for any other benefits under the EE Plan, the member is entitled to the following:

- with less than six years of continuous service, a refund of member contribution plus 5% interest.
- with six or more years of continuous service, the pension accrued to the date of termination, payable commencing at the member's normal retirement date.

The City by Ordinance No. 4749 established a Preservation of Benefits Plan to pay benefit obligations. In the event that the accrued benefit for a member under the EE Plan is reduced pursuant to Section 401(a)(17) or Section 415(b) of the Internal Revenue Code, the City will pay a supplemental benefit amount equal to the amount reduced under the Internal Revenue Code limits.

**EE Plan Contributions:**

Members are required to contribute 11% of their annual earnings. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings do not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2018 determined using the actuarial valuation dated October 1, 2016 were 34.51% of covered payroll. The City is required to contribute the remaining

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amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

**City's Net Pension Liability Regarding the EE Plan:**

The City's liability for the net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of October 1, 2016, rolled forward to September 30, 2017 using the following actuarial assumptions, applied to all prior periods included in the measurement:

Assumption	Rate
Inflation	3.0%
Salary increases	Varies
Investment rate of return	7.25%
Cost of living adjustment	Varies

Mortality rates for non-disabled members is assumed to follow the fully generational RP-2000 Generational Mortality Tables for healthy Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Effective 10/1/2016, the mortality assumption changed to the assumption used by the Florida Retirement System.

The long-term expected rate of return on the EE plan investments is 7.25%. The EE plan's policy regarding the allocation of investments is established by the EE Plan Board of Trustees. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return for the EE plan by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimate of arithmetic real rates of return for each major asset class included in the EE Plan's target asset allocation as of September 30, 2017 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Core Bonds	4.3%
Multi-Sector	4.6%
U.S. Large Cap Equity	8.0%
U.S. Small Cap Equity	8.5%
Non-U.S. Equity	8.5%
Core Real Estate	7.4%

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows was used to determine the discount rate assumed the EE Plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the EE Plan's fiduciary net

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position was projected to be available to make all projected future benefit payments of current EE Plan members. Therefore, the long-term expected rate of return on EE Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Components of Increase (Decrease) in Net Pension Liability:**

Component	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at September 30, 2016	\$ 48,039,496	\$ 35,861,267	\$ 12,178,229
Changes for the year:			
Service cost	999,642		999,642
Interest	3,607,804		3,607,804
Differences between expected and actual experience			
Changes to assumptions	1,970,552		
Contributions - employer		1,525,219	(1,525,219)
Contributions - employee		639,876	(639,876)
Transfer from other pension plans		314,525	(314,525)
Net investment income		5,423,879	(5,423,879)
Benefit payments, including refunds of employee contributions	(1,870,177)	(1,870,177)	
Administrative expense		(31,744)	31,744
Net changes	4,707,821	6,001,578	(1,293,757)
<b>Balance at September 30, 2017</b>	<b>\$ 52,747,317</b>	<b>\$ 41,862,845</b>	<b>\$ 10,884,472</b>

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Rate	1% Increase
Rate	6.25%	7.25%	8.25%
Net pension liability (asset)	\$ 16,564,241	\$ 10,884,472	\$ 6,091,465

**EE Plan Fiduciary Net Position:**

Detailed information about the EE Plan's Fiduciary Net Position is available in a separately issued financial report. The report may be obtained online at the City's website at <http://myboca.us> or by writing to:

Florida Municipal Pension Trust Fund  
Florida League of Cities, Inc.  
Post Office Box 1757  
Tallahassee, FL 32302-1757  
Direct Line (850)701-3633

For the fiscal year ended September 30, 2018 the City recognized pension expense of \$1,664,240 on the government-wide Statement of Activities. This amount is included as part of personal services expenses within the functional program activities.

At September 30, 2018, the City reports deferred outflows and inflows of resources related to the EE Plan from the following sources:

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Executive Employees' Retirement Plan	Deferred Outflow of Resources	Deferred Inflow of Resources
Liability (gain) loss	\$ 744,843	
Asset (gain)/loss		\$ 1,357,510
Assumption change	1,477,914	
<b>Total</b>	<b>\$ 2,222,757</b>	<b>\$ 1,357,510</b>

Deferred outflows of resources related to the EE Plan, totaling \$1,850,134, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability for the fiscal year ended September 30, 2019. Other asset and liability gains & losses reported as deferred outflows of resources and as deferred inflows of resources related to the EE Plan will be recognized in pension expense in subsequent years as follows:

Year ended September 30:	To be expensed:
2019	\$ 747,906
2020	747,906
2021	(99,480)
2022	(531,085)

The schedule of changes in the City's net pension liability and related ratios and the schedule of contributions, presented as Required Supplementary Information (RSI) following the notes to the financial statements, provide additional information about the net pension liability, plan assets and contributions.

## 11. Other Post Employment Benefits (OPEB)

### OPEB Plan Description

The City provides a single employer defined benefit health care plan (the Plan) to all of its employees except for the firefighter members covered by the collective bargaining agreement between the City and the International Association of Firefighters. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The Plan has no assets and does not issue a separate financial report.

The Plan allows its employees and their beneficiaries, at their own cost and until the attainment of age 65, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the Plan conform to the Florida Statutes, which are the legal authority for the Plan. Eligible employees of the City who satisfy early or normal retirement provisions of their respective pension plan are allowed access to the Plan until the participant reaches Medicare eligibility at the participant's cost. There is no subsidy offered by the City to retirees. General eligibility rules are as follows:

General employees, police, and executive employees, must meet the eligibility requirements for their respective retirement plan.

Participants electing to participate in the City's Internal Revenue Code (IRC) 401a plan, in lieu of the City's three defined retirement benefit plans, must meet the eligibility requirements under the City's IRC 401a plan.

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Where applicable, participants currently electing to participate in the Deferred Retirement Option Program (DROP) are assumed to begin receiving benefits under OPEB at the end of the DROP period, which is 5 years.

Dependents and surviving spouses of participants are allowed access to the plan at the participant cost. There is no subsidy offered by the City for dependents.

Participants who terminate employment prior to reaching retirement eligibility are not allowed access to the plan.

At September 30, 2018, the OPEB Plan covered 1,091 active employees and 85 retirees.

**Total OPEB Liability**

**Actuarial Methods and Assumptions**

The OPEB liability was determined based on several actuarial assumptions. September 30, 2018 was the actuarial measurement date. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities. Significant methods and assumptions are listed below.

Assumption	Rate / Methodology
Actuarial Cost Method	Entry Age Normal (EAN)
Discount Rate (based on the 20-year GO Bond index)	3.83%
Inflation rate	2.40%
Medical Trend Rate (using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions)	4.10%
Salary Increase	General - 3% Police & Executives - Varies
Mortality Rate	RP-2014 mortality fully generational using scale MP-2016

The City does not provide funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs.

The City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* effective October 1, 2016, effectively replacing GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the purpose of reporting other postemployment liability. Under GASB Statement No. 75, the entire unfunded actuarial accrued liability is reported on the financial statements as total OPEB liability and the previously reported net OPEB obligation, that existed under GASB Statement No. 45, is

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no longer reported. The City recorded a prior year adjustment of \$2.403 million upon implementation of GASB Statement No. 75. More information about the restatement of fund balance as a result of that prior period adjustment is available in Note 12.

The following changes affected the measurement of total OPEB liability since the October 1, 2016 valuation:

- Changes in active and retiree population leading to an overall decrease in total plan participants from 1,211 to 1,176, reducing plan liabilities.
- Favorable claims experience resulting in a large decrease in liabilities and a liability gain for fiscal year 2018.
- Plan assumptions were updated to reflect changes in retirement and termination assumptions disclosed in the 2017 Actuarial Valuation reports for the City's three retirement plans. These updates contributed to lowering the OPEB liability.

The actuarial cost method was changed from Projected Unit Credit (PUC) to individual Entry Age Normal (EAN). This change resulted in an increase in the OPEB liability.

The discount rate was lowered from 4.00% to 3.83% as required by GASB Statement No. 75, increasing the OPEB liability.

**Total OPEB Liability**

At September 30, 2018, the City reported a total OPEB liability of \$5,017,104, representing 7.11% of covered payroll. The components of the City's OPEB liability were as follows:

Component	Value
Total OPEB liability	\$ 5,017,104
Plan fiduciary net position	--
Total OPEB liability	\$ 5,017,104
Plan fiduciary net position as a percentage of OPEB liability	0%
Covered payroll	\$ 70,611,024
Total OPEB liability as a percentage of covered payroll	7.11%

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**Change in OPEB Liability**

The detail of the change in OPEB liability for fiscal year 2018 is presented below:

Component	Increase (Decrease)
<b>Balance at September 30, 2017</b>	<b>\$ 4,967,277</b>
Changes for the year:	
Service cost	265,614
Changes of benefit terms	169,577
Plan changes	
Changes in assumptions	(140,911)
Benefit payments, net of retiree contributions	(244,453)
<b>Net changes</b>	<b>49,827</b>
<b>Balance at September 30, 2018</b>	<b>\$ 5,017,104</b>

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

The chart below presents the total OPEB liability of the City, calculated using the discount rate of 3.83%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.83%) or 1-percentage-point higher (4.83%) than the current rate.

	1% Decrease	Discount Rate	1% Increase
Rate	2.83%	3.83%	4.83%
Total OPEB liability	\$ 5,461,113	\$ 5,017,104	\$ 4,621,291

The chart below presents the total OPEB liability of the City, calculated using a health care cost trend rate of 4.1%, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower (3.1%) or 1-percentage-point higher (4.1%) than the current rate.

	1% Decrease	Medical Trend	1% Increase
Rate	3.10%	4.10%	5.10%
Total OPEB liability	\$ 4,569,287	\$ 5,017,104	\$ 5,533,990

**OPEB Expense**

For the fiscal year ended September 30, 2018, the City recognized OPEB expense of \$411,706. This amount is broken down in more details below.

Expense	Amount
Service cost	\$ 265,614
Interest	169,577
Changes in assumptions in current fiscal year, recognized in current year	(23,485)
<b>Total OPEB expense</b>	<b>\$ 411,706</b>

Changes in OPEB liability are recognized in OPEB expense during the fiscal year except for certain items as discussed in the deferred inflows/outflows of resources section below.

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**OPEB Fiduciary Net Position**

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

For the fiscal year ended September 30, 2018, the City reported deferred outflows and inflows of resources related to OPEB from the following source(s):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions	-	\$ 117,426
<b>Total</b>	<b>\$ -</b>	<b>\$ 117,426</b>

Deferred inflows of resources of \$117,426 are the result of a change in assumption which decreased the total OPEB liability by \$140,911, of which \$23,485 was recognized in OPEB expense at September 30, 2018. The remainder of the balance will be recognized to OPEB expense as follows:

Fiscal year ended September 30:	To be expensed:
2019	\$(23,485)
2020	(23,485)
2021	(23,485)
2022	(23,485)
2023	(23,486)

**12. Restatement of Net Position/Fund Balance, Beginning of Year**

The beginning of year Net Position as reported in the Statement of Activities, was restated to account for the following adjustments:

- The City reduced beginning fund balance and recorded a liability in the General Fund by \$4.614 million for disallowed reimbursements for hurricane-related expenditures that were previously reimbursed by the Federal Emergency Management Agency (FEMA). FEMA reimbursed the City an amount of \$16.177 million for expenditures related to the October 2005 Hurricane Wilma. FEMA later disallowed \$4.690 million of that reimbursement. The City filed appeals that have been denied. FEMA notified the City that it will reduce the outstanding liability of \$4.690 million by \$76 thousand for hurricane-related expenditures incurred during October 2016 Hurricane Matthew. The City has submitted claims in excess of \$8.4 million to FEMA for the September 2017 Hurricane Irma and expects reimbursement of that claim to be reduced by the outstanding disallowed reimbursement of \$4.614 million. The results of these items are also reflected as an adjustment to the beginning of year net position as reflected in the following tables.
- The City reduced prior year earnings by \$2.403 million when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This accounting standard specifies that governments must recognize their total Other Postemployment benefits (OPEB) liability, related deferred outflows of resources, deferred inflows of resources, and OPEB expense in the financial statements based on the actuarial present value of projected benefit payments, rather than the



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previously recorded, smaller net OPEB obligation based on contribution requirements under GASB Statement No. 45. See Note 11 Other Postemployment Benefits (OPEB).

OPEB Liability	Governmental Activities	Business-Type Activities	Total
OPEB obligation, as previously reported at 9/30/2017	\$ 2,111,664	\$ 452,336	\$ 2,564,000
Restatement of OPEB liability for GASB Statement No. 75	1,979,300	423,977	2,403,277
<b>Total OPEB liability, as restated at 9/30/2017</b>	<b>\$ 4,090,964</b>	<b>\$ 876,313</b>	<b>\$ 4,967,277</b>

Net Position	Governmental Activities	Business-Type Activities	Total
Net position, as previously reported at 9/30/2017	\$ 485,748,083	\$ 395,168,519	\$ 880,916,602
Disallowed FEMA reimbursement	(4,613,530)		(4,613,530)
Restatement of OPEB liability for GASB Statement No. 75	(1,979,300)	(423,977)	(2,403,277)
<b>Net position, as restated at 9/30/2017</b>	<b>\$ 479,155,253</b>	<b>\$ 394,744,542</b>	<b>\$ 873,899,795</b>

**13. Interfund Receivables, Payables, Transfers and Advances**

**A. Due To/From Other Funds (Balances Expected To Be Repaid Within One Year)**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

The following is a summary of interfund receivable and payable balances at September 30, 2018:

	Interfund Receivables (Due From)	Interfund Payables (Due To)
Major funds:		
General Fund	\$ 1,896,253	
Beach and Park Operations Fund		\$ 1,748,398
Non-Major Governmental Funds		147,855
<b>Total interfund receivables/payables</b>	<b>\$ 1,896,253</b>	<b>\$ 1,896,253</b>

The inter-fund balances above represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year end.

**CITY OF BOCA RATON, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

**B. Interfund Transfer Reconciliation**

Transfers from:	To General	To Other Governmental	To Internal Service	To Non-Major Enterprise	Total
General			\$ 8,238,100		\$ 8,238,100
CRA Mizner Park Revenue		\$ 9,437,900			9,437,900
5 Year Capital Improvements			2,151,200		2,151,200
Beach and Park Operations			78,000		78,000
Water and Sewer			52,800		52,800
Non-major governmental	\$ 21,000	1,982,585	36,300	\$ 208,600	2,248,485
Non-major enterprise			11,400		11,400
<b>Total</b>	<b>\$ 21,000</b>	<b>\$ 11,420,485</b>	<b>\$ 10,567,800</b>	<b>\$ 208,600</b>	<b>\$22,217,885</b>

Non-major governmental fund transfers in are regarding payments for CRA operations and debt service payments. The transfers into the internal service funds are for the purchase of capital assets, which are not recovered through normal user fees and to partially offset operating costs in the Information Technology Fund.

**14. Self-Insurance Programs**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. Under this program the City has established three programs, Workers Compensation, Employees' Health and General and Automobile Liability.

The City is fully self-insured for workers' compensation, general liability, automobile liability, employment liability, police professional liability and errors and omissions. In addition, the City purchases an excess policy at a self-insured retention of \$500,000 for workers' compensation each accident, except \$875,000 for police, fire, and presumption claims and \$200,000 per occurrence for general liability, auto liability, law enforcement liability, and public official's liability losses. The City has excess policy insurance with Lloyd's of London BRITT for general liability coverage and New York Marine for excess workers' compensation coverage. The City purchases commercial insurance for property damage up to \$150,000,000 after a deductible of \$100,000. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed the insurance coverage for each of the past three years. The City has a contract with Florida Blue to provide for employee health insurance through a self-insurance program with Florida Blue as a third party payer. The City has Stop-Loss coverage for the group medical and pharmacy plan with a specific deductible of \$300,000 and with Aggregate contract attachment point of \$11,959,775 with 125% aggregate corridor. The City is ultimately responsible for and establishment of reserve amounts on claims.

All funds of the City participate in the program and make payments to the Self-Insurance Fund, based on actuarial estimates of amounts needed to pay prior and current year claims. The claims liability of \$9,573,000 reported in the Fund at September 30, 2018 is based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements

**CITY OF BOCA RATON, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A discount rate of 4.50% is assumed for group medical claims.

The City's estimated liability for self-insured losses for general liability and workers' compensation was determined by an independent actuarial valuation performed as of September 30, 2018. Liabilities include an amount for claims incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for self-insured losses are based on estimates and the ultimate settlement of the claims may differ from the amounts recorded. A discount rate of 2.50% is assumed for general liability and workers compensation claims.

The estimated liability at September 30, 2017 and 2018 is as follows:

Type	As of 9/30/17	As of 9/30/18	Due Within One Year
Workers Compensation	\$ 5,765,000	\$ 5,834,000	\$ 928,000
General and Automobile Liability	3,090,000	3,205,000	939,000
Health Insurance	505,000	534,000	534,000
<b>Total</b>	<b>\$ 9,360,000</b>	<b>\$ 9,573,000</b>	<b>\$ 2,401,000</b>

Changes in the estimated liability for the fiscal years ended September 30, 2017 and 2018 are as follows:

Fiscal Year	Liability on October 1	Changes in Estimates	Claim Payments	Liability on September 30
2017	\$ 8,833,000	\$ 11,746,581	\$ 11,219,581	\$ 9,360,000
2018	\$ 9,360,000	\$ 12,379,675	\$ 12,166,675	\$ 9,573,000

## 15. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is management's opinion that there are not any significant contingent liabilities relating to these grants.

The City is a defendant in various lawsuits at September 30, 2018. The estimated liability for probable losses, as a result of the lawsuits, was determined based on advice from legal counsel after giving consideration for insurance coverage and, in certain instances, the Florida statutory limitations of governmental liability, and is included in the estimated liability for self-insured claims in the internal service fund (see Note 13). Although the ultimate outcome of these lawsuits is not presently determinable, it is the opinion of management, based on advice from legal counsel, that the amount of losses resulting from the above litigation in excess of the amount accrued as of September 30, 2018, would not have a material adverse effect on the financial position of the City.

**CITY OF BOCA RATON, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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**16. Boca Raton Community Redevelopment Agency**

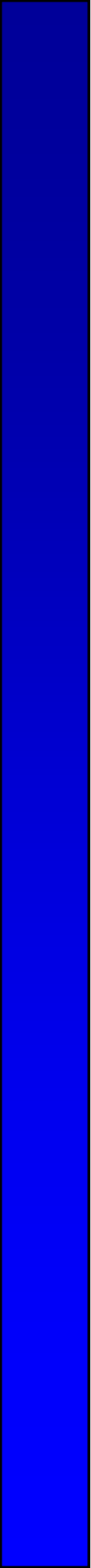
Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2018:

Source of deposits / Purpose of withdrawals	Deposits	Withdrawals
Tax increment revenues	\$ 12,489,146	
Lease revenues	1,908,824	
Investment income	91,301	
Other	705,163	
Debt service – principal		\$ 2,542,014
Debt service – interest		4,077,986
Debt service – Other		1,100
Salaries and benefits		1,403,554
Professional services		374,479
Advertising		13,160
Repayments to City		3,000,000
Other contractual services		4,503
Insurance premiums		19,600
IT technology		10,887
Supplies		94,378
Dues and subscriptions		4,217
Miscellaneous		193,027
<b>Total</b>	<b>\$ 15,194,434</b>	<b>\$ 11,738,905</b>

**17. Subsequent Events**

On October 22, 2018, the City authorized its Infrastructure Surtax Capital Improvement Bond, Series 2018 in an amount not to exceed \$20 million, at a rate of 2.92% with a term of just under 8 years through a bank loan (private placement) with STI Institutional & Government, Inc. The funds will be used for certain infrastructure capital projects as further described in Ordinance No. 5439 and Resolution No. 138-2018. These bonds were issued on a draw down basis, with the initial draw of \$5 million dollars occurring on the date of issuance. The remaining balance must be drawn down within one year of issuance. The repayment of the bond is a direct pledge of the 1% Infrastructure Surtax revenue.





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**CITY OF BOCA RATON, FLORIDA**  
**PENSION FUNDS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**Last Ten\* Fiscal Years**

**General Employees' Pension Plan:**

September 30,	Year 2018	Year 2017	Year 2016	Year 2015
<b>Total Pension Liability</b>				
Service cost	\$ 3,439,409	\$ 3,224,234	\$ 3,855,305	\$ 3,952,877
Interest	17,465,497	16,928,618	16,311,059	15,878,172
Changes of benefit terms		1,501,811		
Differences between expected and actual experience	2,976,520	(1,491,049)	113,363	(1,726,306)
Changes of Assumptions	1,083,605	2,087,606	636,444	
Benefit payments, including refunds of member contributions	(13,435,956)	(12,101,909)	(12,610,638)	(12,424,759)
Transfers (net)	(398,832)	(310,001)	(108,675)	(48,097)
<b>Net Change in Total Pension Liability</b>	<u>11,130,243</u>	<u>9,839,310</u>	<u>8,196,858</u>	<u>5,631,887</u>
<b>Total Pension Liability - Beginning</b>	<u>224,428,754</u>	<u>214,589,444</u>	<u>206,392,586</u>	<u>200,760,699</u>
<b>Total Pension Liability - Ending (a)</b>	<u>235,558,997</u>	<u>224,428,754</u>	<u>214,589,444</u>	<u>206,392,586</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	2,093,506	2,340,675	3,361,534	3,925,569
Contributions - member	2,560,917	2,431,496	2,509,043	2,335,348
Net investment income (loss)	18,067,722	22,496,220	16,484,179	(2,130,561)
Benefit payments, including refunds of member contributions	(13,435,956)	(12,101,909)	(12,610,638)	(12,424,759)
Administrative expense	(106,870)	(135,013)	(132,952)	(90,032)
Transfers (net)	(398,832)	(310,001)	(108,675)	6,442
<b>Net Change in Plan Fiduciary Net Position</b>	<u>8,780,487</u>	<u>14,721,468</u>	<u>9,502,491</u>	<u>(8,377,993)</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>219,066,145</u>	<u>204,344,677</u>	<u>194,842,186</u>	<u>203,220,179</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>227,846,632</u>	<u>219,066,145</u>	<u>204,344,677</u>	<u>194,842,186</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	<u>\$ 7,712,365</u>	<u>\$ 5,362,609</u>	<u>\$ 10,244,767</u>	<u>\$ 11,550,400</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	96.73%	97.61%	95.23%	94.40%
<b>Covered Payroll</b>	\$ 37,233,984	\$ 36,206,318	\$ 35,094,926	\$ 35,658,133
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	20.71%	14.81%	29.19%	32.39%

**\*Notes to Schedule:**

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available</p>
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**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
Last Ten\* Fiscal Years**

**General Employees' Pension Plan**

Year 2014

\$ 4,070,341  
15,543,810

(3,613,328)

(10,670,374)  
(264,439)

5,066,010  
195,694,689  
200,760,699

3,744,111  
2,360,378  
19,283,849

(10,670,374)  
(243,981)  
(264,439)

14,209,544

189,010,635  
203,220,179

\$ (2,459,480)

101.23%

\$ 34,835,028

(7.06)%

**\*Notes to Schedule:**

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**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
Last Ten Fiscal Years**

**General Employees' Pension Plan:**

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess/ (deficiency) (2)-(1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered payroll (2)/(4)
2009	\$ 2,060,138	\$ 2,099,218	\$ 39,080	\$ 32,810,590	6.28%	6.40%
2010	2,503,965	2,503,965	-	32,165,959	7.78%	7.78%
2011	3,333,945	3,333,945	-	29,915,815	11.14%	11.14%
2012	3,427,410	3,427,410	-	28,583,981	11.99%	11.99%
2013	4,268,084	4,268,084	-	27,597,864	15.47%	15.47%
2014	3,744,111	3,744,111	-	34,835,028	10.75%	10.75%
2015	3,925,569	3,925,569	-	35,658,133	11.01%	11.01%
2016	3,361,534	3,361,534	-	35,094,926	9.58%	9.58%
2017	2,340,675	2,340,675	-	36,206,318	6.46%	6.46%
2018	2,093,506	2,093,506	-	37,233,984	5.62%	5.62%

**Notes to Schedule:**

Valuation date: October 1, 2016

Actuarially determined contribution rates are calculated as of October 1, one year prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Measurement date	October 1
Actuarial cost method	Entry age
Asset valuation method	4-year smoothing
Salary increases	3% annum
Inflation	2.6%
Investment rate of return	7.9%

Mortality rates were based on the RP-2000 Generational Mortality Table for healthy Males or Females, as appropriate, with adjustments for mortality improvements for each year in the future.

Effective 10/1/2016, the mortality assumption changed to the assumption used by the Florida Retirement System.

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**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
Last Ten\* Fiscal Years**

**Police & Firefighters' Retirement System:**

September 30,	Year 2018	Year 2017	Year 2016
<b>Total Pension Liability</b>			
Service cost	\$ 10,027,517	\$ 9,139,764	\$ 8,067,516
Interest	37,651,191	35,591,072	33,015,209
Changes of benefit terms	1,270,260		
Differences between expected and actual experience	4,019,386	1,149,110	(154,745)
Transfer from (to) General Employees' Plan	(10,300)		
Changes of Assumptions	2,874,659	2,864,781	13,548,989
Contributions - buy back	113,861	135,964	25,319
Benefit payments, including refunds of member contributions	<u>(22,420,013)</u>	<u>(21,835,563)</u>	<u>(19,320,864)</u>
<b>Net Change in Total Pension Liability</b>	<b>33,526,561</b>	<b>27,045,128</b>	<b>35,181,424</b>
<b>Total Pension Liability - Beginning</b>	<b>476,509,581</b>	<b>449,464,453</b>	<b>414,283,029</b>
<b>Total Pension Liability - Ending (a)</b>	<b>510,036,142</b>	<b>476,509,581</b>	<b>449,464,453</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	10,186,562	8,020,870	8,111,246
Contributions - State	3,313,018	2,771,797	3,899,711
Contributions - member	3,956,634	3,620,915	3,436,368
Contributions - buy back	113,861	135,964	25,319
Transfer from General Employees' Plan			
Net investment income	27,561,870	38,904,664	26,257,007
Benefit payments, including refunds of member contributions	<u>(22,430,313)</u>	<u>(21,835,563)</u>	<u>(19,320,864)</u>
Administrative expense	<u>(228,726)</u>	<u>(250,744)</u>	<u>(256,228)</u>
Other			
<b>Net Change in Plan Fiduciary Net Position</b>	<b>22,472,906</b>	<b>31,367,903</b>	<b>22,152,559</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>369,807,971</b>	<b>338,440,068</b>	<b>316,287,509</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>392,280,877</b>	<b>369,807,971</b>	<b>338,440,068</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 117,755,265</b>	<b>\$ 106,701,610</b>	<b>\$ 111,024,385</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>76.91%</b>	<b>77.61%</b>	<b>75.30%</b>
<b>Covered Payroll</b>	<b>\$ 36,539,436</b>	<b>\$ 33,450,986</b>	<b>\$ 31,834,502</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>322.27%</b>	<b>318.98%</b>	<b>348.75%</b>

**\*Notes to Schedule:**

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available</p>
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**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
Last Ten\* Fiscal Years**

**Police & Firefighters' Retirement System**

Year 2015	Year 2014
\$ 8,019,243 31,100,803 (12,002,331)	\$ 8,842,600 30,257,546
2,110,050	132,304
51,514	28,668
<u>(15,478,755)</u>	<u>(16,310,699)</u>
13,800,524	22,950,419
<u>400,482,505</u>	<u>377,532,086</u>
<u>414,283,029</u>	<u>400,482,505</u>
11,352,729	13,182,553
3,198,125	2,868,153
3,109,262	2,985,855
51,514	28,668
2,205,514	132,304
26,241,511	26,241,511
(15,478,755)	(16,310,699)
(222,131)	(362,469)
<u>4,216,258</u>	<u>28,765,876</u>
312,071,251	283,305,375
<u>316,287,509</u>	<u>312,071,251</u>
<u>\$ 97,995,520</u>	<u>\$ 88,411,254</u>
76.35%	77.92%
\$ 29,855,531	\$ 29,422,696
328.23%	300.49%

**\*Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
Last Ten Fiscal Years**

**Police & Firefighters' Retirement System:**

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess/ (deficiency) (2)-(1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered payroll (2)/(4)
2009	\$ 8,527,710	\$ 8,905,354	\$ 377,644	\$ 29,767,000	28.65%	29.92%
2010	10,152,847	9,434,840	(718,007)	29,499,000	34.42%	31.98%
2011	11,498,774	11,290,578	(208,196)	28,591,000	40.22%	39.49%
2012	12,902,505	12,790,958	(111,547)	29,458,000	43.80%	43.42%
2013	15,099,422	15,262,739	163,317	29,655,556	50.92%	51.47%
2014	16,050,706	16,050,706	-	29,422,696	54.55%	54.55%
2015	12,642,612	14,550,854	1,908,242	29,855,531	42.35%	48.74%
2016	13,919,199	12,010,957	(1,908,242)	31,834,502	43.72%	37.73%
2017	10,792,667	10,792,667	-	33,450,986	32.26%	32.26%
2018	13,499,580	13,499,580	-	36,539,436	36.95%	36.95%

**Notes to Schedule:**

Valuation date: October 1, 2016

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Measurement date	October 1
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, closed
Remaining amortization period	20 years (as of 10/1/2016)
Asset valuation method	4-year smoothing, with an 80%/115% corridor
Payroll growth projection	2.92% per annum
Inflation	2.00%
Investment rate of return	7.95%

Mortality rates were based on the RP-2000 Generational Mortality Table for healthy Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Effective 10/1/2016, the mortality assumption changed to the assumption used by the Florida Retirement System.

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**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
Last Ten\* Fiscal Years**

**Executive Employees' Retirement Plan:**

September 30,	Year 2018	Year 2017	Year 2016	Year 2015
<b>Total Pension Liability</b>				
Service cost	\$ 1,033,954	\$ 999,642	\$ 887,093	\$ 830,044
Interest	3,759,183	3,607,804	3,302,491	3,130,704
Changes of benefit terms				
Differences between expected and actual experience	1,258,361		1,605,801	(145,142)
Changes of assumptions	461,746	1,970,552		
Benefit payments, including refunds of member contributions	(3,860,948)	(1,870,177)	(1,804,008)	(1,360,326)
<b>Net Change in Total Pension Liability</b>	<u>2,652,296</u>	<u>4,707,821</u>	<u>3,991,377</u>	<u>2,455,280</u>
<b>Total Pension Liability - Beginning</b>	<u>52,747,317</u>	<u>48,039,496</u>	<u>44,048,119</u>	<u>41,592,839</u>
<b>Total Pension Liability - Ending (a)</b>	<u>55,399,613</u>	<u>52,747,317</u>	<u>48,039,496</u>	<u>44,048,119</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	1,850,134	1,525,219	1,482,115	1,457,248
Contributions - member	885,015	639,876	870,722	635,026
Transfer from other pension plans	409,132	314,525		21,680
Net investment income	3,770,512	5,423,879	2,819,391	85,342
Benefit payments, including refunds of member contributions	(3,860,948)	(1,870,177)	(1,804,008)	(1,360,326)
Administrative expense	(46,064)	(31,744)	(29,006)	(27,327)
<b>Net Change in Plan Fiduciary Net Position</b>	<u>3,007,781</u>	<u>6,001,578</u>	<u>3,339,214</u>	<u>811,643</u>
<b>Plan Fiduciary Net Position - Beginning</b>	<u>41,862,845</u>	<u>35,861,267</u>	<u>32,522,053</u>	<u>31,710,410</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>44,870,626</u>	<u>41,862,845</u>	<u>35,861,267</u>	<u>32,522,053</u>
<b>Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 10,528,987</u>	<u>\$ 10,884,472</u>	<u>\$ 12,178,229</u>	<u>\$ 11,526,066</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	80.99%	79.36%	74.65%	73.83%
<b>Covered Payroll</b>	\$ 5,361,342	\$ 5,748,308	\$ 5,359,816	\$ 4,748,431
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	196.39%	189.35%	227.21%	242.73%

**\*Notes to Schedule:**

<p>This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available</p>
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**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
Last Ten\* Fiscal Years**

**Executive Employees' Retirement Plan:**

	Year 2014
\$	807,122 2,970,466
	327,026 1,055,238
	<u>(1,088,490)</u>
	4,071,362
	<u>37,521,477</u>
	<u>41,592,839</u>
	1,458,974 717,085
	2,784,339
	<u>(1,088,489)</u>
	<u>(38,294)</u>
	3,833,615
	<u>27,876,795</u>
	<u>31,710,410</u>
\$	<u>9,882,429</u>
	76.24%
\$	4,463,155
	221.42%

**\*Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

**CITY OF BOCA RATON, FLORIDA  
PENSION FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
Last Ten Fiscal Years**

**Executive Employees' Retirement Plan:**

Fiscal Year	(1) Actuarially Determined Contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess/ (deficiency) (2)-(1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered payroll (2)/(4)
2009	\$ 672,076	\$ 894,988	\$ 222,912	\$ 5,059,634	13.28%	17.69%
2010	899,928	899,928	-	4,896,787	18.38%	18.38%
2011	1,029,022	1,083,506	54,484	4,745,685	21.68%	22.83%
2012	1,111,897	1,098,407	(13,490)	4,376,313	25.41%	25.10%
2013	1,350,306	1,367,748	17,442	4,418,964	30.56%	30.95%
2014	1,458,974	1,458,974	-	4,463,155	32.69%	32.69%
2015	1,457,248	1,457,248	-	4,748,431	30.69%	30.69%
2016	1,482,115	1,482,115	-	5,359,816	27.65%	27.65%
2017	1,525,219	1,525,219	-	5,748,308	26.53%	26.53%
2018	1,850,134	1,850,134	-	5,361,342	34.51%	34.51%

**Notes to Schedule:**

Valuation date: October 1, 2016

Actuarially determined contribution rates are calculated as of October 1, 1 year prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Measurement date	October 1
Actuarial cost method	Entry age
Asset valuation method	5-year smoothing
Salary increases	varies
Inflation	3.00%
Investment rate of return	7.25%

Mortality rates were based on the RP-2000 Generational Mortality Table for healthy Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

Effective October 1, 2018, the mortality assumption changed to the assumption used by the Florida Retirement System (FRS).

**CITY OF BOCA RATON, FLORIDA  
OTHER POST EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL LIABILITY AND RELATED RATIOS  
LAST TEN\* FISCAL YEARS**

<b>September 30,</b>	<u><b>Year 2018</b></u>
<b>Total OPEB Liability</b>	
Service cost	\$ 265,614
Changes of benefit terms	169,577
Changes of assumptions	(140,911)
Benefit payments	<u>(244,453)</u>
<b>Net change in total OPEB liability</b>	49,827
<b>Total OPEB liability - beginning</b>	<u>4,967,277</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 5,017,104</u></u>
Covered-employee payroll	\$ 70,611,024
Total OPEB liability as a percentage of covered-employee payroll	7.11%

**\*Note to schedule**

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**CITY OF BOCA RATON, FLORIDA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET  
AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
PROPERTY TAXES	\$ 65,744,400	\$ 65,744,400	\$ 66,401,403	\$ 657,003
EXCISE TAXES				
Utility	17,480,200	17,480,200	17,830,423	350,223
Total excise taxes	17,480,200	17,480,200	17,830,423	350,223
FRANCHISE TAXES				
Electrical	11,000,000	11,000,000	10,214,332	(785,668)
Television	1,200,000	1,200,000	1,355,880	155,880
Natural gas	120,000	120,000	228,482	108,482
Solid waste	1,450,000	1,450,000	1,415,930	(34,070)
Total franchise taxes	13,770,000	13,770,000	13,214,624	(555,376)
Total taxes	96,994,600	96,994,600	97,446,450	451,850
LICENSES AND PERMITS				
Local business taxes	1,546,000	1,546,000	1,644,694	98,694
Beverage licenses	140,000	140,000	142,419	2,419
Building permits	8,000,000	8,000,000	9,904,596	1,904,596
Other	1,387,500	1,387,500	1,339,531	(47,969)
Total licenses and permits	11,073,500	11,073,500	13,031,240	1,957,740
INTERGOVERNMENTAL				
State revenue sharing	10,701,000	10,701,000	10,731,490	30,490
Palm Beach County	3,560,000	3,560,000	3,309,594	(250,406)
Beach tax district	1,748,900	1,748,900	1,647,575	(101,325)
Other shared local revenue	302,200	302,200	399,706	97,506
Total intergovernmental	16,312,100	16,312,100	16,088,365	(223,735)
CHARGES FOR SERVICES				
Physical environment	30,000	30,000	220,298	190,298
Planning and zoning fees	1,036,600	1,036,600	1,228,439	191,839
Fire services	13,930,300	13,930,300	13,871,144	(59,156)
Police services	363,000	363,000	299,723	(63,277)
Library	240,700	240,700	204,196	(36,504)
Recreation services	2,949,400	2,949,400	2,832,268	(117,132)
Beautification services	2,483,600	2,483,600	2,459,137	(24,463)
Amphitheater services	105,000	105,000	131,109	26,109
Parking	448,000	448,000	510,443	62,443
Administrative service charge	8,558,700	8,558,700	8,555,036	(3,664)
Other charges for services	225,000	225,000	203,520	(21,480)
Total charges for services	30,370,300	30,370,300	30,515,313	145,013
FINES AND FORFEITURES	1,467,400	1,467,400	1,358,982	(108,418)
INVESTMENT EARNINGS (LOSS)	508,000	508,000	627,043	119,043
MISCELLANEOUS	100,000	100,000	626,692	526,692
Total revenues	156,825,900	156,825,900	159,694,085	2,868,185
<b>EXPENDITURES</b>				
Current:				
GENERAL GOVERNMENT				
City council	377,500	377,500	370,498	7,002
City manager				
Administration	1,370,000	1,370,000	1,334,791	35,209
City clerk	846,400	846,400	832,169	14,231
Board and committees	88,100	88,100	79,368	8,732
Human resources	2,397,200	2,367,400	2,004,932	362,468
Mizner Park Amphitheater	1,119,400	1,156,200	1,023,188	133,012
Communications	484,600	484,600	402,016	82,584
Sustainability Office		35,100	35,085	15
Total city manager	6,305,700	6,347,800	5,711,549	636,251

(CONTINUED)

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA**  
**GENERAL FUND (continued)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET**  
**AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Financial services				
Financial services administration	\$ 911,800	\$ 920,800	\$ 847,423	\$ 73,377
Pension	515,500	517,000	407,224	109,776
Accounting	676,100	676,100	516,987	159,113
Treasury	207,300	199,600	92,444	107,156
Accounts payable	258,400	266,100	266,033	67
Alarm administration	148,400	148,400	124,417	23,983
Purchasing	1,002,300	1,002,800	914,870	87,930
Office of management and budget	445,300	445,300	430,945	14,355
Parking	597,900	611,100	498,049	113,051
Total financial services	<u>4,763,000</u>	<u>4,787,200</u>	<u>4,098,392</u>	<u>688,808</u>
City attorney	1,510,000	1,510,000	1,413,147	96,853
Development services				
Development services administration	842,800	847,300	787,890	59,410
Code compliance/licensing	6,691,000	6,691,000	6,049,461	641,539
Planning and zoning	1,496,300	1,536,300	1,340,433	195,867
Total development services	<u>9,030,100</u>	<u>9,074,600</u>	<u>8,177,784</u>	<u>896,816</u>
Other non-departmental services	7,602,800	13,886,300	8,855,930	5,030,370
Total general government	<u>29,589,100</u>	<u>35,983,400</u>	<u>28,627,300</u>	<u>7,356,100</u>
<b>PUBLIC SAFETY</b>				
Law enforcement				
Communications/dispatch	3,119,600	3,119,600	2,606,195	513,405
Community services	14,181,400	14,243,100	13,757,069	486,031
Bureau of field services	30,416,500	31,182,900	30,283,224	899,676
Biological Processing Lab	190,800	190,800	185,835	4,965
Total law enforcement	<u>47,908,300</u>	<u>48,736,400</u>	<u>46,832,323</u>	<u>1,904,077</u>
Fire rescue services				
Fire administration	4,621,700	4,523,200	4,453,860	69,340
Logistics and support	3,614,100	3,373,600	3,368,308	5,292
Fire operations	35,848,500	37,233,500	37,235,735	(2,235)
Fire and life safety	2,140,600	2,273,400	2,274,323	(923)
Total fire rescue services	<u>46,224,900</u>	<u>47,403,700</u>	<u>47,332,226</u>	<u>71,474</u>
Total public safety	<u>94,133,200</u>	<u>96,140,100</u>	<u>94,164,549</u>	<u>1,975,551</u>
<b>PHYSICAL ENVIRONMENT</b>				
Physical environment administration	1,167,400	1,167,400	1,082,827	84,573
Dredge	571,000	571,000	487,760	83,240
Facilities management	4,264,100	4,683,100	3,733,830	949,270
Total physical environment	<u>6,002,500</u>	<u>6,421,500</u>	<u>5,304,417</u>	<u>1,117,083</u>
<b>TRANSPORTATION</b>				
Streets	1,343,400	1,343,400	1,149,001	194,399
Traffic/special projects	4,732,100	4,735,100	3,854,126	880,974
Engineering-survey	403,200	420,800	351,498	69,302
Engineering-design	1,074,400	1,074,400	950,197	124,203
Total transportation	<u>7,553,100</u>	<u>7,573,700</u>	<u>6,304,822</u>	<u>1,268,878</u>

(CONTINUED)

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA**  
**GENERAL FUND (continued)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET**  
**AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>PARKS AND RECREATION</b>				
Parks and rec administration	\$ 1,812,300	\$ 1,812,300	\$ 1,787,096	\$ 25,204
Library	4,942,300	4,963,300	4,898,371	64,929
Community center	665,800	740,400	736,073	4,327
Train depot	66,900	66,900	55,382	11,518
Camp programs	670,700	602,800	472,987	129,813
Athletics	565,400	577,500	473,235	104,265
Skateboard park	56,200	56,200	54,489	1,711
Special programs	321,400	321,400	317,062	4,338
Aquatics	470,100	464,700	374,562	90,138
Tennis center	271,100	276,500	267,714	8,786
Special interest activity	664,300	537,200	503,804	33,396
Ocean rescue	2,052,600	2,182,400	2,182,159	241
Parks District I	4,455,900	4,610,300	4,312,491	297,809
Parks District II	1,067,500	1,070,800	951,431	119,369
Mizner Park	758,600	757,100	655,791	101,309
Park rangers	604,800	605,100	540,187	64,913
Irrigation	843,300	843,300	669,903	173,397
Beautification	5,756,000	5,771,900	5,523,906	247,994
Total parks and recreation	<u>26,045,200</u>	<u>26,260,100</u>	<u>24,776,643</u>	<u>1,483,457</u>
Total expenditures	<u>163,323,100</u>	<u>172,378,800</u>	<u>159,177,731</u>	<u>13,201,069</u>
Excess (deficiency) of revenues over expenditures	<u>(6,497,200)</u>	<u>(15,552,900)</u>	<u>516,354</u>	<u>16,069,254</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Downtown Infrastructure Fund	21,000	21,000	21,000	
Total transfers in	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	
Transfers out:				
Information Technology Fund	(120,100)	(120,100)	(120,100)	
Fleet Management Fund	(3,118,000)	(3,118,000)	(3,118,000)	
Retirement Stabilization Fund	(5,000,000)	(5,000,000)	(5,000,000)	
Total transfers out	<u>(8,238,100)</u>	<u>(8,238,100)</u>	<u>(8,238,100)</u>	
Total other financing uses	<u>(8,217,100)</u>	<u>(8,217,100)</u>	<u>(8,217,100)</u>	
Net change in fund balance	<u>\$ (14,714,300)</u>	<u>\$ (23,770,000)</u>	<u>(7,700,746)</u>	<u>\$ 16,069,254</u>
Fund balance - beginning, as previously reported			60,545,835	
Prior period adjustment			(4,613,530)	
Fund balances - beginning, restated			55,932,305	
Fund balance - ending			<u>\$ 48,231,559</u>	

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY - MIZNER PARK REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 12,250,000	\$ 12,250,000	\$ 12,489,146	\$ 239,146
Charges for services	1,180,000	1,180,000	1,908,824	728,824
Investment earnings (loss)	20,000	20,000	31,429	11,429
Total revenues	<u>13,450,000</u>	<u>13,450,000</u>	<u>14,429,399</u>	<u>979,399</u>
<b>EXPENDITURES</b>				
Current:				
Community development	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	
Excess (deficiency) of revenues over expenditures	<u>10,450,000</u>	<u>10,450,000</u>	<u>11,429,399</u>	<u>979,399</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(8,937,900)</u>	<u>(8,937,900)</u>	<u>(9,437,900)</u>	<u>(500,000)</u>
Total other financing uses	<u>(8,937,900)</u>	<u>(8,937,900)</u>	<u>(9,437,900)</u>	<u>(500,000)</u>
Net change in fund balance	<u>\$ 1,512,100</u>	<u>\$ 1,512,100</u>	1,991,499	<u>\$ 479,399</u>
Fund balance - beginning			<u>2,072,482</u>	
Fund balance - ending			<u>\$ 4,063,981</u>	

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA  
 BEACH AND PARK OPERATIONS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 20,399,100	\$ 21,485,300	\$ 15,180,668	\$ (6,304,632)
Charges for services	<u>2,928,000</u>	<u>2,928,000</u>	<u>2,726,088</u>	<u>(201,912)</u>
Total revenues	<u>23,327,100</u>	<u>24,413,300</u>	<u>17,906,756</u>	<u>(6,506,544)</u>
<b>EXPENDITURES</b>				
Current:				
Parks and recreation	17,887,000	18,255,800	16,977,572	1,278,228
Capital outlay	<u>5,316,200</u>	<u>6,033,600</u>	<u>851,184</u>	<u>5,182,416</u>
Total expenditures	<u>23,203,200</u>	<u>24,289,400</u>	<u>17,828,756</u>	<u>6,460,644</u>
Excess (deficiency) of revenues over expenditures	<u>123,900</u>	<u>123,900</u>	<u>78,000</u>	<u>(45,900)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(123,900)</u>	<u>(123,900)</u>	<u>(78,000)</u>	<u>45,900</u>
Total other financing uses	<u>(123,900)</u>	<u>(123,900)</u>	<u>(78,000)</u>	<u>45,900</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>		<u>\$</u>
Fund balance - beginning			<u>                    </u>	
Fund balance - ending			<u>\$</u>	

See accompanying note to required supplementary information



**CITY OF BOCA RATON, FLORIDA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2017**

**Stewardship, Compliance and Accountability**

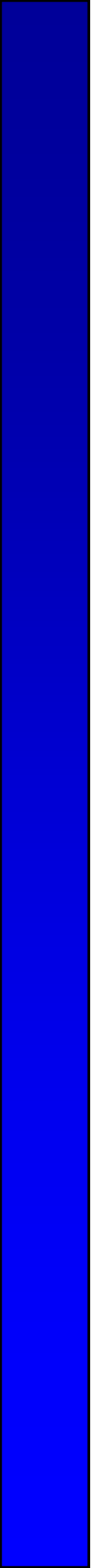
**A. Budgetary Information**

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements, which govern the City's operations. Annual budgets have been legally adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for the General Fund, Special Revenue Funds (except the General Trust Fund), Debt Service Funds and Capital Projects Funds. Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year end encumbrances.

The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that increase the total expenditures of any department or fund must be approved by the City Council. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department (by fund) level. All necessary supplemental appropriations are adopted by the City Council as part of a quarterly budget review process and are included in the "Final Budget" columns on the schedule of revenues, expenditures and changes in fund balance – budget and actual.

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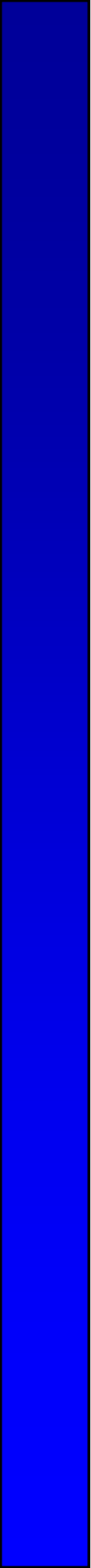


## **Major Governmental Fund**

### **CAPITAL PROJECTS FUND**

The capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Five-Year Capital Improvement Program Fund -- To account for various building, park and street construction projects. Financing is provided by general tax revenue, bond proceeds, excise tax and interest income.



**CITY OF BOCA RATON, FLORIDA  
FIVE YEAR CAPITAL IMPROVEMENT PROGRAM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 8,911,000	\$ 8,911,000	\$ 9,104,368	\$ 193,368
Intergovernmental	721,400	1,006,600	2,360,540	1,353,940
Donations in lieu of land	274,900	274,900	333,849	58,949
Investment earnings (loss)	100,000	100,000	174,836	74,836
Total revenues	<u>10,007,300</u>	<u>10,292,500</u>	<u>11,973,593</u>	<u>1,681,093</u>
<b>EXPENDITURES</b>				
General government	472,200	472,200	471,463	737
Public safety			1,610,000	(1,610,000)
Transportation		63,200	3,623,955	(3,560,755)
Capital outlay:				
Capital outlay	<u>12,273,100</u>	<u>15,087,100</u>	<u>2,837,628</u>	<u>12,249,472</u>
Total expenditures	<u>12,745,300</u>	<u>15,622,500</u>	<u>8,543,046</u>	<u>7,079,454</u>
Excess (deficiency) of revenues over expenditures	<u>(2,738,000)</u>	<u>(5,330,000)</u>	<u>3,430,547</u>	<u>8,760,547</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(2,151,200)</u>	<u>(2,151,200)</u>	<u>(2,151,200)</u>	
Total other financing uses	<u>(2,151,200)</u>	<u>(2,151,200)</u>	<u>(2,151,200)</u>	
Net change in fund balance	<u>\$ (4,889,200)</u>	<u>\$ (7,481,200)</u>	<u>1,279,347</u>	<u>\$ 8,760,547</u>
Fund balance - beginning			<u>21,267,792</u>	
Fund balance - ending			<u>\$ 22,547,139</u>	

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## Non-Major Governmental Funds

### SPECIAL REVENUE FUNDS

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

**Community Development Block Grant Program Fund --** To account for revenue from a grant agreement between the City and the U.S. Department of Housing and Urban Development (HUD) and expenditures for qualified neighborhood revitalization. The program includes expenditures for housing rehabilitation, clearance of housing and relocation of families, the construction of new, low and moderate income housing units, and public improvements to the neighborhood.

**Housing Assistance Trust Fund --** To account for funds received from the State Housing Initiatives Partnership for the purpose of providing affordable housing in the City.

**Law Enforcement Trust Fund --** To account for funds received from State and Federal forfeitures.

**Transportation Fund --** To account for local option gas tax restricted for roadway program expenditures.

**Right of Way Beautification Fund --** To account for excise tax levied specifically for the comprehensive median beautification program established in 1984.

**Land Proceeds Fund --** To account for the funds received from the sale of the City's Municipal Golf Course and related costs.

**Mizner Park Lock Box Fund --** To account for the 1.5% increase in excise tax specifically for the repayment of the Mizner Park Tax Increment Revenue Bonds in the event that pledged revenues are insufficient to meet the debt service requirements.

**Community Redevelopment Agency Operating Fund --** To account for the general operations of the Community Redevelopment Agency, which encourages development in the downtown area.

**Economic Development Fund --** To support economic development activities benefitting the City, including a variety of incentive programs.

**General Trust Fund --** To account for moneys received as donations, which have been restricted to expenditures for specified purposes.

**Grant Funds --** To account for revenues and expenditures of specific state and federally funded grants.

**PERMANENT FUND**

Perpetual Care Fund -- To account for moneys received for the purpose of providing perpetual care for the City's cemetery and mausoleum.

**DEBT SERVICE 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.

City Debt Service Fund -- To account for the payment of principal and interest, and fiscal charges on the City's general obligation bonds which are payable from ad valorem taxes; and the City's revenue bonds and notes payable which are payable from non ad valorem revenues.

Community Redevelopment Agency Debt Service Fund -- To account for the payment of principal and interest and fiscal charges of the Community Redevelopment Agency's tax increment revenue bonds (Mizner Park) which are payable from tax increment revenues and land lease revenues.

**CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Right of Way Acquisition Fund -- To account for the cost of acquiring right of way property. Revenue is provided from land sales proceeds and interest income.

Park Land Dedication Fund -- To account for the cost of buying and constructing park developments. Financing is being provided by donations from developers as required by City ordinance.

Downtown Land Dedication Fund -- To account for the cost of buying and constructing park developments in the downtown area. Financing is being provided by donations from developers in the downtown as required by City ordinance.

Downtown Infrastructure Fund -- To account for the financing and implementation of the downtown infrastructure program.

Library Improvements Fund -- To account for the construction, renovation and furnishing of the City of Boca Raton's Libraries.

Infrastructure Surtax Fund - To account for the bond proceeds and payment of designated infrastructure expenses as a result of the 1-cent sales surtax approved by Palm Beach County voters in November 2016.

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**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2018**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 19,242,852		\$ 4,626,010	\$ 14,303,853	\$ 38,172,715
Investments	10,421,939		1,840,207	12,868,498	25,130,644
Receivables, net:					
Assessments				186,643	186,643
Interest	42,898		12,753	45,672	101,323
Due from other governmental units	737,463			1,047,021	1,784,484
Restricted:					
Cash and cash equivalents	348,848	\$ 2,347,216			2,696,064
Investments	311,063	2,092,968			2,404,031
Interest receivable on investments	1,182	8,210			9,392
Restricted accounts receivable		6,718			6,718
Total assets	<u>\$ 31,106,245</u>	<u>\$ 4,455,112</u>	<u>\$ 6,478,970</u>	<u>\$ 28,451,687</u>	<u>\$ 70,492,014</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 913,469			\$ 105,571	\$ 1,019,040
Performance bonds and escrow funds	1,814,817	\$ 4,000			1,818,817
Due to other funds	147,855				147,855
Unearned revenue	1,542				1,542
Total liabilities	<u>2,877,683</u>	<u>4,000</u>	<u>6,478,970</u>	<u>105,571</u>	<u>2,987,254</u>
<b>FUND BALANCES</b>					
Non-spendable:					
Perpetual care, cemetery		1,677,739			1,677,739
Perpetual care, mausoleum		2,773,373			2,773,373
Restricted for:					
Debt service	6,233,079		\$ 6,478,970		12,712,049
Housing	885,532				885,532
Infrastructure				8,718,331	8,718,331
Law enforcement	1,189,703				1,189,703
Transportation	10,367,849				10,367,849
Downtown	3,633,957			863,512	4,497,469
Economic development	5,909,433				5,909,433
Land dedication				16,397,206	16,397,206
Land proceeds	5,942				5,942
Committed to:					
Parking	3,067				3,067
Right of way acquisition				2,367,067	2,367,067
Total fund balances	<u>28,228,562</u>	<u>4,451,112</u>	<u>6,478,970</u>	<u>28,346,116</u>	<u>67,504,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,106,245</u>	<u>\$ 4,455,112</u>	<u>\$ 6,478,970</u>	<u>\$ 28,451,687</u>	<u>\$ 70,492,014</u>

**CITY OF BOCA RATON, FLORIDA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$ 3,244,500		\$ 4,865,417	\$ 6,471,239	\$ 14,581,156
Intergovernmental	1,355,780				1,355,780
Charges for services	705,163	\$ 195,814			900,977
Fines and forfeitures	71,236				71,236
Special assessments				1,519,976	1,519,976
Donations in lieu of land				506,650	506,650
Investment earnings (loss)	353,016	31,465	32,999	182,446	599,926
Miscellaneous	72,009				72,009
Total revenues	<u>5,801,704</u>	<u>227,279</u>	<u>4,898,416</u>	<u>8,680,311</u>	<u>19,607,710</u>
<b>EXPENDITURES</b>					
Current:					
General government				3,996	3,996
Law enforcement	209,997				209,997
Transportation	3,911,556			1,678,270	5,589,826
Community development	4,309,798				4,309,798
Parks and recreation	19,000,000				19,000,000
Capital outlay	335,321			563,968	899,289
Debt service:					
Principal			8,087,014		8,087,014
Interest			5,274,703		5,274,703
Bond issuance costs	44,050				44,050
Total expenditures	<u>27,810,722</u>		<u>13,361,717</u>	<u>2,246,234</u>	<u>43,418,673</u>
Excess (deficiency) of revenues over expenditures	<u>(22,009,018)</u>	<u>227,279</u>	<u>(8,463,301)</u>	<u>6,434,077</u>	<u>(23,810,963)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,317,900		9,102,585		11,420,485
Transfers out	(610,585)	(208,600)		(1,429,300)	(2,248,485)
Issuance of debt	19,100,000				19,100,000
Premium (discount) on debt issue	(47,750)				(47,750)
Total other financing sources (uses)	<u>20,759,565</u>	<u>(208,600)</u>	<u>9,102,585</u>	<u>(1,429,300)</u>	<u>28,224,250</u>
Net change in fund balances	(1,249,453)	18,679	639,284	5,004,777	4,413,287
Fund balances - beginning	<u>29,478,015</u>	<u>4,432,433</u>	<u>5,839,686</u>	<u>23,341,339</u>	<u>63,091,473</u>
Fund balances - ending	<u>\$ 28,228,562</u>	<u>\$ 4,451,112</u>	<u>\$ 6,478,970</u>	<u>\$ 28,346,116</u>	<u>\$ 67,504,760</u>

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2018**

	<b>Community Development Block Grant Program</b>	<b>SHIP Housing Assistance Trust Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Transpor- tation Fund</b>	<b>Ocean Breeze GBRBP</b>
<b>ASSETS</b>					
Cash and cash equivalents		\$ 874,844	\$ 826,358	\$ 5,551,739	
Investments		15,007	379,293	4,950,388	
Receivables, net:					
Interest		597	1,055	21,453	
Due from other governmental units	\$ 36,603			523,403	
Restricted:					
Cash and cash equivalents					
Investments					
Interest receivable on investments					
Total assets	<u>\$ 36,603</u>	<u>\$ 890,448</u>	<u>\$ 1,206,706</u>	<u>\$ 11,046,983</u>	<u>\$</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 23,723	\$ 3,374	\$ 17,003	\$ 679,134	
Performance bonds and escrow funds					
Due to other funds	12,880				
Unearned revenue		1,542			
Total liabilities	<u>36,603</u>	<u>4,916</u>	<u>17,003</u>	<u>679,134</u>	
<b>FUND BALANCES</b>					
Restricted for:					
Debt service					
Housing		885,532			
Law enforcement			1,189,703		
Transportation				10,367,849	
Downtown					
Economic development					
Committed to:					
Land proceeds					
Parking					
Total fund balances		<u>885,532</u>	<u>1,189,703</u>	<u>10,367,849</u>	
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,603</u>	<u>\$ 890,448</u>	<u>\$ 1,206,706</u>	<u>\$ 11,046,983</u>	<u>\$</u>

Mizner Park Lock Box Fund	Community Redevelopment Agency Operating Fund	Economic Development Fund	Land Proceeds Fund	General Trust Fund	Grant Funds	Total Nonmajor Special Revenue Funds
\$ 6,233,079	\$ 2,073,173 1,846,527	\$ 3,124,170 2,785,579	\$ 559,489 445,145			\$ 19,242,852 10,421,939
	6,746	11,739	1,308		\$ 177,457	42,898 737,463
				\$ 348,848 311,063 1,182		348,848 311,063 1,182
<u>\$ 6,233,079</u>	<u>\$ 3,926,446</u>	<u>\$ 5,921,488</u>	<u>\$ 1,005,942</u>	<u>\$ 661,093</u>	<u>\$ 177,457</u>	<u>\$ 31,106,245</u>
	\$ 135,698 153,724	\$ 12,055	\$ 1,000,000	\$ 661,093	\$ 42,482 134,975	\$ 913,469 1,814,817 147,855 1,542
	289,422	12,055	1,000,000	661,093	177,457	2,877,683
\$ 6,233,079	3,633,957	5,909,433	5,942			6,233,079 885,532 1,189,703 10,367,849 3,633,957 5,909,433
	3,067					5,942 3,067
<u>6,233,079</u>	<u>3,637,024</u>	<u>5,909,433</u>	<u>5,942</u>			<u>28,228,562</u>
<u>\$ 6,233,079</u>	<u>\$ 3,926,446</u>	<u>\$ 5,921,488</u>	<u>\$ 1,005,942</u>	<u>\$ 661,093</u>	<u>\$ 177,457</u>	<u>\$ 31,106,245</u>

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Community Development Block Grant Program</b>	<b>SHIP Housing Assistance Trust Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>Transportation Fund</b>	<b>Ocean Breeze GBRPD</b>
<b>REVENUES</b>					
Taxes				\$ 2,244,500	
Intergovernmental	\$ 230,017	\$ 376,749		165,821	\$ 386,800
Charges for services					
Fines and forfeitures			\$ 71,236		
Investment earnings (loss)		6,606	8,073	82,045	179,285
Miscellaneous		72,009			
Total revenues	<u>230,017</u>	<u>455,364</u>	<u>79,309</u>	<u>2,492,366</u>	<u>566,085</u>
<b>EXPENDITURES</b>					
Current:					
Law enforcement			182,504		
Transportation				3,742,656	
Community development	230,017	773,603			
Parks and recreation					19,000,000
Capital outlay				263,566	
Bond issuance costs					44,050
Total expenditures	<u>230,017</u>	<u>773,603</u>	<u>182,504</u>	<u>4,006,222</u>	<u>19,044,050</u>
Excess (deficiency) of revenues over expenditures		<u>(318,239)</u>	<u>(103,195)</u>	<u>(1,513,856)</u>	<u>(18,477,965)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
Transfers out					(574,285)
Issuance of debt					19,100,000
Premium (discount) on debt issue					(47,750)
Total other financing sources (uses)					<u>18,477,965</u>
Net change in fund balances		(318,239)	(103,195)	(1,513,856)	
Fund balances - beginning		1,203,771	1,292,898	11,881,705	
Fund balances - ending	<u>\$</u>	<u>\$ 885,532</u>	<u>\$ 1,189,703</u>	<u>\$ 10,367,849</u>	<u>\$</u>



<b>Mizner Park Lock Box Fund</b>	<b>Community Redevelopment Agency Operating Fund</b>	<b>Economic Development Fund</b>	<b>Land Proceeds Fund</b>	<b>Grant Funds</b>	<b>Total Nonmajor Special Revenue Funds</b>
		\$ 1,000,000		\$ 196,393	\$ 3,244,500
	\$ 705,163				1,355,780
	26,873	44,192	\$ 5,942		705,163
					71,236
					353,016
					72,009
	<u>732,036</u>	<u>1,044,192</u>	<u>5,942</u>	<u>196,393</u>	<u>5,801,704</u>
				27,493	209,997
				168,900	3,911,556
	2,046,050	1,260,128			4,309,798
	71,755				19,000,000
					335,321
					44,050
	<u>2,117,805</u>	<u>1,260,128</u>		<u>196,393</u>	<u>27,810,722</u>
	(1,385,769)	(215,936)	5,942		(22,009,018)
	2,317,900				2,317,900
	(34,000)	(2,300)			(610,585)
					19,100,000
					(47,750)
	<u>2,283,900</u>	<u>(2,300)</u>			<u>20,759,565</u>
	898,131	(218,236)	5,942		(1,249,453)
\$ 6,233,079	<u>2,738,893</u>	<u>6,127,669</u>			<u>29,478,015</u>
\$ 6,233,079	<u>\$ 3,637,024</u>	<u>\$ 5,909,433</u>	<u>\$ 5,942</u>	<u>\$</u>	<u>\$ 28,228,562</u>

**CITY OF BOCA RATON, FLORIDA  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive / (Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 885,300	\$ 962,700	\$ 230,017	\$ (732,683)
Total revenues	885,300	962,700	230,017	(732,683)
<b>EXPENDITURES</b>				
Current:				
Community development	764,600	764,600	230,017	534,583
Capital outlay	120,700	198,100		198,100
Total expenditures	885,300	962,700	230,017	732,683
Net change in fund balance	\$ _____	\$ _____		\$ _____
Fund balance - beginning			_____	
Fund balance - ending			\$ _____	

**CITY OF BOCA RATON, FLORIDA  
HOUSING ASSISTANCE TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 376,800	\$ 376,800	\$ 376,749	\$ (51)
Investment earnings (loss)	500	500	6,606	6,106
Miscellaneous	100,000	100,000	72,009	(27,991)
Total revenues	<u>477,300</u>	<u>477,300</u>	<u>455,364</u>	<u>(21,936)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	1,657,300	1,657,300	773,603	883,697
Total expenditures	<u>1,657,300</u>	<u>1,657,300</u>	<u>773,603</u>	<u>883,697</u>
Net change in fund balance	<u>\$ (1,180,000)</u>	<u>\$ (1,180,000)</u>	(318,239)	<u>\$ 861,761</u>
Fund balance - beginning			<u>1,203,771</u>	
Fund balance - ending			<u>\$ 885,532</u>	

**CITY OF BOCA RATON, FLORIDA  
LAW ENFORCEMENT TRUST FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 350,000	\$ 350,000	\$ 71,236	\$ (278,764)
Investment earnings (loss)	4,500	4,500	8,073	3,573
Total revenues	<u>354,500</u>	<u>354,500</u>	<u>79,309</u>	<u>(275,191)</u>
<b>EXPENDITURES</b>				
Current:				
Law enforcement	319,800	330,900	182,504	148,396
Total expenditures	<u>319,800</u>	<u>330,900</u>	<u>182,504</u>	<u>148,396</u>
Net change in fund balance	<u>\$ 34,700</u>	<u>\$ 23,600</u>	(103,195)	<u>\$ (126,795)</u>
Fund balance - beginning			<u>1,292,898</u>	
Fund balance - ending			<u>\$ 1,189,703</u>	

**CITY OF BOCA RATON, FLORIDA  
TRANSPORTATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 2,305,000	\$ 2,305,000	\$ 2,244,500	\$ (60,500)
Intergovernmental			165,821	165,821
Investment earnings (loss)	50,000	50,000	82,045	32,045
Total revenues	<u>2,355,000</u>	<u>2,355,000</u>	<u>2,492,366</u>	<u>137,366</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	750,000	2,015,500	3,742,656	(1,727,156)
Capital outlay	4,627,800	7,372,300	263,566	7,108,734
Total expenditures	<u>5,377,800</u>	<u>9,387,800</u>	<u>4,006,222</u>	<u>5,381,578</u>
Net change in fund balance	<u>\$ (3,022,800)</u>	<u>\$ (7,032,800)</u>	(1,513,856)	<u>\$ 5,518,944</u>
Fund balance - beginning			<u>11,881,705</u>	
Fund balance - ending			<u>\$ 10,367,849</u>	

**CITY OF BOCA RATON, FLORIDA**  
**OCEAN BREEZE GBRBPD**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental		\$ 588,500	\$ 386,800	\$ (201,700)
Investment earnings (loss)			179,285	179,285
Total revenues		<u>588,500</u>	<u>566,085</u>	<u>(22,415)</u>
<b>EXPENDITURES</b>				
Parks and recreation		19,000,000	19,000,000	
Bond issuance costs		150,000	44,050	105,950
Total expenditures		<u>19,150,000</u>	<u>19,044,050</u>	<u>105,950</u>
Excess (deficiency) of revenues over expenditures		<u>(18,561,500)</u>	<u>(18,477,965)</u>	<u>83,535</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out		(588,500)	(574,285)	14,215
Issuance of debt		19,150,000	19,100,000	(50,000)
Premium (discount) on debt issue			(47,750)	(47,750)
Total other financing sources (uses)		<u>18,561,500</u>	<u>18,477,965</u>	<u>(83,535)</u>
Net change in fund balance	\$	\$		\$
Fund balance - beginning				
Fund balance - ending			\$	

**CITY OF BOCA RATON, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY OPERATING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 1,701,000	\$ 1,701,000	\$ 705,163	\$ (995,837)
Investment earnings (loss)	10,000	10,000	26,873	16,873
Total revenues	<u>1,711,000</u>	<u>1,711,000</u>	<u>732,036</u>	<u>(978,964)</u>
<b>EXPENDITURES</b>				
Current:				
Community development	3,229,000	3,415,100	2,046,050	1,369,050
Capital outlay	1,034,500	1,262,300	71,755	1,190,545
Total expenditures	<u>4,263,500</u>	<u>4,677,400</u>	<u>2,117,805</u>	<u>2,559,595</u>
Excess (deficiency) of revenues over expenditures	<u>(2,552,500)</u>	<u>(2,966,400)</u>	<u>(1,385,769)</u>	<u>1,580,631</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,317,900	2,317,900	2,317,900	
Transfers out	(34,000)	(34,000)	(34,000)	
Total other financing sources (uses)	<u>2,283,900</u>	<u>2,283,900</u>	<u>2,283,900</u>	
Net change in fund balance	<u>\$ (268,600)</u>	<u>\$ (682,500)</u>	898,131	<u>\$ 1,580,631</u>
Fund balance - beginning			<u>2,738,893</u>	
Fund balance - ending			<u>\$ 3,637,024</u>	

**CITY OF BOCA RATON, FLORIDA  
ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Investment earnings (loss)	15,000	15,000	44,192	\$ 29,192
Total revenues	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,044,192</u>	<u>29,192</u>
<b>EXPENDITURES</b>				
Current:				
Community development	3,714,000	3,733,400	1,260,128	2,473,272
Total expenditures	<u>3,714,000</u>	<u>3,733,400</u>	<u>1,260,128</u>	<u>2,473,272</u>
Excess (deficiency) of revenues over expenditures	<u>(2,699,000)</u>	<u>(2,718,400)</u>	<u>(215,936)</u>	<u>2,502,464</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,300)	(2,300)	(2,300)	
Total other financing sources (uses)	<u>(2,300)</u>	<u>(2,300)</u>	<u>(2,300)</u>	
Net change in fund balance	<u>\$ (2,701,300)</u>	<u>\$ (2,720,700)</u>	(218,236)	<u>\$ 2,502,464</u>
Fund balance - beginning			<u>6,127,669</u>	
Fund balance - ending			<u>\$ 5,909,433</u>	



**CITY OF BOCA RATON, FLORIDA**  
**LAND PROCEEDS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Investment earnings (loss)			\$ 5,942	\$ 5,942
Miscellaneous	\$ 100,000	\$ 1,000,000		(1,000,000)
Total revenues	<u>100,000</u>	<u>1,000,000</u>	<u>5,942</u>	<u>(994,058)</u>
<b>EXPENDITURES</b>				
General government	100,000	200,000		200,000
Total expenditures	<u>100,000</u>	<u>200,000</u>		<u>200,000</u>
Net change in fund balance	<u>\$</u>	<u>\$ 800,000</u>	5,942	<u>\$ (794,058)</u>
Fund balance - beginning				
Fund balance - ending			<u>\$ 5,942</u>	

**CITY OF BOCA RATON, FLORIDA**  
**GRANT FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Intergovernmental	\$ 261,800	\$ 262,800	\$ 196,393	\$ (66,407)
Total revenues	<u>261,800</u>	<u>262,800</u>	<u>196,393</u>	<u>(66,407)</u>
<b>EXPENDITURES</b>				
Current:				
Law enforcement	25,000	26,000	27,493	(1,493)
Transportation			168,900	(168,900)
Capital outlay	<u>236,800</u>	<u>236,800</u>		<u>236,800</u>
Total expenditures	<u>261,800</u>	<u>262,800</u>	<u>196,393</u>	<u>66,407</u>
Net change in fund balance	<u>\$</u>	<u>\$</u>		<u>\$</u>
Fund balance - beginning			<u>                    </u>	
Fund balance - ending			<u>\$</u>	

**CITY OF BOCA RATON, FLORIDA  
PERPETUAL CARE PERMANENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 130,000	\$ 130,000	\$ 195,814	\$ 65,814
Investment earnings (loss)	13,000	13,000	31,465	18,465
Total revenues	<u>143,000</u>	<u>143,000</u>	<u>227,279</u>	<u>84,279</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(208,600)</u>	<u>(208,600)</u>	<u>(208,600)</u>	
Total other financing sources (uses)	<u>(208,600)</u>	<u>(208,600)</u>	<u>(208,600)</u>	
Net change in fund balance	<u>\$ (65,600)</u>	<u>\$ (65,600)</u>	18,679	<u>\$ 84,279</u>
Fund balance - beginning			<u>4,432,433</u>	
Fund balance - ending			<u>\$ 4,451,112</u>	

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2018**

	<b>City Debt Service Fund</b>	<b>Community Redevelopment Agency Debt Service Fund</b>	<b>Total Non-major Debt Service Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,062,262	\$ 2,563,748	\$ 4,626,010
Investments		1,840,207	1,840,207
Receivables, net:			
Interest		12,753	12,753
Total assets	\$ 2,062,262	\$ 4,416,708	\$ 6,478,970
<b>LIABILITIES</b>			
Total liabilities			
<b>FUND BALANCES</b>			
Restricted for:			
Debt service	\$ 2,062,262	\$ 4,416,708	\$ 6,478,970
Total fund balances	2,062,262	4,416,708	6,478,970
Total liabilities, deferred inflows of resources and fund balances	\$ 2,062,262	\$ 4,416,708	\$ 6,478,970

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>City Debt Service Fund</u>	<u>Community Redevelopment Agency Debt Service Fund</u>	<u>Total Non-major Debt Service Funds</u>
<b>REVENUES</b>			
Taxes	\$ 4,865,417		\$ 4,865,417
Investment earnings (loss)		\$ 32,999	32,999
Total revenues	<u>4,865,417</u>	<u>32,999</u>	<u>4,898,416</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	5,545,000	2,542,014	8,087,014
Interest	<u>1,195,617</u>	<u>4,079,086</u>	<u>5,274,703</u>
Total expenditures	<u>6,740,617</u>	<u>6,621,100</u>	<u>13,361,717</u>
Excess (deficiency) of revenues over expenditures	<u>(1,875,200)</u>	<u>(6,588,101)</u>	<u>(8,463,301)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>1,982,585</u>	<u>7,120,000</u>	<u>9,102,585</u>
Total other financing sources (uses)	<u>1,982,585</u>	<u>7,120,000</u>	<u>9,102,585</u>
Net change in fund balances	107,385	531,899	639,284
Fund balances - beginning	<u>1,954,877</u>	<u>3,884,809</u>	<u>5,839,686</u>
Fund balances - ending	<u>\$ 2,062,262</u>	<u>\$ 4,416,708</u>	<u>\$ 6,478,970</u>

**CITY OF BOCA RATON, FLORIDA  
CITY DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Taxes	\$ 4,802,000	\$ 4,802,000	\$ 4,865,417	\$ 63,417
Total revenues	<u>4,802,000</u>	<u>4,802,000</u>	<u>4,865,417</u>	<u>63,417</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	6,980,000	7,340,000	5,545,000	1,795,000
Interest	1,579,900	1,810,000	1,195,617	614,383
Total expenditures	<u>8,559,900</u>	<u>9,150,000</u>	<u>6,740,617</u>	<u>2,409,383</u>
Excess (deficiency) of revenues over expenditures	<u>(3,757,900)</u>	<u>(4,348,000)</u>	<u>(1,875,200)</u>	<u>2,472,800</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	3,699,600	4,288,100	1,982,585	(2,305,515)
Total other financing sources	<u>3,699,600</u>	<u>4,288,100</u>	<u>1,982,585</u>	<u>(2,305,515)</u>
Net change in fund balance	<u>\$ (58,300)</u>	<u>\$ (59,900)</u>	107,385	<u>\$ 167,285</u>
Fund balance - beginning			<u>1,954,877</u>	
Fund balance - ending			<u>\$ 2,062,262</u>	

**CITY OF BOCA RATON, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Investment earnings (loss)	\$ 1,500	\$ 1,500	\$ 32,999	\$ 31,499
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>32,999</u>	<u>31,499</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,542,000	2,542,000	2,542,014	(14)
Interest	4,079,100	4,079,100	4,079,086	14
Total expenditures	<u>6,621,100</u>	<u>6,621,100</u>	<u>6,621,100</u>	
Excess (deficiency) of revenues over expenditures	<u>(6,619,600)</u>	<u>(6,619,600)</u>	<u>(6,588,101)</u>	<u>31,499</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	6,620,000	6,620,000	7,120,000	500,000
Total other financing sources	<u>6,620,000</u>	<u>6,620,000</u>	<u>7,120,000</u>	<u>500,000</u>
Net change in fund balance	<u>\$ 400</u>	<u>\$ 400</u>	531,899	<u>\$ 531,499</u>
Fund balance - beginning			<u>3,884,809</u>	
Fund balance - ending			<u>\$ 4,416,708</u>	

**CITY OF BOCA RATON, FLORIDA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2018**

	<u>Right of Way Acquisition Program Fund</u>	<u>Park Land Dedication Fund</u>	<u>Downtown Land Dedication Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,248,986	\$ 5,057,948	\$ 3,613,770
Investments	1,113,700	4,510,080	3,222,335
Receivables, net:			
Assessments			
Interest	4,381	17,348	12,675
Due from other governmental units			
Total assets	<u>\$ 2,367,067</u>	<u>\$ 9,585,376</u>	<u>\$ 6,848,780</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 36,950	
Total liabilities		<u>36,950</u>	
<b>FUND BALANCES</b>			
Restricted for:			
Infrastructure			
Downtown Land dedication		9,548,426	\$ 6,848,780
Committed to:			
Right of way acquisition	\$ 2,367,067		
Total fund balances	<u>2,367,067</u>	<u>9,548,426</u>	<u>6,848,780</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,367,067</u>	<u>\$ 9,585,376</u>	<u>\$ 6,848,780</u>



<b>Downtown Infrastructure Fund</b>	<b>Infrastructure Surtax Fund</b>	<b>Total Non-Major Capital Projects Funds</b>
\$ 356,769	\$ 4,026,380	\$ 14,303,853
318,135	3,704,248	12,868,498
186,643		186,643
1,965	9,303	45,672
	1,047,021	1,047,021
<u>\$ 863,512</u>	<u>\$ 8,786,952</u>	<u>\$ 28,451,687</u>
	\$ 68,621	\$ 105,571
	68,621	105,571
\$ 863,512	8,718,331	8,718,331
		863,512
		16,397,206
		2,367,067
<u>863,512</u>	<u>8,718,331</u>	<u>28,346,116</u>
<u>\$ 863,512</u>	<u>\$ 8,786,952</u>	<u>\$ 28,451,687</u>

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Right of Way Acquisition Program Fund</u>	<u>Park Land Dedication Fund</u>	<u>Downtown Land Dedication Fund</u>
<b>REVENUES</b>			
Taxes			
Special assessments			
Donations in lieu of land		\$ 506,650	
Investment earnings (loss)	\$ 16,810	66,943	\$ 48,630
Total revenues	<u>16,810</u>	<u>573,593</u>	<u>48,630</u>
<b>EXPENDITURES</b>			
General government			
Transportation			
Capital outlay		134,963	
Total expenditures		<u>134,963</u>	
Excess (deficiency) of revenues over expenditures	<u>16,810</u>	<u>438,630</u>	<u>48,630</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out			
Total other financing sources (uses)			
Net change in fund balances	16,810	438,630	48,630
Fund balances - beginning	<u>2,350,257</u>	<u>9,109,796</u>	<u>6,800,150</u>
Fund balances - ending	<u>\$ 2,367,067</u>	<u>\$ 9,548,426</u>	<u>\$ 6,848,780</u>

<b>Downtown Infrastructure Fund</b>	<b>Infrastructure Surtax Fund</b>	<b>Total Non-Major Capital Project Funds</b>
\$ 1,519,976	\$ 6,471,239	\$ 6,471,239
10,860	39,203	1,519,976
<u>1,530,836</u>	<u>6,510,442</u>	<u>506,650</u>
		<u>182,446</u>
		<u>8,680,311</u>
3,996		3,996
	1,678,270	1,678,270
	429,005	563,968
<u>3,996</u>	<u>2,107,275</u>	<u>2,246,234</u>
<u>1,526,840</u>	<u>4,403,167</u>	<u>6,434,077</u>
(1,429,300)		(1,429,300)
<u>(1,429,300)</u>		<u>(1,429,300)</u>
97,540	4,403,167	5,004,777
<u>765,972</u>	<u>4,315,164</u>	<u>23,341,339</u>
<u>\$ 863,512</u>	<u>\$ 8,718,331</u>	<u>\$ 28,346,116</u>

**CITY OF BOCA RATON, FLORIDA**  
**RIGHT OF WAY ACQUISITION PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Investment earnings (loss)	\$ 15,000	\$ 15,000	\$ 16,810	\$ 1,810
Total revenues	15,000	15,000	16,810	1,810
<b>EXPENDITURES</b>				
Total expenditures				
Net change in fund balance	\$ 15,000	\$ 15,000	16,810	\$ 1,810
Fund balance - beginning			2,350,257	
Fund balance - ending			\$ 2,367,067	

**CITY OF BOCA RATON, FLORIDA  
PARK LAND DEDICATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Donations in lieu of land	\$ 900,000	\$ 900,000	\$ 506,650	\$ (393,350)
Investment earnings (loss)	15,000	15,000	66,943	51,943
Total revenues	<u>915,000</u>	<u>915,000</u>	<u>573,593</u>	<u>(341,407)</u>
<b>EXPENDITURES</b>				
Capital outlay	1,085,400	1,149,800	134,963	1,014,837
Total expenditures	<u>1,085,400</u>	<u>1,149,800</u>	<u>134,963</u>	<u>1,014,837</u>
Net change in fund balance	<u>\$ (170,400)</u>	<u>\$ (234,800)</u>	438,630	<u>\$ 673,430</u>
Fund balance - beginning			<u>9,109,796</u>	
Fund balance - ending			<u>\$ 9,548,426</u>	

**CITY OF BOCA RATON, FLORIDA  
DOWNTOWN LAND DEDICATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Donations in lieu of land	\$ 500,000	\$ 500,000		\$ (500,000)
Investment earnings (loss)	20,000	20,000	\$ 48,630	28,630
Total revenues	<u>520,000</u>	<u>520,000</u>	<u>48,630</u>	<u>(471,370)</u>
<b>EXPENDITURES</b>				
Capital outlay	120,000	120,000		120,000
Total expenditures	<u>120,000</u>	<u>120,000</u>		<u>120,000</u>
Net change in fund balance	<u>\$ 400,000</u>	<u>\$ 400,000</u>	48,630	<u>\$ (351,370)</u>
Fund balance - beginning			<u>6,800,150</u>	
Fund balance - ending			<u>\$ 6,848,780</u>	

**CITY OF BOCA RATON, FLORIDA  
DOWNTOWN INFRASTRUCTURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Special assessments	\$ 1,496,200	\$ 1,496,200	\$ 1,519,976	\$ 23,776
Investment earnings (loss)	5,000	5,000	10,860	5,860
Total revenues	<u>1,501,200</u>	<u>1,501,200</u>	<u>1,530,836</u>	<u>29,636</u>
<b>EXPENDITURES</b>				
General government	4,200	4,200	3,996	204
Total expenditures	<u>4,200</u>	<u>4,200</u>	<u>3,996</u>	<u>204</u>
Excess (deficiency) of revenues over expenditures	<u>1,497,000</u>	<u>1,497,000</u>	<u>1,526,840</u>	<u>29,840</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,429,300)	(1,429,300)	(1,429,300)	
Total other financing sources (uses)	<u>(1,429,300)</u>	<u>(1,429,300)</u>	<u>(1,429,300)</u>	
Net change in fund balance	<u>\$ 67,700</u>	<u>\$ 67,700</u>	97,540	<u>\$ 29,840</u>
Fund balance - beginning			<u>765,972</u>	
Fund balance - ending			<u>\$ 863,512</u>	

**CITY OF BOCA RATON, FLORIDA  
 INFRASTRUCTURE SURTAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
<b>REVENUES</b>				
Taxes	\$ 6,000,000	\$ 6,000,000	\$ 6,471,239	\$ 471,239
Investment earnings (loss)	10,000	10,000	39,203	29,203
Total revenues	<u>6,010,000</u>	<u>6,010,000</u>	<u>6,510,442</u>	<u>500,442</u>
<b>EXPENDITURES</b>				
Transportation	200,000	1,900,000	1,678,270	221,730
Capital outlay	15,850,000	15,136,400	429,005	14,707,395
Total expenditures	<u>16,050,000</u>	<u>17,036,400</u>	<u>2,107,275</u>	<u>14,929,125</u>
Excess (deficiency) of revenues over expenditures	<u>(10,040,000)</u>	<u>(11,026,400)</u>	4,403,167	<u>15,429,567</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,291,300)	(2,291,300)		2,291,300
Issuance of debt	36,660,000	36,660,000		(36,660,000)
Total other financing sources (uses)	<u>34,368,700</u>	<u>34,368,700</u>		<u>(34,368,700)</u>
Net change in fund balance	<u>\$ 24,328,700</u>	<u>\$ 23,342,300</u>	4,403,167	<u>\$ (18,939,133)</u>
Fund balance - beginning			<u>4,315,164</u>	
Fund balance - ending			<u>\$ 8,718,331</u>	



## **Non-Major Enterprise Funds**

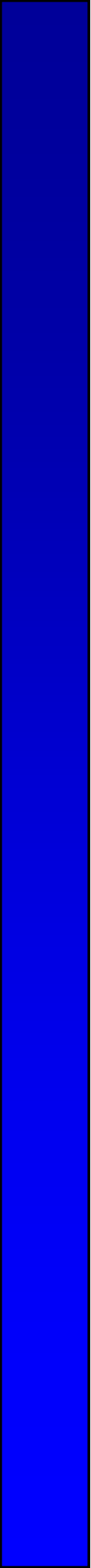
**Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing goods or services to the general public are financed or recovered primarily through user charges.**

**Cemetery Fund -- To account for the operation of the City's cemetery and mausoleum.**

**Golf Course Fund -- To account for the operation of the City's golf courses.**

**Stormwater Utility Fund -- To account for the provision of stormwater maintenance and capital improvements to the residents of the City.**

**Sanitation Fund -- To account for the provision of solid waste services and capital assets used to provide the services to the residents of the City.**



**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<b>Cemetery Mausoleum</b>	<b>Golf Course</b>	<b>Stormwater Utility</b>	<b>Sanitation</b>	<b>Total Non- Major Enterprise Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 233,660	\$ 85,515	\$ 4,439,689	\$ 3,648,064	\$ 8,406,928
Investments	208,351	73,481	3,958,084	3,252,509	7,492,425
Interest receivable on investments	816	360	15,504	11,099	27,779
Accounts receivable	2,925	500	228,274	1,290,338	1,522,037
Due from other governmental units		118,810			118,810
Inventories	60,146				60,146
Total current assets	<u>505,898</u>	<u>278,666</u>	<u>8,641,551</u>	<u>8,202,010</u>	<u>17,628,125</u>
Noncurrent assets:					
Capital assets:					
Land	118,000	468,735			586,735
Buildings	1,488,761	770,900			2,259,661
Golf course improvements		3,660,473			3,660,473
Cemetery lot improvements	588,373				588,373
Stormwater utility improvements			17,361,373		17,361,373
Equipment	204,276	1,359,302	1,644,936	8,979,877	12,188,391
Less accumulated depreciation	<u>(1,671,178)</u>	<u>(3,338,819)</u>	<u>(7,636,471)</u>	<u>(4,072,350)</u>	<u>(16,718,818)</u>
Total capital assets (net of accumulated depreciation)	<u>728,232</u>	<u>2,920,591</u>	<u>11,369,838</u>	<u>4,907,527</u>	<u>19,926,188</u>
Total noncurrent assets	<u>728,232</u>	<u>2,920,591</u>	<u>11,369,838</u>	<u>4,907,527</u>	<u>19,926,188</u>
Total assets	<u>1,234,130</u>	<u>3,199,257</u>	<u>20,011,389</u>	<u>13,109,537</u>	<u>37,554,313</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows for pensions	40,411	361,244	124,450	446,769	972,874
Total deferred outflows of resources	<u>40,411</u>	<u>361,244</u>	<u>124,450</u>	<u>446,769</u>	<u>972,874</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	17,417	100,335	102,988	184,951	405,691
Advances from other funds		320,000			320,000
Compensated absences	2,361	22,716	12,669	43,894	81,640
Performance bonds and escrow funds		1,000			1,000
Unearned revenue		20,005			20,005
Customer deposits payable				575	575
Total current liabilities	<u>19,778</u>	<u>464,056</u>	<u>115,657</u>	<u>229,420</u>	<u>828,911</u>
Non-current liabilities:					
Compensated absences	21,249	204,448	114,024	395,045	734,766
Net pension liability	19,306	340,386	107,782	213,432	680,906
Total OPEB liability	<u>19,421</u>	<u>74,447</u>	<u>37,709</u>	<u>168,316</u>	<u>299,893</u>
Total noncurrent liabilities	<u>59,976</u>	<u>619,281</u>	<u>259,515</u>	<u>776,793</u>	<u>1,715,565</u>
Total liabilities	<u>79,754</u>	<u>1,083,337</u>	<u>375,172</u>	<u>1,006,213</u>	<u>2,544,476</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows for pensions	29,105	234,501	82,238	321,769	667,613
Deferred inflows for OPEB	455	1,742	882	3,939	7,018
Total deferred inflows of resources	<u>29,560</u>	<u>236,243</u>	<u>83,120</u>	<u>325,708</u>	<u>674,631</u>
<b>NET POSITION</b>					
Net investment in capital assets	728,232	2,920,591	11,369,838	4,907,527	19,926,188
Unrestricted	436,995	(679,670)	8,307,709	7,316,858	15,381,892
Total net position	<u>\$ 1,165,227</u>	<u>\$ 2,240,921</u>	<u>\$ 19,677,547</u>	<u>\$ 12,224,385</u>	<u>\$ 35,308,080</u>

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Cemetery Mausoleum</b>	<b>Golf Course</b>	<b>Stormwater Utility</b>	<b>Sanitation</b>	<b>Total Non- major Enterprise Funds</b>
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 375,556	\$ 2,375,094	\$ 2,533,749	\$ 7,715,432	\$ 12,999,831
Other		57,144		1,280	58,424
Total operating revenues	<u>375,556</u>	<u>2,432,238</u>	<u>2,533,749</u>	<u>7,716,712</u>	<u>13,058,255</u>
<b>OPERATING EXPENSES</b>					
Personnel services	334,451	1,797,723	836,545	2,975,675	5,944,394
Materials and supplies	21,684	301,280	3,349	22,254	348,567
Other services and charges	250,302	595,801	1,298,011	3,545,742	5,689,856
Depreciation of capital assets	64,185	81,972	666,124	837,724	1,650,005
Total operating expenses	<u>670,622</u>	<u>2,776,776</u>	<u>2,804,029</u>	<u>7,381,395</u>	<u>13,632,822</u>
Operating income (loss)	<u>(295,066)</u>	<u>(344,538)</u>	<u>(270,280)</u>	<u>335,317</u>	<u>(574,567)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	3,294	2,989	59,162	41,742	107,187
Gain (loss) on disposal of capital assets			6,100	48,750	54,850
Total nonoperating revenues (expenses)	<u>3,294</u>	<u>2,989</u>	<u>65,262</u>	<u>90,492</u>	<u>162,037</u>
Income (loss) before transfers and contributions	(291,772)	(341,549)	(205,018)	425,809	(412,530)
Transfers in	208,600				208,600
Transfers out		(11,400)			(11,400)
Capital contributions		180,876			180,876
Change in net position	(83,172)	(172,073)	(205,018)	425,809	(34,454)
Net position, beginning as originally stated	1,258,018	2,449,869	19,901,242	11,878,738	35,487,867
Prior period adjustment	(9,619)	(36,875)	(18,677)	(80,162)	(145,333)
Net position, beginning as restated	<u>1,248,399</u>	<u>2,412,994</u>	<u>19,882,565</u>	<u>11,798,576</u>	<u>35,342,534</u>
Net position, ending	<u>\$ 1,165,227</u>	<u>\$ 2,240,921</u>	<u>\$ 19,677,547</u>	<u>\$ 12,224,385</u>	<u>\$ 35,308,080</u>

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Cemetery/ Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non- Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 383,105	\$ 2,464,544	\$ 2,557,481	\$ 7,866,182	\$ 13,271,312
Payments to suppliers	(273,594)	(895,868)	(1,384,622)	(3,594,058)	(6,148,142)
Payments to employees	(334,889)	(1,716,706)	(836,273)	(2,905,254)	(5,793,122)
<b>Net cash provided by (used in) operating activities</b>	<u>(225,378)</u>	<u>(148,030)</u>	<u>336,586</u>	<u>1,366,870</u>	<u>1,330,048</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	208,600				208,600
Transfers out		(11,400)			(11,400)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>208,600</u>	<u>(11,400)</u>			<u>197,200</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets			(389,235)	(1,061,205)	(1,450,440)
Capital Contributions		180,876			180,876
Proceeds from sale of capital assets			6,100	48,750	54,850
<b>Net cash provided by (used in) capital and related financing activities</b>		<u>180,876</u>	<u>(383,135)</u>	<u>(1,012,455)</u>	<u>(1,214,714)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	2,707	2,698	47,877	33,905	87,187
Sale of investments	147,361	42,762	2,712,903	2,104,124	5,007,150
Purchase of investments	(208,351)	(73,481)	(3,958,084)	(3,252,509)	(7,492,425)
<b>Net cash provided by (used in) investing activities</b>	<u>(58,283)</u>	<u>(28,021)</u>	<u>(1,197,304)</u>	<u>(1,114,480)</u>	<u>(2,398,088)</u>
<b>Net increase in cash and cash equivalents</b>	(75,061)	(6,575)	(1,243,853)	(760,065)	(2,085,554)
<b>Cash and cash equivalents</b>					
<b>Beginning of year</b>	<u>308,721</u>	<u>92,090</u>	<u>5,683,542</u>	<u>4,408,129</u>	<u>10,492,482</u>
<b>End of year</b>	<u>\$ 233,660</u>	<u>\$ 85,515</u>	<u>\$ 4,439,689</u>	<u>\$ 3,648,064</u>	<u>\$ 8,406,928</u>

(Continued)

**CITY OF BOCA RATON, FLORIDA  
NON-MAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS (continued)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Cemetery/ Mausoleum	Golf Course	Stormwater Utility	Sanitation	Total Non- Major Enterprise Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (295,066)	\$ (344,538)	\$ (270,280)	\$ 335,317	\$ (574,567)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	64,185	81,972	666,124	837,724	1,650,005
Change in assets, liabilities, deferred outflows & deferred inflows					
(Increase) decrease in accounts receivable	7,549		23,732	148,895	180,176
(Increase) decrease in due from other governmental units		37,888			37,888
(Increase) decrease in inventories	(1,263)				(1,263)
(Increase) decrease in other assets		3,231			3,231
(Increase) decrease in deferred pension outflows	6,299	16,028	53,262	89,016	164,605
Increase (decrease) in accounts payable and accrued liabilities	597	3,434	(62,350)	(37,081)	(95,400)
Increase (decrease) in retainage payable			(8,319)		(8,319)
Increase (decrease) in customer deposits payable				575	575
Increase (decrease) in compensated absences	(7,447)	19,914	17,020	8,551	38,038
Increase (decrease) in total OPEB liability	(461)	(1,769)	(895)	2,630	(495)
Increase (decrease) in unearned revenue		(5,582)			(5,582)
Increase (decrease) in net pension liability	(15,526)	(98,949)	(121,899)	(186,114)	(422,488)
Increase (decrease) in deferred inflows for pensions	15,300	138,599	39,309	163,418	356,626
Increase (decrease) in deferred inflows for OPEB	455	1,742	882	3,939	7,018
Total adjustments	69,688	196,508	606,866	1,031,553	1,904,615
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (225,378)</b>	<b>\$ (148,030)</b>	<b>\$ 336,586</b>	<b>\$ 1,366,870</b>	<b>\$ 1,330,048</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Unrealized (loss) on investments	\$ (1,513)	\$ (1,091)	\$ (29,571)	\$ (24,282)	\$ (56,457)

## Internal Service Funds

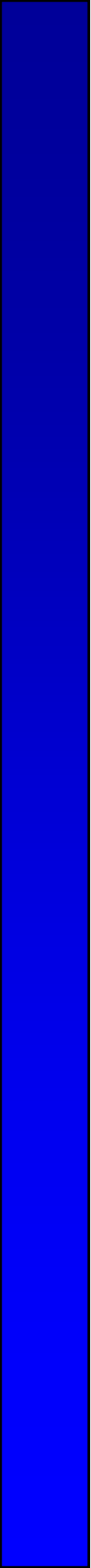
**Internal Service Funds -- are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis.**

**Fleet Management -- To account for the cost of operating a maintenance facility for automotive equipment used by other City departments, and administering the City fleet.**

**Information Technology -- To account for the cost of operating a computer facility used by other City departments.**

**Self-Insurance Programs -- To account for the cost of providing health and workers' compensation insurance coverage to all City employees, and the City's general liability self-insurance program.**

**Retirement Sustainability Fund -- provides a separate funding for certain receipts and expenditures for all of the City's defined benefit plans and accounts for reserves to reduce the financial burden, if any, of retiree defined benefit plan payments on future taxpayers.**





**CITY OF BOCA RATON, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2018**

	<b>Fleet Management Fund</b>	<b>Information Technology Fund</b>	<b>Self- Insurance Programs Fund</b>	<b>Retirement Sustainability Fund</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 12,995,243	\$ 4,433,273	\$ 16,477,624	\$ 17,500,826	\$ 51,406,966
Investments	11,588,351	3,950,363	14,686,519	15,605,187	45,830,420
Interest receivable on investments	44,863	22,067	62,998	52,991	182,919
Accounts receivable			272,326		272,326
Due from other governmental units		2,400			2,400
Inventories	645,772				645,772
Total current assets	<u>25,274,229</u>	<u>8,408,103</u>	<u>31,499,467</u>	<u>33,159,004</u>	<u>98,340,803</u>
Capital Assets:					
Buildings	1,313,785				1,313,785
Equipment	27,898,494	2,993,541			30,892,035
	<u>29,212,279</u>	<u>2,993,541</u>			<u>32,205,820</u>
Less accumulated depreciation	(17,158,953)	(1,958,653)			(19,117,606)
Intangible assets	63,869	832,563			896,432
Less accumulated amortization	(63,869)	(793,671)			(857,540)
Total capital assets (net of accumulated depreciation/amortization)	<u>12,053,326</u>	<u>1,073,780</u>			<u>13,127,106</u>
Total assets	<u>37,327,555</u>	<u>9,481,883</u>	<u>31,499,467</u>	<u>33,159,004</u>	<u>111,467,909</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows for pensions	197,566	1,034,903	77,455		1,309,924
Total deferred outflows of resources	<u>197,566</u>	<u>1,034,903</u>	<u>77,455</u>		<u>1,309,924</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	267,770	534,679	1,164,262		1,966,711
Compensated absences	12,290	50,682	6,898		69,870
Estimated liability for self-insurance losses			2,401,000		2,401,000
Total current liabilities	<u>280,060</u>	<u>585,361</u>	<u>3,572,160</u>		<u>4,437,581</u>
Non-current liabilities:					
Compensated absences	110,614	456,138	62,086		628,838
Net pension liability	94,382	1,157,586	37,002		1,288,970
Total OPEB liability	45,316	155,368	25,894		226,578
Estimated liability for self-insurance losses			7,172,000		7,172,000
Total noncurrent liabilities	<u>250,312</u>	<u>1,769,092</u>	<u>7,296,982</u>		<u>9,316,386</u>
Total liabilities	<u>530,372</u>	<u>2,354,453</u>	<u>10,869,142</u>		<u>13,753,967</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows for pensions	142,290	643,895	55,784		841,969
Deferred inflows for OPEB	1,061	3,636	606		5,303
Total deferred inflows of resources	<u>143,351</u>	<u>647,531</u>	<u>56,390</u>		<u>847,272</u>
<b>NET POSITION</b>					
Net investment in capital assets	12,023,911	1,073,780			13,097,691
Unrestricted	24,827,487	6,441,022	20,651,390	33,159,004	85,078,903
Total net position	<u>\$ 36,851,398</u>	<u>\$ 7,514,802</u>	<u>\$ 20,651,390</u>	<u>\$ 33,159,004</u>	<u>\$ 98,176,594</u>

**CITY OF BOCA RATON, FLORIDA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Fleet Management Fund</b>	<b>Information Technology Fund</b>	<b>Self- Insurance Programs Fund</b>	<b>Retirement Sustainability Fund</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Fleet management	\$ 4,419,732				\$ 4,419,732
Management information processing		\$ 8,369,582			8,369,582
Insurance premiums			\$ 18,833,794		18,833,794
Insurance premium tax				\$ 3,313,019	3,313,019
Retirement sustainability				2,706,700	2,706,700
Total operating revenues	<u>4,419,732</u>	<u>8,369,582</u>	<u>18,833,794</u>	<u>6,019,719</u>	<u>37,642,827</u>
<b>OPERATING EXPENSES</b>					
Personnel services	975,709	4,967,017	496,466		6,439,192
Materials and supplies	51,087	2,673,070	6,342		2,730,499
Other services and charges	532,222	3,064,150	6,072,198		9,668,570
Insurance claims			12,379,675		12,379,675
Pension benefits				3,313,019	3,313,019
Depreciation of capital assets	3,073,212	366,535			3,439,747
Total operating expenses	<u>4,632,230</u>	<u>11,070,772</u>	<u>18,954,681</u>	<u>3,313,019</u>	<u>37,970,702</u>
Operating income (loss)	<u>(212,498)</u>	<u>(2,701,190)</u>	<u>(120,887)</u>	<u>2,706,700</u>	<u>(327,875)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings (loss)	172,687	87,710	245,388	217,005	722,790
Gain (loss) on disposal of capital assets	140,262	(34,801)			105,461
Total nonoperating revenues (expenses)	<u>312,949</u>	<u>52,909</u>	<u>245,388</u>	<u>217,005</u>	<u>828,251</u>
Income (loss) before transfers and contributions	100,451	(2,648,281)	124,501	2,923,705	500,376
Transfers in	3,152,000	2,415,800		5,000,000	10,567,800
Change in net position	3,252,451	(232,481)	124,501	7,923,705	11,068,176
Net position, beginning as originally stated	33,621,392	7,814,620	20,539,715	25,235,299	87,211,026
Prior period adjustment	(22,445)	(67,337)	(12,826)		(102,608)
Net position, beginning as restated	<u>33,598,947</u>	<u>7,747,283</u>	<u>20,526,889</u>	<u>25,235,299</u>	<u>87,108,418</u>
Net position, ending	<u>\$ 36,851,398</u>	<u>\$ 7,514,802</u>	<u>\$ 20,651,390</u>	<u>\$ 33,159,004</u>	<u>\$ 98,176,594</u>

**CITY OF BOCA RATON, FLORIDA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Fleet Management Fund	Information Technology Fund	Self-Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 4,431,237	\$ 8,368,382	\$ 18,859,701	\$ 6,019,719	\$ 37,679,039
Payments to suppliers	(749,165)	(5,682,021)	(6,226,712)	(3,313,019)	(15,970,918)
Payments to employees	(932,804)	(4,697,011)	(650,949)		(6,280,763)
Claims paid			(12,166,675)		(12,166,675)
<b>Net cash provided by (used in) operating activities</b>	<u>2,749,268</u>	<u>(2,010,650)</u>	<u>(184,635)</u>	<u>2,706,700</u>	<u>3,260,683</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	3,152,000	2,415,800		5,000,000	10,567,800
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>3,152,000</u>	<u>2,415,800</u>		<u>5,000,000</u>	<u>10,567,800</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(4,965,379)	(286,880)			(5,252,259)
Proceeds from sale of capital assets	140,262	(3,111)			137,151
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(4,825,117)</u>	<u>(289,991)</u>			<u>(5,115,108)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	139,522	69,749	197,983	176,646	583,900
Sale of investments	7,550,231	2,648,899	10,063,280	8,149,502	28,411,912
Purchase of investments	(11,588,351)	(3,950,363)	(14,686,519)	(15,605,187)	(45,830,420)
<b>Net cash provided by (used in) investing activities</b>	<u>(3,898,598)</u>	<u>(1,231,715)</u>	<u>(4,425,256)</u>	<u>(7,279,039)</u>	<u>(16,834,608)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(2,822,447)</u>	<u>(1,116,556)</u>	<u>(4,609,891)</u>	<u>427,661</u>	<u>(8,121,233)</u>
<b>Cash and cash equivalents</b>					
<b>Beginning of year</b>	<u>15,817,690</u>	<u>5,549,829</u>	<u>21,087,515</u>	<u>17,073,165</u>	<u>59,528,199</u>
<b>End of year</b>	<u>\$ 12,995,243</u>	<u>\$ 4,433,273</u>	<u>\$ 16,477,624</u>	<u>\$ 17,500,826</u>	<u>\$ 51,406,966</u>

(Continued)

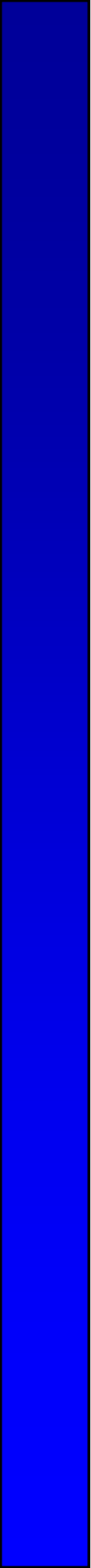
**CITY OF BOCA RATON, FLORIDA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS (continued)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Fleet Management Fund	Information Technology Fund	Self-Insurance Programs Fund	Retirement Sustainability Fund	Total Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (212,498)	\$ (2,701,190)	\$ (120,887)	\$ 2,706,700	\$ (327,875)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	3,073,212	366,535			3,439,747
Change in assets, liabilities, deferred outflows & deferred inflows					
(Increase) decrease in accounts receivable	11,505		(24,243)		(12,738)
(Increase) decrease in due from other governmental units		(1,200)	50,150		48,950
(Increase) decrease in inventories	(1,448)				(1,448)
(Increase) decrease in other assets			483,585		483,585
(Increase) decrease in deferred pension outflows	86,812	(7,990)	69,726		148,548
Increase (decrease) in accounts payable and accrued liabilities	(164,407)	100,301	(622,289)		(686,395)
Increase (decrease) in compensated absences	15,550	23,450	8,477		47,477
Increase (decrease) in total OPEB liability	(1,076)	16,191	(616)		14,499
Increase (decrease) in estimated liability for self-insurance losses			213,000		213,000
Increase (decrease) in net pension liability	(117,685)	(210,219)	(274,334)		(602,238)
Increase (decrease) in deferred inflows for pensions	58,242	399,836	32,190		490,268
Increase (decrease) in deferred inflows for OPEB	1,061	3,636	606		5,303
Total adjustments	2,961,766	690,540	(63,748)		3,588,558
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,749,268</b>	<b>\$ (2,010,650)</b>	<b>\$ (184,635)</b>	<b>\$ 2,706,700</b>	<b>\$ 3,260,683</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Unrealized (loss) on investments	\$ (15,295)	\$ (31,253)	\$ (108,963)	\$ (116,904)	\$ (272,415)

## **Pension Trust Funds**

**Pension Trust Funds account for financial operations and condition of the City's three pension plans.**

**General Employees' Pension Plan, Police and Firefighters' Retirement System and Executive Employees' Retirement Plan -- To account for the accumulation of resources to be used for the retirement benefit payments to the City's employees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.**



**CITY OF BOCA RATON, FLORIDA  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2018**

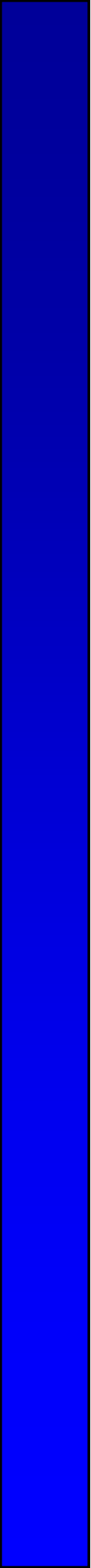
	<b>Police and Firefighters' Retirement System</b>	<b>General Employees' Pension Plan</b>	<b>Executive Employees' Retirement Plan</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,726,736	\$ 13,093,891	\$ 179,482	\$ 18,000,109
Investments:				
Common and preferred stock	135,253,113	76,958,905		212,212,018
U.S. government securities	19,178,561	10,698,949		29,877,510
Corporate bonds and debentures	41,797,910	46,182,009		87,979,919
Foreign Government Agency	286,770			286,770
Master limited partnership investments		3,053,997		3,053,997
Commingled funds	103,095,830	58,532,037		161,627,867
Real estate	25,488,249	16,560,876		42,049,125
Private Equity	17,855,787			17,855,787
Multi Asset Class	44,706,052			44,706,052
Florida Municipal Pension Trust Fund			44,691,143	44,691,143
Total investments	<u>387,662,272</u>	<u>211,986,773</u>	<u>44,691,143</u>	<u>644,340,188</u>
Receivables:				
Interest and dividends	356,275	662,234		1,018,509
Unsettled trades receivable	466,675	2,764,390		3,231,065
Total receivables	<u>822,950</u>	<u>3,426,624</u>		<u>4,249,574</u>
Other assets		17,926		17,926
Prepaid expenses	32,235			32,235
Total assets	<u>393,244,193</u>	<u>228,525,214</u>	<u>44,870,625</u>	<u>666,640,032</u>
<b>LIABILITIES</b>				
Accounts payable	360,626	201,250		561,876
Unsettled trades payable	602,690	477,332		1,080,022
Total liabilities	<u>963,316</u>	<u>678,582</u>		<u>1,641,898</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 392,280,877</u>	<u>\$ 227,846,632</u>	<u>\$ 44,870,625</u>	<u>\$ 664,998,134</u>

**CITY OF BOCA RATON, FLORIDA  
PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<b>Police and Firefighters' Retirement System</b>	<b>General Employees' Pension Plan</b>	<b>Executive Employees' Retirement Plan</b>	<b>Total Pension Trust Funds</b>
<b>ADDITIONS</b>				
Contributions:				
City	\$ 10,186,562	\$ 2,093,506	\$ 1,850,134	\$ 14,130,202
State	3,313,019			3,313,019
Employee	4,070,494	2,550,616	885,015	7,506,125
Transfer from other pension trust funds		10,300	409,132	419,432
Total contributions	<u>17,570,075</u>	<u>4,654,422</u>	<u>3,144,281</u>	<u>25,368,778</u>
Investment income:				
Interest revenue	1,859,469	2,063,091	3,816,311	7,738,871
Dividends	3,471,388	2,713,492		6,184,880
Net appreciation (depreciation) in fair value of investments	24,981,966	14,075,249		39,057,215
Other investment income	1,072	11,937		13,009
Investment expense	<u>(2,752,024)</u>	<u>(796,047)</u>	<u>(44,799)</u>	<u>(3,592,870)</u>
Total investment income	<u>27,561,871</u>	<u>18,067,722</u>	<u>3,771,512</u>	<u>49,401,105</u>
Total additions	<u>45,131,946</u>	<u>22,722,144</u>	<u>6,915,793</u>	<u>74,769,883</u>
<b>DEDUCTIONS</b>				
Benefits paid:				
Retirement	17,208,214	10,669,780	1,821,366	29,699,360
Disability	886,852	69,510		956,362
Death	873,127	696,343		1,569,470
Deferred retirement option plan	3,414,685	1,907,216	2,028,651	7,350,552
Termination refunds	37,136	82,807	10,932	130,875
Administrative expenses	228,726	106,869	47,064	382,659
Transfer to other pension trust funds	10,300	409,132		419,432
Total deductions	<u>22,659,040</u>	<u>13,941,657</u>	<u>3,908,013</u>	<u>40,508,710</u>
Net increase/(decrease) in net position	22,472,906	8,780,487	3,007,780	34,261,173
<b>NET POSITION RESTRICTED FOR PENSION</b>				
Beginning of year	369,807,971	219,066,145	41,862,845	630,736,961
End of year	<u>\$ 392,280,877</u>	<u>\$ 227,846,632</u>	<u>\$ 44,870,625</u>	<u>\$ 664,998,134</u>







# STATISTICAL SECTION

This part of the City of Boca Raton comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial position.

<b>Contents</b>	<b>Page</b>
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<b>Financial Trends</b>	<b>163</b>
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The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

<b>Revenue Capacity</b>	<b>171</b>
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This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

<b>Debt Capacity</b>	<b>177</b>
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The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

<b>Demographic and Economic Information</b>	<b>185</b>
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This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

<b>Operating Information</b>	<b>188</b>
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This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

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## **FINANCIAL TREND INFORMATION**

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

**CITY OF BOCA RATON, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

<b>Governmental activities</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Net investment in capital assets	\$352,077	\$361,158	\$369,052	\$370,985	\$368,548	\$365,123	\$343,424
Restricted	53,133	46,129	43,754	45,031	45,621	54,793	64,313
Unrestricted	87,842	85,292	85,239	87,241	94,762	99,030	40,029
<b>Total governmental activities net position</b>	<b>\$493,052</b>	<b>\$492,579</b>	<b>\$498,045</b>	<b>\$503,257</b>	<b>\$508,931</b>	<b>\$518,946</b>	<b>\$447,766</b>
<b>Business-type activities</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Net investment in capital assets	\$210,989	\$208,818	\$210,890	\$207,936	\$214,698	\$224,767	\$221,972
Restricted	49,295	53,378	48,500	51,835	60,744	66,786	68,015
Unrestricted	35,935	45,058	53,501	65,329	61,970	53,581	72,957
<b>Total business-type activities net position</b>	<b>\$296,219</b>	<b>\$307,254</b>	<b>\$312,891</b>	<b>\$325,100</b>	<b>\$337,412</b>	<b>\$345,134</b>	<b>\$362,944</b>
<b>Primary government</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Net investment in capital assets	\$563,066	\$569,976	\$579,942	\$578,921	\$583,246	\$589,890	\$565,396
Restricted	102,428	99,507	92,254	96,866	106,365	121,579	132,328
Unrestricted (1)	123,777	130,350	138,740	152,570	156,732	152,611	112,986
<b>Total primary government net position</b>	<b>\$789,271</b>	<b>\$799,833</b>	<b>\$810,936</b>	<b>\$828,357</b>	<b>\$846,343</b>	<b>\$864,080</b>	<b>\$810,710</b>

(1) Fiscal year 2011 unrestricted balances have been restated due to the implementation of GASB Statement No. 63 and 65.

**CITY OF BOCA RATON, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

<b>Governmental activities</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Net investment in capital assets	\$346,406	\$383,364	\$356,695
Restricted	68,787	77,176	84,149
Unrestricted	64,216	25,208	44,238
<b>Total governmental activities net position</b>	<b>\$479,409</b>	<b>\$485,748</b>	<b>\$485,082</b>

<b>Business-type activities</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Net investment in capital assets	\$228,380	\$229,424	\$227,958
Restricted	79,734	75,550	61,802
Unrestricted	72,893	90,195	111,578
<b>Total business-type activities net position</b>	<b>\$381,007</b>	<b>\$395,169</b>	<b>\$401,338</b>

<b>Primary government</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Net investment in capital assets	\$574,786	\$612,788	\$584,653
Restricted	148,521	152,726	145,951
Unrestricted	137,109	115,403	155,816
<b>Total primary government net position</b>	<b>\$860,416</b>	<b>\$880,917</b>	<b>\$886,420</b>

**CITY OF BOCA RATON, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

	(1)									
<b>Expenses</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Governmental activities:</b>										
General government	\$ 19,099	\$ 23,023	\$ 17,696	\$ 18,808	\$ 18,891	\$ 19,017	\$ 20,655	\$ 34,158	\$ 28,232	\$ 32,066
Law enforcement	37,225	37,585	39,979	40,865	42,044	43,913	40,575	34,328	72,198	49,796
Fire rescue	36,104	37,856	39,140	42,227	43,626	44,831	42,631	37,701	35,501	53,134
Physical environment	4,252	7,851	4,237	4,105	4,255	4,055	4,217	4,449	5,034	5,507
Transportation	18,650	22,196	18,536	17,925	20,185	19,166	17,744	13,672	20,177	25,420
Community development	2,115	4,168	6,040	3,106	2,889	2,804	3,257	5,345	5,702	6,384
Parks and recreation	37,772	34,928	28,979	39,039	37,542	37,507	37,107	38,605	42,614	44,873
Interest and fiscal charges	5,148	4,834	4,793	2,971	3,807	4,114	2,165	2,393	1,968	1,293
<b>Total governmental activities expenses</b>	<b>160,365</b>	<b>172,441</b>	<b>159,400</b>	<b>169,046</b>	<b>173,239</b>	<b>175,407</b>	<b>168,351</b>	<b>170,651</b>	<b>211,426</b>	<b>218,473</b>
<b>Business-type activities:</b>										
Water and sewer	46,630	42,970	44,132	43,662	45,617	45,393	48,616	48,415	49,730	52,174
Cemetery	653	635	659	589	569	623	610	664	720	671
Golf course	3,098	3,075	3,073	2,690	2,776	2,787	2,726	2,831	3,091	2,777
Stormwater utility	1,736	1,646	2,023	2,545	2,169	2,428	2,252	2,260	2,596	2,804
Sanitation	5,923	5,851	6,511	6,593	6,727	6,758	6,183	6,816	7,102	7,381
<b>Total business-type activities expenses</b>	<b>58,040</b>	<b>54,177</b>	<b>56,398</b>	<b>56,079</b>	<b>57,858</b>	<b>57,989</b>	<b>60,387</b>	<b>60,986</b>	<b>63,238</b>	<b>65,807</b>
<b>Total primary government expenses</b>	<b>\$ 218,405</b>	<b>\$ 226,618</b>	<b>\$ 215,798</b>	<b>\$ 225,125</b>	<b>\$ 231,097</b>	<b>\$ 233,396</b>	<b>\$ 228,738</b>	<b>\$ 231,637</b>	<b>\$ 274,664</b>	<b>\$ 284,280</b>
(1)										
<b>Program Revenues</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 17,046	\$ 16,455	\$ 17,565	\$ 21,615	\$ 25,301	\$ 25,881	\$ 32,294	\$ 27,994	\$ 26,992	\$ 26,057
Law enforcement	2,973	2,669	2,647	3,251	3,286	3,187	2,484	2,055	2,010	1,812
Fire rescue	6,782	7,251	8,876	11,738	12,968	12,517	10,605	10,554	12,162	14,043
Physical environment	149	198	214	214	245	143	137	1,942	3,369	270
Transportation								49	26	178
Community development	1,697	1,585	1,695	1,898	2,020	2,324	1,959	2,174	2,051	2,306
Parks and recreation	17,231	20,027	19,631	20,662	19,313	19,125	19,213	21,141	21,210	22,862
Operating grants and contributions	4,777	13,916	5,317	5,238	4,482	6,262	4,494	5,979	7,679	6,781
Capital grants and contributions	2,980	3,326	2,720	3,503	2,971	1,159	5,295	5,060	4,747	1,036
<b>Total governmental activities program revenues</b>	<b>53,635</b>	<b>65,427</b>	<b>58,665</b>	<b>68,119</b>	<b>70,586</b>	<b>70,598</b>	<b>76,481</b>	<b>76,948</b>	<b>80,246</b>	<b>75,345</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water and sewer	49,967	47,278	48,288	\$ 49,239	\$ 48,452	\$ 51,071	\$ 54,934	\$ 54,142	\$ 57,400	\$ 56,704
Cemetery	159	188	179	144	210	244	236	241	449	375
Golf course	2,687	2,120	2,272	2,444	2,485	2,440	2,490	2,482	2,518	2,432
Stormwater utility	2,137	2,155	2,175	2,239	2,236	2,292	2,353	2,379	2,474	2,534
Sanitation	1,722	3,932	6,423	7,179	7,376	7,487	7,502	7,629	7,835	7,715
Capital grants and contribution	3,080	5,401	1,260	9,272	9,025	867	11,473	11,902	6,295	1,017
<b>Total business-type activities program revenues</b>	<b>59,752</b>	<b>61,074</b>	<b>60,597</b>	<b>70,517</b>	<b>69,784</b>	<b>64,401</b>	<b>78,988</b>	<b>78,775</b>	<b>76,971</b>	<b>70,777</b>
<b>Total primary government program revenues</b>	<b>\$ 113,387</b>	<b>\$ 126,501</b>	<b>\$ 119,262</b>	<b>\$ 138,636</b>	<b>\$ 140,370</b>	<b>\$ 134,999</b>	<b>\$ 155,469</b>	<b>\$ 155,723</b>	<b>\$ 157,217</b>	<b>\$ 146,122</b>

(1) Fiscal year 2011 expenses have been restated due to the implementation of GASB Statement No. 63 and 65.



**CITY OF BOCA RATON, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

	(1)									
<b>Net (Expenses) Revenue</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Governmental activities	\$ (106,730)	\$ (107,014)	\$ (100,927)	\$ (100,927)	\$ (102,653)	\$ (104,809)	\$ (91,870)	\$ (93,703)	\$ (131,180)	\$ (143,129)
Business-type activities	1,711	6,897	4,199	10,936	11,926	6,412	18,601	17,789	13,733	4,971
<b>Total primary government net expense</b>	<b>\$ (105,019)</b>	<b>\$ (100,117)</b>	<b>\$ (96,728)</b>	<b>\$ (89,991)</b>	<b>\$ (90,727)</b>	<b>\$ (98,397)</b>	<b>\$ (73,269)</b>	<b>\$ (75,914)</b>	<b>\$ (117,447)</b>	<b>\$ (138,158)</b>
<b>General Revenue and Other Changes in Net Position</b>										
<b>Governmental activities:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Taxes										
Property tax	\$ 61,764	\$ 57,635	\$ 54,246	\$ 55,914	\$ 59,568	\$ 61,938	\$ 65,238	\$ 69,785	\$ 74,866	\$ 79,753
Utility tax	20,615	20,639	20,171	20,714	20,502	21,390	21,361	20,652	21,645	21,894
Franchise tax	13,881	12,406	12,482	12,137	11,977	12,867	12,893	12,536	12,826	13,215
Sales tax	5,224	5,262	5,430	5,533	5,854	6,287	6,687	6,898	6,916	7,177
Infrastructure tax									4,312	6,471
Gas tax	1,977	1,959	1,908	1,966	1,958	1,999	2,120	2,154	2,312	2,244
Incremental property tax	6,751	6,659	8,948	6,484	6,575	6,730	7,183	8,449	9,720	12,489
State shared revenues unrestricted	2,094	2,067	2,185	2,242	2,280	2,418	2,549	2,781	2,849	2,924
Investment earnings unrestricted	4,924	2,686	1,378	1,396	(186)	1,344	1,279	1,083	1,030	2,279
Gain (loss) on disposal of capital assets	73		131	120	156	112	49	253	315	392
Miscellaneous	188	12	42	43	88	137	188	237	322	362
Transfers	(10,158)	(2,784)	(720)	(410)	(445)	(397)	(338)	518	408	(144)
<b>Total governmental activities</b>	<b>107,333</b>	<b>106,541</b>	<b>106,201</b>	<b>106,139</b>	<b>108,327</b>	<b>114,825</b>	<b>119,209</b>	<b>125,346</b>	<b>137,521</b>	<b>149,056</b>
<b>Business-type activities</b>										
Investment earnings	2,495	1,702	624	765	(288)	901	847	675	614	1,154
Gain (loss) on disposal of capital assets	25	(348)	94	98	229	11	50	67	186	116
Transfers	10,158	2,784	720	410	445	397	338	(518)	(408)	144
Miscellaneous							19	51	36	208
<b>Total business-type activities</b>	<b>12,678</b>	<b>4,138</b>	<b>1,438</b>	<b>1,273</b>	<b>386</b>	<b>1,309</b>	<b>1,254</b>	<b>275</b>	<b>428</b>	<b>1,622</b>
<b>Total primary government</b>	<b>\$ 120,011</b>	<b>\$ 110,679</b>	<b>\$ 107,639</b>	<b>\$ 107,412</b>	<b>\$ 108,713</b>	<b>\$ 116,134</b>	<b>\$ 120,463</b>	<b>\$ 125,621</b>	<b>\$ 137,949</b>	<b>\$ 150,678</b>
<b>Changes in net position</b>										
<b>Governmental activities</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Governmental activities	\$ 603	\$ (473)	\$ 5,274	\$ 5,212	\$ 5,674	\$ 10,016	\$ 27,339	\$ 31,643	\$ 6,339	\$ 5,927
Business-type activities	14,389	11,035	5,637	12,209	12,312	7,721	19,855	18,064	14,162	6,593
<b>Total primary government</b>	<b>\$ 14,992</b>	<b>\$ 10,562</b>	<b>\$ 10,911</b>	<b>\$ 17,421</b>	<b>\$ 17,986</b>	<b>\$ 17,737</b>	<b>\$ 47,194</b>	<b>\$ 49,707</b>	<b>\$ 20,501</b>	<b>\$ 12,520</b>

(1) Fiscal year 2011 expenses have been restated due to the implementation of GASB Statemen No. 63 and 65.

**CITY OF BOCA RATON, FLORIDA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
*(modified accrual basis of accounting)*  
*(amounts expressed in thousands)*  
(Unaudited)

<b>General Fund:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Non-spendable:</i>				
Inventories, Advance	\$ 28	\$ 19	\$ 13	\$ 25
<i>Restricted for:</i>				
Army Corp of Engineers		170	170	170
<i>Committed to:</i>				
Right of way beautification				
Hurricane/ disaster emergency	10,600	10,600	10,600	10,600
Mizner Park debt service	1,633	1,633	1,633	1,633
Retirement system reserve	7,500	8,500	10,500	12,000
<i>Assigned to:</i>				
Subsequent year's budget	3,241	1,286	1,316	1,758
Unassigned	26,032	24,717	22,340	25,653
<b>Total general fund</b>	<b>\$ 49,034</b>	<b>\$ 46,925</b>	<b>\$ 46,572</b>	<b>\$ 51,839</b>

<b>All Other Governmental Funds:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<i>Non-spendable:</i>				
Perpetual care, cemetery	\$ 2,199	\$ 2,123	\$ 1,950	\$ 1,777
Perpetual care, masoleum	3,618	3,614	3,487	3,253
<i>Restricted for:</i>				
Debt service	9,984	10,229	10,532	10,995
Housing	770	326	158	175
Law enforcement	1,405	1,331	1,292	1,140
Transportation	6,458	7,152	7,486	7,971
Right of way beautification	3,137	2,456	1,293	318
Economic development				
Infrastructure				
Downtown	7,367	8,354	3,644	2,386
Land dedication	4,685	1,148	1,646	3,453
Library	1,107	10,633	10,437	8,103
<i>Committed to:</i>				
Parking	3	3	3	3
Right of way acquisition	2,228	2,265	2,284	2,301
<i>Assigned to:</i>				
Special revenue funds				
Capital projects	28,728	25,223	24,603	24,248
Environmentally sensitive lands	1,040	1,056	1,067	1,034
<b>Total all other governmental funds</b>	<b>\$ 72,729</b>	<b>\$ 75,913</b>	<b>\$ 69,882</b>	<b>\$ 67,157</b>

2013	2014	2015	2016	2017	2018
\$ 23	\$ 25	\$ 22	\$ 345	\$ 339	\$ 347
170	170	170	170	170	170
				35	223
10,600	10,600	10,600	10,600	13,424	12,936
1,633	1,633	1,633	1,633	1,633	
12,000					
12,920	3,762	2,536	14,825	14,703	1,233
21,300	29,138	44,075	38,822	30,242	33,323
\$ 58,646	\$ 45,328	\$ 59,036	\$ 66,395	\$ 60,546	\$ 48,232

2013	2014	2015	2016	2017	2018
\$ 1,630	\$ 1,505	\$ 1,385	\$ 1,446	\$ 1,610	\$ 1,678
2,994	2,776	2,611	2,695	2,822	2,773
6,191	11,489	11,830	11,948	12,073	12,712
202	150	532	814	1,204	886
1,084	766	1,211	1,159	1,293	1,190
13,363	8,947	9,981	10,682	11,882	10,368
271	1,814	2,117	1,231		
	6,487	4,788	5,920	6,128	5,909
				4,315	8,718
2,181	2,941	6,850	4,636	5,574	8,562
5,243	5,538	9,763	14,317	15,910	16,397
550	547	372			6
826	3	3	3	3	3
2,297	2,315	2,331	2,341	2,350	2,367
23,021	26,031	29,571	25,544	21,268	22,547
1,032					
\$ 60,885	\$ 71,309	\$ 83,345	\$ 82,736	\$ 86,432	\$ 94,116

**CITY OF BOCA RATON, FLORIDA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

<b>Revenues:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Taxes	\$ 109,395,926	\$ 102,372,638	\$ 100,712,574	\$ 99,484,015
Licenses and permits	9,330,151	9,014,360	8,697,459	11,199,032
Intergovernmental	24,916,278	38,094,892	29,622,567	30,209,165
Charges of services	17,534,451	18,155,376	21,624,838	25,385,962
Fines and forfeitures	1,650,942	1,257,433	1,360,028	2,642,876
Special assessments	1,194,209	1,170,054	1,199,953	1,172,570
Donations in lieu of land	1,123,280	1,906,044	686,867	2,182,150
Investment earnings	4,090,555	2,238,874	1,078,045	1,125,971
Miscellaneous	262,809	120,427	89,006	108,915
<b>Total revenues</b>	<b>169,498,601</b>	<b>174,330,098</b>	<b>165,071,337</b>	<b>173,510,656</b>
<b>Expenditures:</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Current:</b>				
General government	21,062,541	20,337,965	19,647,100	20,073,899
Law enforcement	34,031,382	36,031,487	36,508,850	37,824,269
Fire rescue	32,911,346	33,982,309	34,849,430	37,539,229
Physical environment	4,578,883	7,828,961	4,203,550	4,185,053
Transportation	8,146,766	6,324,672	7,554,534	7,098,294
Community development	1,633,645	5,262,747	5,907,758	2,983,234
Parks and recreation	34,553,264	34,951,245	35,635,867	36,019,775
Capital outlay	9,785,389	22,157,964	8,835,059	8,903,781
<b>Debt service:</b>				
Principal	10,305,000	10,790,000	11,075,000	11,150,000
Interest	3,906,558	3,370,058	3,405,937	2,731,354
Bond issuance costs	190,104	331,167		313,238
Bond repayment				
<b>Total expenditures</b>	<b>161,104,878</b>	<b>181,368,575</b>	<b>167,623,085</b>	<b>168,822,126</b>
<b>Excess (deficiency) of revenues</b>				
Over expenditures	8,393,723	(7,038,477)	(2,551,748)	4,688,530
<b>Other financing sources (uses):</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Transfers in	22,680,306	14,550,700	9,738,400	9,568,100
Transfers out	(35,223,718)	(19,919,800)	(13,571,100)	(12,052,300)
Refunding and new bonds issued	11,205,000	12,930,000		15,585,000
Discount on bonds issued		(21,074)		
Payment to refunded bond escrow agent	(11,011,294)			(17,259,729)
Proceeds from sale of land				
Premium on bonds issued	6,460	572,248		2,013,311
<b>Total other financing sources (uses)</b>	<b>(12,343,246)</b>	<b>8,112,074</b>	<b>(3,832,700)</b>	<b>(2,145,618)</b>
<b>Net change in fund balances</b>	<b>(3,949,523)</b>	<b>1,073,597</b>	<b>(6,384,448)</b>	<b>2,542,912</b>
<b>Debt service as a percentage of</b>				
Noncapital expenditures	9.34%	8.55%	9.53%	8.57%

2013	2014	2015	2016	2017	2018
\$ 103,840,677	\$ 104,972,742	\$ 108,754,619	\$ 114,075,840	\$ 125,189,629	\$ 136,042,459
12,661,480	13,716,396	18,199,802	15,527,771	13,752,420	13,031,240
27,232,751	29,205,706	28,204,044	33,169,318	38,983,346	34,985,353
28,501,248	28,566,477	30,545,193	29,598,932	31,536,517	33,605,151
2,973,556	2,332,373	2,203,618	1,602,642	1,667,585	1,430,218
1,493,004	1,483,647	1,505,634	1,511,197	1,512,790	1,519,976
2,442,421	724,303	4,642,068	4,927,834	2,218,238	840,499
(101,337)	999,229	872,975	768,096	700,702	1,433,234
205,082	223,098	220,838	332,882	484,425	723,413
179,248,882	182,223,971	195,148,791	201,514,512	216,045,652	223,611,543
2013	2014	2015	2016	2017	2018
20,917,289	18,176,334	19,701,982	21,996,764	26,458,740	29,102,759
39,515,182	40,453,294	39,650,656	41,031,455	44,500,795	47,594,807
39,809,307	41,333,442	40,739,785	44,686,248	44,292,717	48,332,421
4,281,679	4,038,442	4,220,664	4,956,152	4,652,372	5,269,402
6,725,749	6,354,401	7,536,209	11,830,942	18,003,649	15,487,320
3,025,793	3,153,304	3,942,306	7,353,945	6,255,361	7,309,798
34,993,019	34,587,799	35,757,011	38,642,169	40,307,017	60,654,784
13,287,857	5,460,607	928,156	6,022,772	9,961,955	4,811,148
11,015,000	11,600,000	7,722,363	7,680,486	7,665,707	8,087,014
2,460,400	1,834,035	5,081,592	5,107,954	5,111,168	5,274,703
	45,146				44,050
	12,507,993				
176,031,275	179,544,797	165,280,724	189,308,887	207,209,481	231,968,206
3,217,607	2,679,174	29,868,067	12,205,625	8,836,171	(8,356,663)
2013	2014	2015	2016	2017	2018
10,457,500	17,292,828	9,617,600	9,924,796	16,157,948	11,441,485
(13,140,800)	(35,425,628)	(13,741,700)	(15,381,200)	(27,146,976)	(22,153,685)
-	12,560,000	-	-	-	19,100,000
-	-	-	-	-	-
-	-	-	-	-	-
(2,683,300)	(5,572,800)	(4,124,100)	(5,456,404)	(10,989,028)	8,387,800
534,307	(2,893,626)	25,743,967	6,749,221	(2,152,857)	31,137
8.10%	7.55%	7.78%	6.95%	6.52%	5.86%

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## **REVENUE CAPACITY INFORMATION**

**This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.**

**CITY OF BOCA RATON, FLORIDA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year <sup>(2)</sup></b>	<b>Real Property <sup>(1)</sup></b>	<b>Personal Property</b>	<b>Total Assessed Value</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>
2009	\$ 20,454,930,292	\$ 1,097,843,577	\$ 21,552,773,869	\$ 3,560,747,621	\$ 17,992,026,248
2010	18,401,045,182	1,076,333,765	19,477,378,947	2,868,254,851	16,609,124,096
2011	18,387,146,075	946,365,118	19,333,511,193	2,912,409,267	16,421,101,926
2012	18,551,617,089	908,950,096	19,460,567,185	2,833,483,666	16,627,083,519
2013	19,490,849,519	931,461,073	20,422,310,592	3,150,099,060	17,272,211,532
2014	21,228,631,119	942,986,167	22,171,617,286	3,948,840,288	18,222,776,998
2015	23,483,977,167	960,239,397	24,444,216,564	4,889,767,942	19,554,448,622
2016	25,535,736,108	1,038,415,774	26,574,151,882	5,567,612,961	21,006,538,921
2017	27,103,496,479	900,034,862	28,003,531,341	5,496,652,239	22,506,879,102
2018	28,436,576,386	912,320,426	29,348,896,812	5,463,573,971	23,885,322,841

Notes: (1) Except for the Save Our Homes cap noted below, Florida State Law requires all property to be assessed at current fair market value.  
The Save Our Homes cap, provides that property qualifying for, and receiving, homestead exemption is assessed at the lower of the annual percentage change in the Consumer Price Index or 3% of the previous year's assessment.

(2) As of December 31st of each year listed.

Source: Palm Beach County Property Appraiser



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<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Taxable Assessed Value as a % of Actual Taxable Value</b>
3.34	\$ 22,731,156,856	79.15%
3.41	20,702,285,682	80.23%
3.51	20,550,742,753	79.91%
3.72	20,738,752,412	80.17%
3.72	21,630,010,810	79.85%
3.71	23,460,717,251	77.32%
3.68	25,841,728,608	75.77%
3.68	28,046,758,787	74.90%
3.68	29,587,726,191	76.07%
3.68	31,015,888,721	77.01%

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

<b>Boca Raton:</b>				<b>Palm Beach County:</b>			
<b>Tax Year</b>	<b>Operating Millage</b>	<b>Debt Service</b>	<b>Total City Millage</b>	<b>Tax Year</b>	<b>Operating Millage</b>	<b>Debt Service</b>	<b>Total County Tax</b>
2009	3.020	0.321	3.341	2009	4.344	0.217	4.561
2010	3.020	0.386	3.406	2010	4.750	0.246	4.996
2011	3.150	0.360	3.510	2011	4.782	0.211	4.993
2012	3.410	0.313	3.723	2012	4.782	0.209	4.991
2013	3.422	0.301	3.723	2013	4.782	0.204	4.986
2014	3.422	0.291	3.713	2014	4.782	0.191	4.973
2015	3.422	0.258	3.680	2015	4.782	0.146	4.928
2016	3.439	0.240	3.679	2016	4.782	0.133	4.914
2017	3.454	0.225	3.679	2017	4.782	0.121	4.902
2018	3.469	0.210	3.679	2018	4.782	0.117	4.898

**Source:** Palm Beach County Tax Collector  
(1) Millage rates are per \$1,000 of assessed valuation.

**Schools:**

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<b>Tax Year</b>	<b>Operating Millage</b>	<b>Debt Service</b>	<b>Total Schools</b>	<b>Other</b>	<b>Total</b>
2009	7.983	0.000	7.983	3.395	19.280
2010	8.154	0.000	8.154	3.544	20.100
2011	8.180	0.000	8.180	2.343	19.026
2012	7.778	0.000	7.778	3.314	19.806
2013	7.586	0.000	7.586	3.196	19.491
2014	7.594	0.000	7.594	2.270	18.550
2015	7.512	0.000	7.512	3.065	19.185
2016	7.070	0.000	7.070	2.860	18.523
2017	6.769	0.000	6.769	2.697	18.047
2018	6.572	0.000	6.572	2.607	17.755

**CITY OF BOCA RATON, FLORIDA  
 PRINCIPAL PROPERTY TAXPAYERS  
 FOR THE CURRENT CALENDAR YEAR AND NINE YEARS AGO  
 (Unaudited)**

<b>Taxpayer</b>	<b>2018 Taxable Assessed Value</b>	<b>2018 Rank</b>	<b>2018 Percentage of Total Taxable Assessed Value</b>	<b>2009 Taxable Assessed Value</b>	<b>2009 Rank</b>	<b>2009 Percentage of Total Taxable Assessed Value</b>
Town Center at Boca Raton	\$ 540,000,511	1	2.26%	\$ 354,250,976	1	1.97%
Panthers BRHC Ltd.	245,506,497	2	1.03%	221,731,106	2	1.23%
Florida Power & Light Co	161,095,213	3	0.67%			
Boca T Rex Borrower LLC	122,256,083	7	0.51%			
Boca Center at Military LLC	123,637,123	5	0.52%			
Via Mizner Owner I LLC	126,956,400	4	0.53%			
Office Depot Inc	123,300,782	6	0.52%			
Palmetto Promenade Owner LLC	110,899,563	8	0.46%			
Avalon 850 Boca LLC	109,664,358	9	0.46%			
Atlis Boca Raton LLC	105,521,819	10	0.44%			
<b>Total</b>	<b>\$ 1,768,838,349</b>		<b>7.41%</b>	<b>\$ 575,982,082</b>		<b>3.20%</b>

Source: City of Boca Raton , FL

Palm Beach County Tax Collector System

**CITY OF BOCA RATON, FLORIDA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year Ended September 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Amount (1) Collected within the Fiscal Year of the Levy</b>	<b>As a Percentage of the Levy</b>	<b>Collections in Subsequent Years</b>	<b>Amount of Total Collections to Date</b>	<b>Total Collections to Date as a Percentage of Levy</b>
2009	\$ 64,471,993	\$ 61,600,887	95.5%	\$ 1,061,612	\$ 62,662,500	97.2%
2010	59,403,108	56,434,548	96.8%	574,784	57,009,332	96.0%
2011	56,200,768	53,689,454	95.5%	306,713	53,996,167	96.1%
2012	57,438,380	55,175,170	96.1%	256,051	55,431,221	96.5%
2013	61,894,344	59,327,683	95.9%	109,856	59,437,539	96.0%
2014	64,295,809	61,803,940	96.1%	135,307	61,939,247	96.3%
2015	67,653,899	65,089,535	96.2%	155,169	65,244,704	96.4%
2016	71,957,439	69,322,388	96.3%	61,815	69,384,203	96.4%
2017	77,249,421	74,490,355	96.4%	(21,026)	74,469,329	96.4%
2018	77,615,331	74,862,419	96.5%	-	74,862,419	96.5%

(1) Includes discount taken for early payment of property taxes and current year refunds

**Source:** Palm Beach County Tax Collector System

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## **DEBT CAPACITY INFORMATION**

**The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.**

**CITY OF BOCA RATON, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

**Governmental Activities**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds</b>	<b>Revenue Bonds</b>	<b>Tax Incremental Bonds <sup>2</sup></b>	<b>Loans Payable</b>	<b>Capital Leases</b>
2009	\$ 43,785,000	\$ 11,211,336		\$ 52,265,146	\$ 3,400,000	\$ 178,211
2010	49,764,853	14,225,028		48,091,241	2,435,000	45,675
2011	45,501,121	13,530,580		43,741,269	1,865,000	
2012	42,304,868	12,816,133		39,212,947	1,275,000	
2013	38,672,388	11,911,685		34,489,628	655,000	
2014	35,069,907	10,982,237		29,554,660		
2015	31,092,428	10,007,789		24,197,700		
2016	27,024,949	8,993,341		18,607,867		
2017	22,862,470	7,943,893		12,735,754		
2018	18,589,981	6,849,445	\$ 18,659,326	6,566,021		

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

<sup>1</sup> See Demographic and Economic Statistics table for personal income and population data. These ratios are calculated using personal income and population for the prior year.

<sup>2</sup> Includes accreted interest on Capital Appreciation Bonds, for FY 2018 that amount was \$4,116,422.



**Business-Type Activities**

<b>Fiscal Year</b>	<b>Water &amp; Sewer Revenue Bonds</b>
2009	\$ 52,879,764
2010	50,204,790
2011	47,039,816
2012	43,759,843
2013	40,359,869
2014	36,859,894
2015	34,889,085
2016	27,052,278
2017	26,935,472
2018	18,258,666

<b>Fiscal Year</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Per Capita<sup>1</sup></b>
2009	\$ 163,719,457	0.0346%	\$ 1,930
2010	164,766,587	0.0346%	1,954
2011	151,677,787	0.0471%	1,797
2012	139,368,790	0.0515%	1,632
2013	126,088,569	0.0556%	1,465
2014	112,466,698	0.0629%	1,298
2015	100,187,002	0.0706%	1,142
2016	81,678,435	0.0866%	925
2017	70,477,589	0.1044%	768
2018	68,923,439	0.0806%	738

**CITY OF BOCA RATON, FLORIDA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

*(dollars in thousands, except per capita)*  
(Unaudited)

<b>Fiscal Year</b>	<b>General Oblogation Bonds</b>	<b>Assessed Value of Taxable Property</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Population</b>	<b>Per Capita</b>
2009	\$ 43,785	\$ 19,624,543	0.22%	84,823	\$ 0.52
2010	49,195	17,992,026	0.27%	84,313	0.58
2011	44,960	16,609,124	0.27%	84,392	0.53
2012	39,905	16,421,102	0.24%	85,413	0.47
2013	36,490	16,627,084	0.22%	86,041	0.42
2014	33,105	17,272,212	0.12%	86,647	0.24
2015	29,345	18,222,777	0.16%	87,766	0.33
2016	25,495	19,581,516	0.13%	88,275	0.29
2017	21,550	21,006,539	0.10%	91,797	0.23
2018	17,495	22,506,879	0.08%	93,417	0.19

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

**CITY OF BOCA RATON, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF SEPTEMBER 30, 2018**  
*(Amounts Expressed in Thousands)*  
(Unaudited)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>OVERLAPPING:</b>			
Palm Beach County	\$ 82,850	0.01%	\$ 10
Palm Beach School District	15,031	0.01%	2
<b>SUBTOTAL</b>	<b>\$ 97,881</b>		<b>12</b>
<b>DIRECT DEBT:</b>			
General obligation bonds	\$ 18,590	100.00%	18,590
Special assessment bonds	6,850	100.00%	6,850
Revenue bonds	18,659	100.00%	18,659
Tax increment bonds	6,566	100.00%	6,566
<b>SUBTOTAL</b>	<b>\$ 50,665</b>		<b>50,665</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$ 50,677</b>

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

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

<sup>3</sup>Source: City of Boca Raton, Financial Services Department

<sup>4</sup>Includes \$4,116 of accreted interest on Capital Appreciation Bonds

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Boca Raton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**CITY OF BOCA RATON, FLORIDA**  
**PLEDGED-REVENUE COVERAGE FOR WATER AND SEWER REVENUE BONDS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses (1)</b>	<b>Net Available Revenue</b>	<b>Debt Service Principal</b>	<b>Debt Service Interest</b>	<b>Coverage by Net Revenue Available for Debt Service (2)</b>
2009	\$ 52,149,868	\$ 33,586,572	\$ 18,563,296	\$ 2,030,000	\$ 2,146,016	4.45
2010	48,766,835	30,780,072	17,986,763	2,655,000	1,942,669	3.91
2011	48,819,198	31,623,922	17,195,276	3,145,000	1,883,550	3.42
2012	49,926,107	31,677,197	18,248,910	3,260,000	1,766,594	3.63
2013	48,193,038	33,403,929	14,789,109	3,380,000	1,660,169	2.93
2014	51,875,748	33,367,732	18,508,016	3,480,000	1,558,838	3.67
2015	54,982,804	33,327,479	21,655,325	3,585,000	1,439,988	4.31
2016	54,800,138	34,830,929	19,969,209	7,720,000	982,282	2.29
2017	57,990,998	35,898,856	22,092,142	-	909,106	24.30
2018	57,957,825	37,929,374	20,028,451	4,185,000	724,074	4.08

- (1) Total expense exclusive of depreciation, amortization and debt service on revenue bonds.  
(2) 1.10 net revenues test required by the rate covenants applies to the 2008 and 2009 bonds.

**CITY OF BOCA RATON, FLORIDA**  
**PLEDGED-REVENUE COVERAGE FOR SPECIAL ASSESSMENT BONDS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>Special Assessments Levied (1)</b>	<b>Special Assessment Collections (2)</b>	<b>Debt Service Principal</b>	<b>Debt Service Interest</b>	<b>Coverage by Net Collections Available for Debt Service (3)</b>
2009	\$ 1,194,209	\$ 1,123,680	\$ 565,000	\$ 535,730	1.02
2010	1,170,054	1,097,657	670,000	400,453	1.03
2011	1,199,953	1,141,985	695,000	524,292	0.94
2012	1,172,570	1,242,188	715,000	493,294	1.03
2013	1,493,004	1,506,672	905,000	471,844	1.09
2014	1,483,647	1,518,586	930,000	446,294	1.10
2015	1,505,634	1,543,753	975,000	419,994	1.11
2016	1,511,197	1,518,448	1,015,000	391,569	1.08
2017	1,512,790	1,487,248	1,050,000	353,519	1.06
2018	1,519,976	1,483,885	1,095,000	313,269	1.05

- (1) Includes amounts from adopted assessment rolls and penalties assessed for late payment
- (2) Collections reported are inclusive of payments on current and prior year assessments and penalties where cash was received in the listed fiscal year
- (3) Available funds to be used for debt service coverage are the Special Assessment Collections for that fiscal year

**CITY OF BOCA RATON, FLORIDA**  
**PLEDGED-REVENUE COVERAGE FOR TAX INCREMENT REVENUE REFUNDING BONDS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>Lease Revenue</b>	<b>Tax Increment Revenue</b>	<b>Collections</b>	<b>Debt Service Principal (1)</b>	<b>Debt Service Interest</b>	<b>Coverage by Net Revenue Available for Debt Service</b>
2009	\$ 1,300,511	\$ 6,750,600	\$ 8,051,111	\$ 5,130,000	\$ 1,416,300	1.23
2010	1,188,119	6,658,892	7,847,011	5,340,000	1,193,760	1.20
2011	1,236,280	8,948,102	10,184,382	5,575,000	956,997	1.56
2012	1,300,374	6,484,150	7,784,524	5,815,000	704,206	1.19
2013	1,240,859	6,574,894	7,815,753	6,075,000	433,644	1.20
2014	1,489,383	6,729,850	8,219,233	6,355,000	146,959	1.26
2015	1,561,772	7,183,269	8,745,041	2,987,363	3,667,637	1.31
2016	1,767,671	8,448,676	10,216,347	2,815,486	3,804,514	1.54
2017	1,653,839	9,719,650	11,373,489	2,670,707	3,949,293	1.72
2018	1,908,824	12,489,146	14,397,970	2,542,014	4,077,986	2.17

(1) In October, 1998, the Boca Raton Community Redevelopment Agency Tax Increment Revenue Refunding Bonds, Series 1998 (Mizner Park Project) was used to refinance the CRA's Tax Increment Revenue Bond, Series 1992.

**CITY OF BOCA RATON, FLORIDA**  
**PLEGDED-REVENUE COVERAGE FOR ALL NON AD VALOREM REVENUE BONDS AND LOANS PAYABLE**  
**BY MAXIMUM ANNUAL DEBT SERVICE**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>Net Revenue Available <sup>(1)</sup></b>	<b>Revenue Bonds 2018</b>	<b>Special Assessment Revenue Bonds 2009</b>	<b>Special Assessment Revenue Bonds 2010</b>	<b>Tax Increment Revenue Refunding Bonds 1998</b>	<b>(Loans Payable) First Florida Governmental Financing Commission</b>	<b>(Loans Payable) First Florida Governmental Financing Commission</b>	<b>Total</b>	<b>Coverage by Net Revenue Available for Maximum Debt Service</b>
2009	\$ 48,268,089		\$ 1,100,730		\$ 6,548,050	\$ 692,652	\$ 433,904	\$ 8,775,336	5.50
2010	44,760,458		1,070,453		6,535,510	688,093	432,730	8,726,786	5.13
2011	37,777,361		1,083,169	\$ 136,123	6,533,747	692,279		8,445,318	4.47
2012	37,041,078		1,082,319	125,975	6,519,903	689,978		8,418,174	4.40
2013	40,481,387		1,090,869	285,975	6,508,644	690,409		8,575,896	4.72
2014	44,679,602		1,093,519	282,775	6,501,959	691,025		8,569,278	5.21
2015	50,402,830		1,110,419	284,575	6,655,000			8,049,994	6.26
2016	50,512,120		1,121,119	285,450	6,620,000			8,026,569	6.29
2017	52,672,177		1,117,319	286,200	6,620,000			8,023,518	6.56
2018	53,508,013	\$ 574,285	1,122,319	285,950	6,620,000			8,602,554	6.22

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

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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.**

**CITY OF BOCA RATON, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

(Unaudited)

<b>Fiscal Year</b>	<b>Population<sup>4</sup></b>	<b>Personal Income (amounts expressed in thousands)<sup>3</sup></b>	<b>Per Capita Personal Income<sup>5</sup></b>	<b>Median Age<sup>3</sup></b>	<b>Education Level in Years of Schooling</b>	<b>School Enrollment<sup>2</sup></b>	<b>Unemployment Rate<sup>1</sup></b>
2009	84,823	\$ 4,811,500	\$ 56,724	45	13	12,132	7.9%
2010	84,313	4,809,129	57,039	45	13	12,529	9.1%
2011	84,392	6,026,770	71,414	45	13	13,188	9.7%
2012	85,413	6,133,166	71,806	45	13	12,998	9.0%
2013	86,041	6,028,635	70,067	45	13	13,235	7.6%
2014	86,647	6,125,856	70,699	45	13	13,243	6.3%
2015	87,766	6,204,968	70,699	45	13	13,737	5.2%
2016	88,275	6,495,892	73,587	45	13	13,861	4.8%
2017	91,797	4,756,186	51,812	46	13	13,535	4.3%
2018	93,417	5,190,155	55,559	47	13	13,450	3.3%

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

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

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

**Source<sup>3</sup>:** City of Boca Raton

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

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

Years 2011-2016 reflect median household income

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

Employer	2017			2009		
	2017 <sup>(1)</sup> Number of Employees	2017 Rank	Percentage of Total City Employment	2009 <sup>(2)</sup> Number of Employees	2009 Rank	Percentage of Total City Employment
Boca Raton Regional Hospital	2,800	1	2.74%	2,100	4	2.12%
Florida Atlantic University	2,761	2	2.70%	2,776	1	2.80%
Office Depot (Hdqtrs)	2,034	3	1.99%	2,100	3	2.12%
City of Boca Raton	1,550	4	1.52%	1,288	5	1.30%
Boca Raton Resort and Club	1,376	5	1.35%	2,200	2	2.22%
National Council of Comp Ins (NCCI)	923	6	0.90%	872	6	0.88%
Johnson Controls / Tyco (Hdgtrs)	898	7	0.88%			
Lynn University	663	8	0.65%	700	7	0.71%
ADT Security Services (Hdqtrs)	600	9	0.59%			
International Bus. Machines (IBM)	600	10	0.59%	600	9	0.60%
Prime Management Group Inc				640	8	0.64%
Applied Card Systems				550	10	0.55%
<b>TOTAL</b>	<b>14,205</b>		<b>13.89%</b>	<b>13,826</b>		<b>13.93%</b>

**TOTAL CITY WORKFORCE<sup>(3)</sup> 102,296**

<sup>(1)</sup>Source of 2017 data: Business Development Board (BDB)

\* 2017 data indicates the most recent information available at the time of statement issuance

<sup>(2)</sup>Source of 2009 data: 2009 City of Boca Raton CAFR

<sup>(3)</sup>Source of Workforce: U.S. Census Bureau, LEHD Origin-Destination Employment Statistics Data (2002-2015)

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

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General government	167	155	155	159	160	171	184	202	217	239
Public safety										
Police										
Officers	198	199	198	198	198	198	198	203	211	216
Civilians	98	97	97	97	97	97	97	99	105	106
Fire										
Firefighters and officers	207	207	205	205	205	205	205	209	226	232
Civilians	10	10	10	11	11	11	11	11	12	14
Highways and streets										
Engineering	10	9	9	9	9	8	8	8	12	13
Maintenance	16	16	17	16	16	16	16	16	19	19
Sanitation	53	53	52	49	46	46	46	46	50	52
Culture and recreation	290	273	273	281	296	299	314	355	377	384
Water/sewer	165	167	165	166	164	164	167	168	174	174
Stormwater	10	11	11	11	11	11	11	11	11	11
Information technology	22	22	24	25	27	30	35	38	42	47
Motor pool	13	12	12	12	12	13	13	14	14	14
Golf course	24	24	24	23	23	23	23	23	23	23
Cemetery	5	5	5	5	5	5	5	5	6	6
<b>Total</b>	<b>1,288</b>	<b>1,260</b>	<b>1,257</b>	<b>1,267</b>	<b>1,280</b>	<b>1,297</b>	<b>1,333</b>	<b>1,408</b>	<b>1,499</b>	<b>1,550</b>

**Source:** City of Boca Raton Approved Budget Book 2017-2018

## **OPERATING INFORMATION**

**This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.**

**CITY OF BOCA RATON, FLORIDA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Function/Program</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental activities:</b>				
General government				
Bond ratings - G.O. bonds				
Moody's	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA
Building permits issued	7,270	6,957	6,738	7,542
Law enforcement				
Physical arrests	3,049	3,324	2,948	2,939
Parking violations	2,323	2,574	1,624	958
Traffic violations	23,620	27,354	26,393	25,985
Fire rescue				
Number of calls answered	15,013	15,550	15,762	16,192
Inspections	6,538	7,090	7,202	5,855
Transportation				
Streets resurfacing (miles)	4	10	0	18
Potholes repaired	175	**	**	**
Potholes repaired (tons)	**	10	14	11
Physical environment				
Refuse collection(tons/daily)	121	143	123	112
Recyclables collected (tons/daily)	19	34	19	25
Parks & recreation				
Athletic field permits issued	8,446	8,269	8,381	8,698
Community center admissions	435,265	431,894	456,238	456,802
Tennis participation	191,245	193,444	191,877	188,231
Camp programs	2,156	2,238	3,667	3,093
Aquatics participation programs	53,152	54,791	62,374	57,749
<b>Business-type activities:</b>				
Water				
New connections (excl Iris)	128	62	86	147
Water mains breaks	23	20	33	130
Average daily consumption				
(thousands of gallons)	39,500	34,427	34,700	31,630
Active accounts	36,040	36,081	36,200	36,375
Sewer				
Average daily sewage treatment				
(thousands of gallons)	12,523	13,130	12,520	13,656
Active accounts	32,733	32,887	32,973	33,141
Golf courses				
Annual golf permits	120	97	80	72
Golf participation	124,265	96,878	105,055	107,037

**Source:** Various City Departments

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

2013	2014	2015	2016	2017	2018
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
AAA	AAA	AAA	AAA	AAA	AAA
AAA	AAA	AAA	AAA	AAA	AAA
8,150	7,578	8,065	8,211	9,460	10,165
2,992	3,057	3,745	2,844	3,026	2,200
639	677	373	264	212	155
31,481	41,097	37,127	37,795	29,823	22,298
15,737	16,310	17,275	18,372	18,386	17,602
7,131	4,451	5,294	5,542	4,479	9,176
20	9	7	2	1	15
**	**	**	**	**	**
10	5	4	3	14	12
132	136	139	140	131	106
18	17	16	16	16	16
9,185	9,395	9,150	9,479	9,161	8,813
450,381	453,848	458,030	430,438	471,451	490,547
189,477	196,156	203,465	193,023	185,961	180,768
3,097	3,271	2,899	3,388	3,357	3,611
59,024	56,830	58,125	55,629	46,679	52,065
80	77	30	77	123	89
85	58	33	34	35	27
30,490	32,481	34,530	33,505	34,484	35,873
34,522	36,800	36,488	36,561	36,676	36,802
12,345	14,180	13,269	13,635	13,440	13,140
33,018	33,262	33,492	33,571	33,690	33,773
64	55	50	41	40	34
108,453	106,122	106,162	98,744	98,223	94,557

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

<b>Governmental activities</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Law enforcement</b>										
Police stations/substations	2	2	2	2	2	2	2	2	3	3
Patrol units	234	230	230	230	230	293	229	278	282	284
<b>Fire rescue</b>										
Fire stations	8	8	8	8	8	8	8	8	8	8
Fire rescue units	33	33	33	33	33	33	33	34	35	35
<b>Physical environment</b>										
Sanitation-collection trucks	35	35	35	35	35	35	40	41	45	51
<b>Transportation</b>										
Street (miles)	224	219	219	218	220	220	220	220	220	220
Street lights	384	384	857	857	863	863	863	863	1,082	1,082
<b>Function/Program</b>										
Traffic signals	136	136	136	136	136	136	136	137	138	138
Lane miles	495	486	486	485	487	487	487	487	487	487
<b>Parks and recreation</b>										
Park acreage	551	551	551	636	636	636	636	658	658	660
Parks	31	31	31	32	32	32	32	32	42	43
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis centers	3	3	3	3	3	3	3	3	3	3
Community centers	3	3	3	3	3	3	3	3	3	3
Public libraries	2	2	2	2	2	2	2	2	2	2
Public beaches (miles)	2	2	2	2	2	2	2	2	2	2
<b>Business-type activities</b>										
<b>Water</b>										
Water mains & service lines(miles)	535	560	546	560	560	705	706	706	706	708
Fire hydrants	5,419	5,448	5,421	5,503	5,567	5,567	5,512	5,498	5,513	5,646
Maximum daily capacity (thousands of gallons)	70	70	70	70	70	70	70	70	70	70
<b>Sewer</b>										
Sanitary sewers & service laterals (miles)	482	385	512	513	516	604	591	591	591	591
Maximum daily treatment capacity (thousands of gallons)	18	18	18	18	18	18	18	18	18	18
Waste water pumping stations	238	238	236	238	240	239	240	241	241	241
Cemetery	1	1	1	1	1	1	1	1	1	1
Golf courses	3	3	3	3	3	3	3	3	3	3
<b>Storm water utilities</b>										
Storm sewer( miles)	64	99	99	100	100	100	100	100	100	100

**Sources:** Various City departments

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



**CITY OF BOCA RATON, FLORIDA**  
**COMPLIANCE REPORTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

# CITY OF BOCA RATON, FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boca Raton, Florida (the City) as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2019.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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

*Marcum LLP*

West Palm Beach, FL  
March 25, 2019

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR STATE PROJECT; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE REQUIRED BY CHAPTER 10.550 RULES  
OF THE AUDITOR GENERAL**

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

***Report on Compliance for Each Major State Project***

We have audited the City of Boca Raton, Florida's (the City's) compliance with the types of compliance requirements described in the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the City's major state projects for the fiscal year ended September 30, 2018. The City's major state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state projects.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the City's major state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550 Rules of the Auditor General. Those standards and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state projects. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major State Project***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state projects for the fiscal year ended September 30, 2018.

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

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major state projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major state projects and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of State Financial Assistance Required by Chapter 10.550 Rules of the Auditor General***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 25, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by Chapter 10.550 Rules of the Auditor General and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Marcum LLP*

West Palm Beach, FL  
March 25, 2019

**CITY OF BOCA RATON, FLORIDA**

**SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

State Agency/Program	CSFA Number	Grant/Contract Number	Total Expenditures
<b><i>Florida Housing Finance Corporation</i></b>			
Direct Program:			
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	\$ 773,603
<b><i>Total Florida Housing Finance Corporation</i></b>			<u>773,603</u>
<b><i>Florida Department of Transportation</i></b>			
Direct Program:			
Transit Corridor Program	55.013	ARC35	<u>168,900</u>
<b><i>Total Florida Department of Transportation</i></b>			<u>168,900</u>
<b><i>Florida Department of Environmental Protection</i></b>			
Direct Program:			
Beach Management Funding Assistance Program	37.003	16PB5	1,390
Beach Management Funding Assistance Program	37.003	16PB6	36,061
Beach Management Funding Assistance Program	37.003	17PB3	67,996
Beach Management Funding Assistance Program	37.003	17PB6	14,402
Beach Management Funding Assistance Program	37.003	18PB7	30,685
Beach Management Funding Assistance Program	37.003	19PB5	<u>36,620</u>
<b><i>Total Beach Management Funding Assistance Program</i></b>			<u>187,154</u>
<b><i>Total Florida Department of Environmental Protection</i></b>			<u>187,154</u>
<b><i>Total Expenditures of State Financial Assistance</i></b>			<u>\$ 1,129,657</u>

N/A - Not available

*See notes to schedule of expenditures of state financial assistance.*



# **CITY OF BOCA RATON, FLORIDA**

## **NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the City of Boca Raton (the City) under projects of the State of Florida for the fiscal year ended September 30, 2018. The information in this schedule is presented in accordance with the requirements of Chapter 10.550 Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City or used in the preparation of the basic financial statements.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

**CITY OF BOCA RATON, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None.

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

The City was not subject to single audit under OMB Uniform Guidance in the fiscal year ended September 30, 2018.

**PRIOR YEAR STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

None.

**CITY OF BOCA RATON, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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

**Financial Statements**

Type of auditors’ report issued:	<i>Unmodified Opinion</i>		
Internal control over financial reporting:			
Material weakness(es) identified?	___ Yes	___ <u>X</u> ___	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	___ Yes	___ <u>X</u> ___	None reported
Non-compliance material to financial statements noted?	___ Yes	___ <u>X</u> ___	No

**State Projects:**

Internal control over major state projects::			
Material weakness(es) identified?	___ Yes	___ <u>X</u> ___	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	___ Yes	___ <u>X</u> ___	None reported

Type of auditors’ report issued on compliance for major state projects:	<i>Unmodified Opinion</i>		
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Any audit findings disclosed that are required to be reported in accordance with in accordance with Chapter 10.557, Rules of the Auditor General?	___ Yes	___ <u>X</u> ___	No
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Identification of major state projects:

<u>State Projects:</u>	<u>CFSA No.</u>
State Housing Initiatives Partnership Program	40.901
Transit Corridor Program	55.013

Dollar threshold used to distinguish between Type A and Type B project:	\$300,000
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**CITY OF BOCA RATON, FLORIDA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

None reported

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE  
AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

***Report on the Financial Statements***

We have audited the financial statements of the City of Boca Raton, Florida (the City), as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 25, 2019.

***Auditors' Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

***Other Reporting Requirements***

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required By Chapter 10.550 Rules of the Auditor General; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 25, 2019, should be considered in conjunction with this management letter.

***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The City has made these disclosures in the notes to the financial statements.

### ***Financial Condition and Management***

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. This assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### ***Special District Component Units***

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within in the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

### ***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, State granting agencies, City Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

West Palm Beach, FL  
March 25, 2019

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415 FLORIDA STATUTES**

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

We have examined the City of Boca Raton, Florida (the City)'s compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2018. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2018.

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

*Marcum LLP*

West Palm Beach, FL  
March 25, 2019