

# Comprehensive Annual Financial Report



*America's Gateway to the Gulfstream*

**CITY OF BOYNTON BEACH, FLORIDA**  
**FOR FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2018**

# **CITY OF BOYNTON BEACH, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2018**

## **Vision Statement**

**Our vision is to be a WELCOMING and PROGRESSIVE  
COASTAL COMMUNITY  
that CELEBRATES CULTURE, INNOVATION  
and BUSINESS DEVELOPMENT.**

## **Mission Statement**

**The City of Boynton Beach is a VIBRANT and SUSTAINABLE COMMUNITY  
that PROVIDES EXCEPTIONAL SERVICES**

## **Core Beliefs**

**We, the management team of the Boynton Beach  
City Government, commit to:  
PERSONAL INTEGRITY AND HONESTY,  
PRODUCTIVITY,  
TEAMWORK,  
RESPECT,  
and SERVING OTHERS.**

## **The Commission Initiatives**

**Redevelop Downtown  
Building Wealth in the Community  
Boynton Beach Branding  
Transportation and Mobility**

***Prepared by Department of Financial Services***

**Mara Frederiksen  
Director of Financial Services**



# THE CITY OF BOYNTON BEACH

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# ***INTRODUCTORY SECTION***



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Telephone: (561) 742-6310 Internet: [www.boynton-beach.org](http://www.boynton-beach.org)

April 26, 2019

To the Honorable Mayor,  
Members of the City Commission,  
Citizens of Boynton Beach, Florida

The Financial Services Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Boynton Beach, Florida for the fiscal year ended September 30, 2018. The report fulfills the requirements set forth in Chapter 166.241 of the Florida Statutes and the Rules of the Auditor General, Chapter 10.550. In addition to meeting the legal requirements, the report continues to present the City's tradition of full financial disclosure as demonstrated by the informative financial analysis provided and the exhibits and statistical tables included herein.

Management assumes full responsibility for both the completeness and the reliability of the information contained in this report, based on a framework of internal controls established for this purpose. Because the cost of internal control should not exceed the anticipated benefit, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the data is accurate in all material respects.

The City's independent auditor, Caler, Donten, Levine, Cohen, Porter & Veil, P.A., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Boynton Beach's financial statements for the year ended September 30, 2018. The auditor's report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analyses of the basic financial statements. MD&A complements this transmittal letter and we suggest reading it to obtain an introduction to the financial statements.

The CAFR contains four sections to facilitate understanding by the non-financially oriented user as well as to provide all necessary information for the most sophisticated financial observer.

The Introductory Section introduces the reader to the City and summarizes the financial story told in the financial statements, schedules, notes and statistical tables. This section includes this Transmittal letter, a list of principal officials, the City's Organizational Chart and a map of the City.

The Financial Section includes the Independent Auditor's Report of their opinion on the financial statements, Management's Discussion and Analysis, and the Basic Financial Statements that include the Notes to the Financial Statements. The Basic Financial Statements provide an overview of the City's financial position and results of operations. The remainder of this section presents Required Supplementary Information for pensions and other postemployment benefits, followed by the Combining and Individual Fund Statements that focus on each individual fund included in the Non-Major Governmental Funds, Non-Major Enterprise Funds, Internal Service Funds, and Pension Trust Funds.

The Statistical Section contains a number of tables and other data designed to provide historical financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information over a ten-year period. These trends provide a historical perspective on the operations of the City.



# THE CITY OF BOYNTON BEACH

The Compliance Section contains data required by the State of Florida. It includes the Independent Auditor's Report on Internal Control and Compliance, the Auditor's Management Letter and the City's response to the management letter and the Independent Auditor's Report on Investment Compliance.

The role of this Comprehensive Annual Financial Report is to assist the City in making service, financial and budgetary decisions to assist in providing accountability to the City Commission, citizen's, bondholders and management 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.

## PROFILE OF THE CITY OF BOYNTON BEACH



Boynton Beach, Florida's Gateway to the Gulfstream, is a coastal city located in southern Palm Beach County. Major Nathan S. Boynton, a native of Michigan founded the City. In 1895, Major Boynton enlisted several workers from his native Michigan to move their families to Boynton Beach. With other settlers, the early years of our city were spent building a town, raising vegetables to supply their needs, as well as the guests of the new Boynton Beach Hotel. Boynton Beach is a year-round community that offers a full complement of recreational, entertainment, shopping and dining opportunities. Easily accessible by road, rail, sea and air, Boynton Beach is a city of neighborhoods with much to offer residents, visitors and businesses. Boynton Beach is the county's third largest city and is a great place to live, work, play and learn.

The City, incorporated in 1920, derives its governmental authority from a charter granted by the Legislature of the State of Florida. The City operates under a Commission/Manager form of government. Four Commissioners are elected by district for a three-year term. A Mayor is elected at large on a non-partisan basis for a three-year term. The City Commission 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 Commission determines policy, adopts legislation, approves the City's budget, sets tax rates and fees and appoints the City Attorney and members of the various boards.

The City of Boynton 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 course, library, tennis courts, neighborhood parks and boat ramps; the Municipal Services Department provides essential street and highway maintenance, sanitation and other technical assistance to the City; and the Utility Services Department provides water, sewer and stormwater services. The City's Development Department administers the City's Community Development Block Grant and the Section 8 Housing Assistance Grant as well as building inspection, planning & zoning and occupational license services. The City Hall in the Mall, located in the major shopping mall on the western borders, offers citizens the opportunity to pay utility bills and to sign up for recreational programs without traveling to City Hall.

The City Commission adopts a final budget for each fiscal year no later than the beginning of that fiscal year. The annual budget serves as the basis for the City's financial planning and control. The budget is prepared and approved by fund, function and department. Department heads may transfer appropriations within a department with the approval of the Financial Services Department. Transfers between departments require approval of the City Manager, and transfers between funds require approval of the City Commission.



## ECONOMIC CONDITIONS AND OUTLOOK

Over the last few years, Boynton Beach, like many other US cities was adversely affected by the economic downturn, but is rebounding. The population has experienced progressive growth of nearly 13% since 2008, increasing our population from 66,872 in 2008 to 76,800 residents in 2018. The unemployment rate is at its lowest in 10 years, dropping from a considerable 11.7% in 2009 to 3.5% in 2018. Along with population growth and decreasing unemployment, the City has continued to fund public safety programs which have all resulted in a reduction of crime by 20% since 2008.

The City's residential and commercial tax base is growing and has generated a mix of development and redevelopment activities, indicating that the economic outlook for the future remains bright. The City continues to see an increase in taxable values, but has yet to return to its peak value of \$6,131,757,196 in 2008, although the Palm Beach County Property Appraiser is forecasting higher taxable values going forward. Having maintained a stable millage rate over the last several years and with property values on the rise, the City anticipates receiving increased revenue from taxes for years to come.

The City Commission has also approved a number of projects during the last several years that will continue to increase the City's tax base. The most significant long-term initiative was the City Commission's approval on June 12, 2017, to move forward with Phase 1 of the Town Square Project. The Town Square project is a 16-acre economic development project located in the downtown area of Boynton Beach, just east of the I-95 Boynton Beach Boulevard exit. The boundaries of the Town Square Project are Boynton Beach Boulevard on the north, Seacrest Boulevard on the west, Southeast Second Avenue on the south and Southeast First Street on the east. The Town Square Project includes the renovation of the City's historic High School into a cultural center, construction of residential and retail spaces, a new hotel, public spaces, parking garage, fire station and a new city hall. The proposed budget to complete the total project is \$94.5 million, divided into phases that will be completed over several years. Phase 1 of the project will cost \$4.2 million and entails developing a master site plan, building plans, a financing structure and rehabilitation of the 60 year old Boynton Beach High School building. Phase I of the project is currently underway and the projected completion date is 2021. Completion of Phase I will increase the City's tax base, provide green space, and modernize and reuse the historic high school building. When complete, the Town Square Project will preserve, renovate and relocate civic infrastructure, provide long-term economic expansion of the City's downtown area and lower the City's infrastructure maintenance costs.

In conjunction with the Town Square Project, the City continues to see increases in development that add to the City's revenue base city-wide. The largest residential build, Cortina, included a seven-building complex with a combined 350 luxury units on the eastern side of Renaissance Commons Boulevard, between Old Boynton Road and East Gateway Boulevard. The project will be part of the 45-acre Boynton Village development that is slated to bring more than 1,000 condos, apartments and single-family homes to the City. Many new restaurants opened since 2017, including Troy's Bar-B-Que, Burgerfi, Lucille's Bad to the Bone BBQ, Hungry Howie's Pizza, Baciame Restaurant, and Carvel Ice Cream. During Fiscal Year 2017-18, the City saw growth in the commerce area as new businesses opened in the City and existing businesses expanded employment. A new Economic Development department was established in March of 2017 with a goal of increasing wealth in the community. All these projects are transforming Boynton Beach and positively affecting the City's economy.



## MAJOR CITY INITIATIVES

Recent and continuing projects include the following:

- Boynton Beach Town Square Project.
- Continuing upgrades to our water and wastewater system.
- Boynton Beach Ion Exchange Resin Plant and East Water Treatment Upgrades.
- Model Block in the Heart of Boynton Neighborhood.
- The City was the first municipality in Palm Beach County to be recognized as an “Autism Friendly City” by Florida Atlantic University CARD (Center for Autism and Related Disabilities).
- The City is an active participant in “Green” initiatives including adding an all-electric vehicle to its fleet and installing solar-power trees through the assistance of Florida Power and Light (FPL).

## ACKNOWLEDGEMENTS

The preparation and issuance of this report represents countless hours of work. I would like to thank the many individuals of the Financial Services Department who are responsible for maintaining the financial records upon which this report is based.

I also want to take this opportunity to thank the City Commission and senior management of Boynton Beach for the vital role you play in enabling the City to achieve and maintain this high degree of fiscal responsibility.

Respectfully submitted,

*Mara Frederiksen*

Mara Frederiksen  
Director of Financial Services



**Elected and Appointed City Officials**

**September 30, 2018**

**Elected Officials**



**Mayor**  
Steven B. Grant



**District 1**  
Commissioner  
Justin Katz



**District 2**  
Commissioner  
Mack McCray



**District 3**  
Vice-Mayor  
Christina  
Romelus



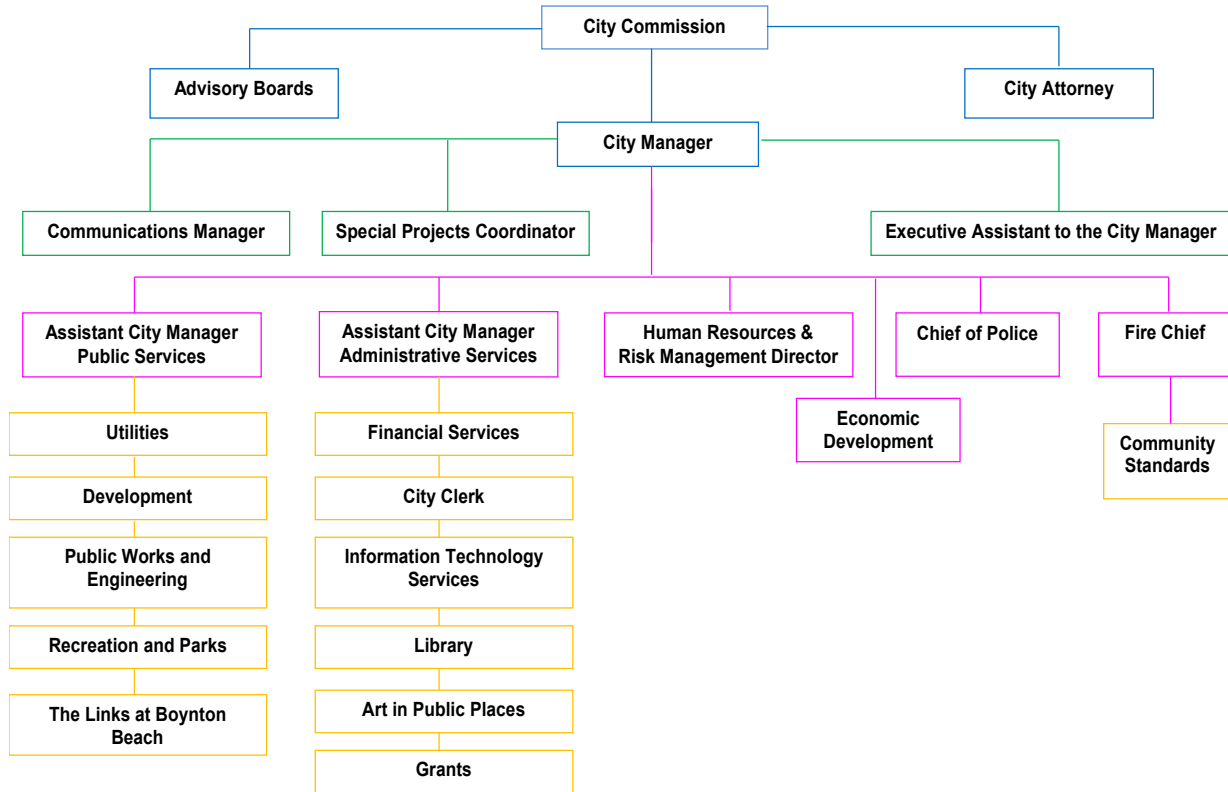
**District 4**  
Commissioner  
Joe Casello

**Appointed Officials**

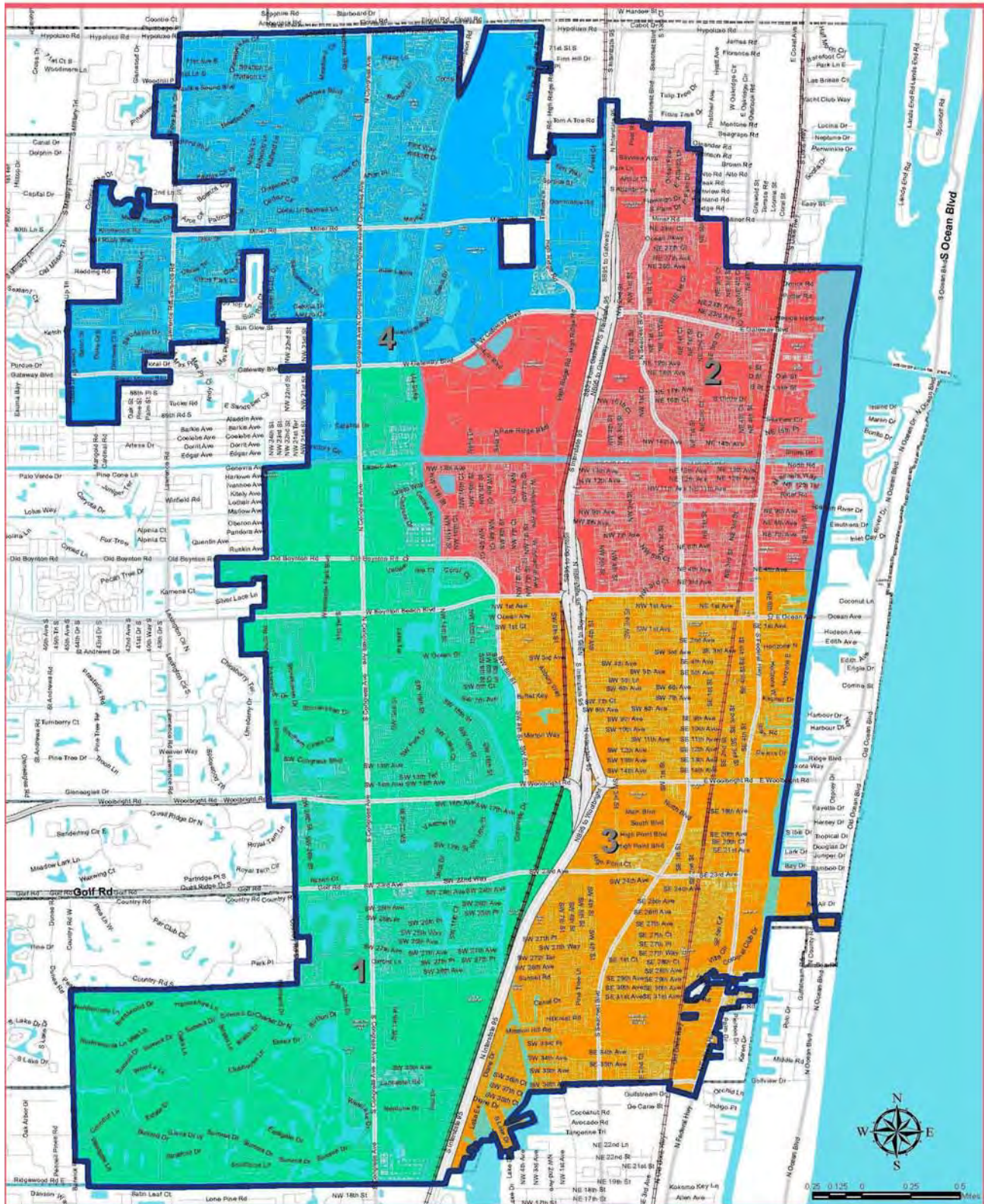
Lori LaVerriere	City Manager
James Cherof	City Attorney
Tim Howard	Assistant City Manager-Administrative Services
Colin Groff	Assistant City Manager-Public Services
Judy Pyle	City Clerk
Glenn Joseph	Fire Chief
Michael Gregory	Police Chief
Michael Rumpf	Director of Development
Andrew Mack	Director of Public Works
Joe Paterniti	Director of Utilities
Julie Oldbury	Director of Human Resources
Mara Frederiksen	Director of Financial Services



**CITY ORGANIZATIONAL CHART**



# City of Boynton Beach Commission Districts





# ***FINANCIAL SECTION***





# CALER, DONTEN, LEVINE, COHEN, PORTER & VEIL, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WILLIAM K. CALER, JR., CPA  
LAURA E. CLARK, CPA  
LOUIS M. COHEN, CPA  
JOHN C. COURTNEY, CPA, JD  
DAVID S. DONTEN, CPA  
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MICHAEL J. NALEZYTY, CPA  
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MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

## Independent Auditor's Report

To the Honorable Mayor and  
City Commission  
City of Boynton Beach, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boynton Beach, Florida, as of and for the 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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Boynton Beach Community Redevelopment Agency ("CRA"), which includes the Boynton Beach CRA Special Revenue Fund, a major governmental fund, which represents 19%, 80%, and 12%, respectively, of the assets, net position, and revenues of the governmental activities of the City. We also did not audit the financial statements of the City of Boynton Beach General Employees' Pension Fund, the City of Boynton Beach Police Officers' Pension Fund, and the City of Boynton Beach Firefighters' Pension Fund, fiduciary funds of the City, which combined with the non-major governmental funds of the CRA, collectively represent 94%, 95%, and 71%, respectively, of the assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information of the City. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the CRA, General Employees' Pension Fund, Police Officers' Pension Fund, and Firefighters' Pension Fund, are based solely on the reports of the other auditors. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Police Officers' Pension Fund and Firefighters' Pension Fund, which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*.



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

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

## ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Boynton Beach, Florida, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles and the respective budgetary comparison for the General Fund and the Boynton Beach CRA Special Revenue Fund.

## **Accounting Change**

As discussed in Note 1.W. to the financial statements, the City adopted the recognition and disclosure requirements of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended September 30, 2018. The respective net position of the governmental activities, business-type activities and proprietary funds at October 1, 2017, has been restated for this change in accounting. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

U.S. generally accepted accounting principles require that *management's discussion and analysis* on pages II-4 through II-13 and the pension information and other postemployment benefits information on pages II-78 through II-84, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Boynton Beach, Florida's, basic financial statements. The introductory section, combining and individual fund financial statements, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining and individual fund financial statements 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 U.S. generally accepted auditing standards by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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.

We also have previously audited, in accordance with U.S. generally accepted auditing standards, the basic financial statements of the City of Boynton Beach, Florida, for the year ended September 30, 2017, which are not presented with the accompanying financial statements. In our report dated July 31, 2018, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Boynton Beach, Florida's basic financial statements as a whole. The 2017 individual major and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the 2018 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 2017 basic financial statements. The 2017 financial statements of the Boynton Beach Community Redevelopment Agency, General Employees' Pension Fund, Police Officers' Pension Fund, and Firefighters' Pension Fund, were audited by other auditors and that information is based solely on the reports of the other auditors. The 2017 information has been subjected to the auditing procedures applied in the audit of the 2017 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 U.S. generally accepted auditing standards by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the 2017 individual major and nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2019, on our consideration of the internal control over financial reporting of the City of Boynton Beach, Florida, 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 of Boynton Beach, Florida's internal control over financial reporting and compliance.

*Caleb Dauter, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
April 26, 2019







## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis provides a narrative overview and introduction to the City's financial position and results of operations as of and for the fiscal year ended September 30, 2018 organized under the following topics:

- Financial highlights (Page II-4),
- Discussion of the basic financial statements (Pages II-4 to II-7),
- Government-wide overall financial analysis (Pages II-7 to II-10),
- Discussion of major funds (Pages II-11),
- Summary of General Fund budgetary results, (Pages II-12),
- Review of capital assets and debt administration (Pages II-12 to II-13), and
- Future budgetary outlook (Page II-13).

### FINANCIAL HIGHLIGHTS

- The City's net position at September 30, 2018 totals \$182,371,472 representing a \$9,388,456 increase from the net position at September 30, 2017 (including the restatement for adoption of GASB Statement No. 75). For 2018, approximately 85% of the net position is attributable to business-type activities (primarily our Water and Sewer System). For 2017, approximately 90% of the net position was attributable to our business-type activities. The City's 2018 net position is summarized as follows:
  - \$191,684,106 is the net investment in capital assets,
  - \$12,113,540 is restricted for public safety, grant programs, debt service, capital projects and other purposes,
  - \$21,426,174 is an unrestricted net deficit.
- The City's total fund balances (available financial resources) of all governmental funds at September 30, 2018 were \$52,244,718 in comparison with \$46,942,159 in the prior year. The 2018 fund balances of individual governmental fund types are:
  - \$15,933,723 - General Fund
  - \$10,113,532 - Special Revenue Funds (restricted, committed, assigned or unassigned for specific purposes)
  - \$ 5,202,138 - Debt Service Funds (accumulated to repay principal and interest on outstanding debt)
  - \$20,995,325 - Capital Project Funds (committed or assigned for capital improvements)
- The General Fund includes \$8,324,107 committed for emergencies pursuant to a City Ordinance requiring 10% of the subsequent year's General Fund expenditures be set aside for emergencies. Other than \$490,897 representing nonspendable prepaid items, the remaining \$7,118,719 of unassigned fund balance of the General Fund is available (a) to mitigate future revenue shortfalls and unanticipated expenditures, (b) to stabilize tax rates, and (c) to provide for working capital to minimize short-term borrowing for operations.
- General Fund unassigned fund balance represents approximately 8.2% of total General Fund 2018 expenditures.

### DISCUSSION OF THE BASIC FINANCIAL STATEMENTS

The City's basic financial statements comprise three components:

1. Government-Wide Financial Statements,
2. Fund Financial Statements, and
3. Notes to the Financial Statements.

**Government-Wide Financial Statements** - The government-wide financial statements provide readers with a broad overview of the City's finances for both its governmental activities and business-type activities. They include two financial statements:

- Statement of Net Position
- Statement of Activities



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

These statements consolidate all the City's governmental and proprietary funds similar to those of a private-sector business, but exclude pension funds held in trust for others since these funds cannot be used for the City's programs. The pension funds are included in the fund financial statements since the City is accountable for those resources.

The *Statement of Net Position* presents information on all of the City's assets owned and liabilities owed, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or weakening.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. The City reports all changes in net position as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, some revenues and expenses reported in this statement will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between functions of the City that are either:

- *Governmental Activities* – principally supported by taxes and intergovernmental (grant) revenues or,
- *Business-Type Activities* – intended to recover all or a major part of their costs through user fees and charges.

The governmental activities of the City include general government activities, public safety, physical environment, economic environment, and culture and recreational programs. The business-type activities of the City primarily include water and sewer, sanitation, and recreational (golf course) facilities.

Both government-wide financial statements include not only the City itself, but also a legally separate entity, the Boynton Beach Community Redevelopment Agency (the "CRA"), that is a *component unit* for which the City is financially accountable. The City reports the financial information for the CRA within the governmental funds and activities of the City. See Note 1 of the Notes to the Financial Statements for additional information on the CRA.

The government-wide financial statements can be found on pages II-14 through II-16 of this report.

**Fund Financial Statements** - A *fund* is a grouping of related accounts established to maintain control over resources 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.

The City groups its funds into three categories:

- Governmental Funds
- Proprietary Funds, and
- Fiduciary (Pension) Funds.

**Governmental Funds** account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on:

- Near-term inflows and outflows of spendable financial resources.
- Balances of spendable financial resources available at the end of the fiscal year.

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



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The City maintains a number of individual governmental funds. Financial information is presented separately for each "major fund" of the City in a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. The City's major governmental funds are:

- General Fund
- Boynton Beach Community Redevelopment Agency (CRA) Special Revenue Fund

Financial information for the remaining "non-major" funds is combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of *combining statements* in the Other Information section of this report.

The City adopts an annual appropriated budget for certain governmental funds. A budgetary comparison statement has been provided for the General Fund, Boynton Beach CRA Special Revenue Fund and other budgeted funds to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages II-17 through II-23 of this report.

**Proprietary Funds** include enterprise funds and internal service funds providing the same type of information as the government-wide financial statements, only in more detail.

*Enterprise funds* account for *business-type activities* that charge fees to customers for the use of specific goods or services. The basis of accounting of the financial statements is similar to the basis used to prepare the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater and stormwater utility system, sanitation operations, and municipal golf course.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions that serve only City departments. The City uses internal service funds to account for its fleet of vehicles, its self-insurance activities, and its warehouse operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements provide separate information for the water, wastewater and stormwater utility system and for the sanitation operations, both of which are considered to be major funds of the City, and the one non-major enterprise fund. Conversely, the three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of *combining statements* in the Other Information section of this report.

The City's proprietary fund financial statements can be found on pages II-24 through II-29 of this report.

**Fiduciary Funds** account for resources held for the benefit of parties outside the City that represent separate pension plans for general employees, police officers and firefighters. The City does not include fiduciary funds in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Instead they are held for the benefit of employees upon retirement. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City's fiduciary fund financial statements can be found on pages II-30 and II-31.

**Notes to the Financial Statements** - The notes provide additional information and disclosure 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 II-32 through II-77 of this report.



**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning the City’s progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information related to these benefits can be found on pages II-78 to II-84 of this report.

This report also contains other supplementary information immediately following the RSI, which includes the combining and individual fund financial statements beginning on page II-85.

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

**Net Position** - As noted previously, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$182,371,472 at the close of the most recent fiscal year.

**Net Position**  
(Amounts in Thousands)

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 91,950	\$ 81,781	\$ 84,840	\$ 71,441	\$ 176,790	\$ 153,222
Capital assets	<u>88,457</u>	<u>90,604</u>	<u>181,606</u>	<u>185,664</u>	<u>270,063</u>	<u>276,268</u>
Total assets	180,407	172,385	266,446	257,105	446,853	429,490
Deferred outflows of resources	<u>20,230</u>	<u>21,638</u>	<u>3,314</u>	<u>4,368</u>	<u>23,544</u>	<u>26,006</u>
Long-term liabilities outstanding	148,915	150,943	102,090	94,474	251,005	245,417
Other liabilities	<u>9,808</u>	<u>8,071</u>	<u>8,617</u>	<u>6,879</u>	<u>18,425</u>	<u>14,950</u>
Total liabilities	158,723	159,014	110,707	101,353	269,430	260,367
Deferred inflows of resources	14,555	17,568	4,041	4,578	18,596	22,146
Net position:						
Net investment in capital assets	52,390	51,655	139,294	137,638	191,684	189,293
Restricted	9,814	6,210	2,299	2,213	12,113	8,423
Unrestricted (deficit)	<u>(34,845)</u>	<u>(40,424)</u>	<u>13,419</u>	<u>15,691</u>	<u>(21,426)</u>	<u>(24,733)</u>
Total net position	<u>\$ 27,359</u>	<u>\$ 17,441</u>	<u>\$ 155,012</u>	<u>\$ 155,542</u>	<u>\$ 182,371</u>	<u>\$ 172,983</u>

A significant portion of the City’s net position (\$191,684) reflects its investment in capital assets (e.g., land, buildings, and equipment), less any debt related to those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net position (\$12,113 or 6.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted net deficit of \$21,426 or 11.7%.

At the end of the current fiscal year, the City reported positive balances in total net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The deficit in unrestricted net position of the governmental activities resulted from the adoption of GASB Statement No. 68 to record the net pension liabilities.



# THE CITY OF BOYNTON BEACH

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Change in Net Position.** Total net position increased in fiscal year 2018 by \$9,388,456 (net of the restatement for adoption of GASB Statement No. 75 of \$1,422,213) with governmental activities increasing the City's net position by \$9,918,341 and business-type activities decreasing the City's net position by \$529,885. Key elements of these changes are summarized as follows:

### Change in Net Position (Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 19,568	\$ 16,488	\$ 59,879	\$ 59,196	\$ 77,230	\$ 75,684
Operating grants and contributions	1,454	4,462	-	-	1,454	4,462
Capital grants and contributions	95	4	2,139	216	2,234	220
General revenues:						
Property taxes	33,820	31,705	-	-	33,820	31,705
Property tax increment	11,776	10,579	-	-	11,776	10,579
Franchise taxes	4,716	4,785	-	-	4,716	4,785
Communications & public service taxes	10,060	10,134	-	-	10,060	10,134
Sales taxes	11,163	5,738	-	-	11,163	5,738
Gas taxes	1,402	1,369	-	-	1,402	1,369
State revenue sharing	2,939	2,639	-	-	2,939	2,639
Special assessments	6,859	5,693	-	-	6,859	5,693
Investment income	492	309	54	315	546	624
Other revenues	3,525	2,022	99	40	3,624	2,062
Total revenues	<u>107,869</u>	<u>95,927</u>	<u>62,171</u>	<u>59,767</u>	<u>170,040</u>	<u>155,694</u>
<b>Expenses:</b>						
General government	21,535	17,249	-	-	21,535	17,249
Public safety	61,127	59,270	-	-	61,127	59,270
Physical environment	2,189	2,184	-	-	2,189	2,184
Economic environment	11,450	4,040	-	-	11,450	4,040
Culture and recreation	10,900	10,787	-	-	10,900	10,787
Interest on long-term debt	1,123	1,149	-	-	1,123	1,149
Water and sewer	-	-	39,449	38,301	39,449	38,301
Sanitation	-	-	9,893	10,067	9,893	10,067
Golf course	-	-	1,564	1,535	1,564	1,535
Total expenses	<u>108,324</u>	<u>94,679</u>	<u>50,906</u>	<u>49,903</u>	<u>159,230</u>	<u>144,582</u>
Change in net position before transfers	(455)	1,248	11,265	9,864	10,810	11,112
Transfers	9,741	9,608	(9,741)	(9,608)	-	-
Change in net position	9,286	10,856	1,524	256	10,810	11,112
Net position - beginning of year	17,441	6,585	155,542	155,286	172,983	161,871
Restatement for implementation of GASB Statement No. 75	632	-	(2,054)	-	(1,422)	-
Net position - beginning of year, as restated	<u>18,073</u>	<u>6,585</u>	<u>153,488</u>	<u>155,286</u>	<u>171,561</u>	<u>161,871</u>
Net position - end of year	<u>\$ 27,359</u>	<u>\$ 17,441</u>	<u>\$ 155,012</u>	<u>\$ 155,542</u>	<u>\$ 182,371</u>	<u>\$ 172,983</u>

- Tax increment revenues received from both the City and the County have been included as a result of the Community Redevelopment Agency being a blended component unit of the City; all of its financial information is reported within governmental activities.
- Increases in water and sewer charges for services account for a major portion of the increase in net position before transfers to governmental activities.

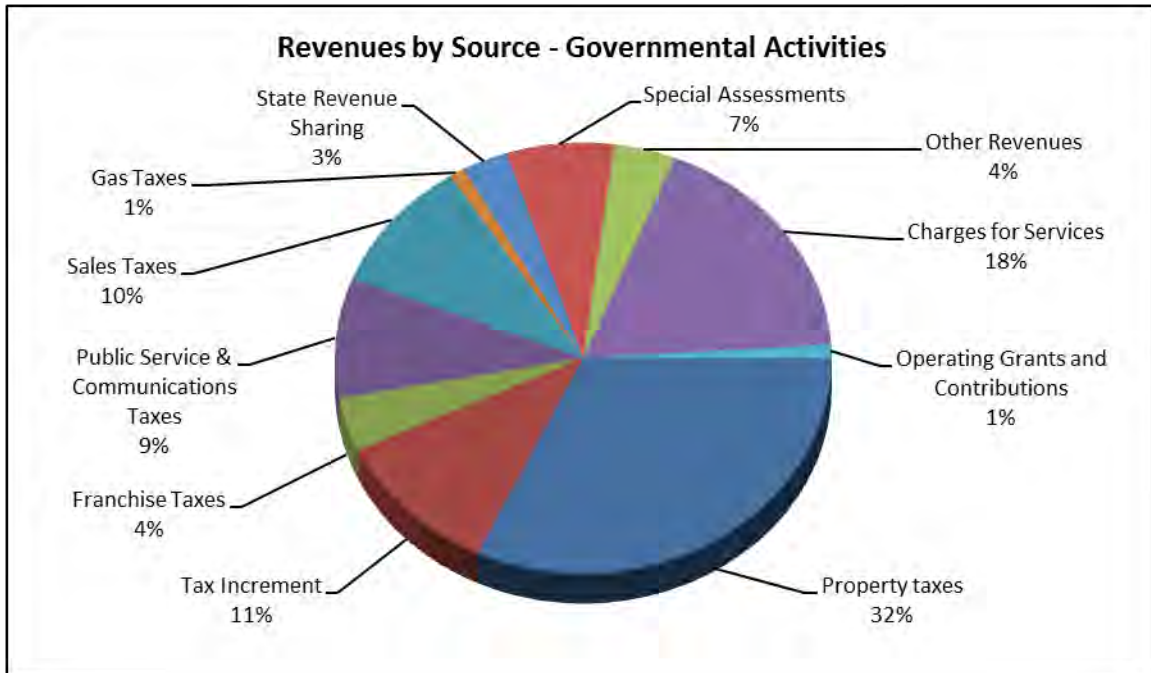




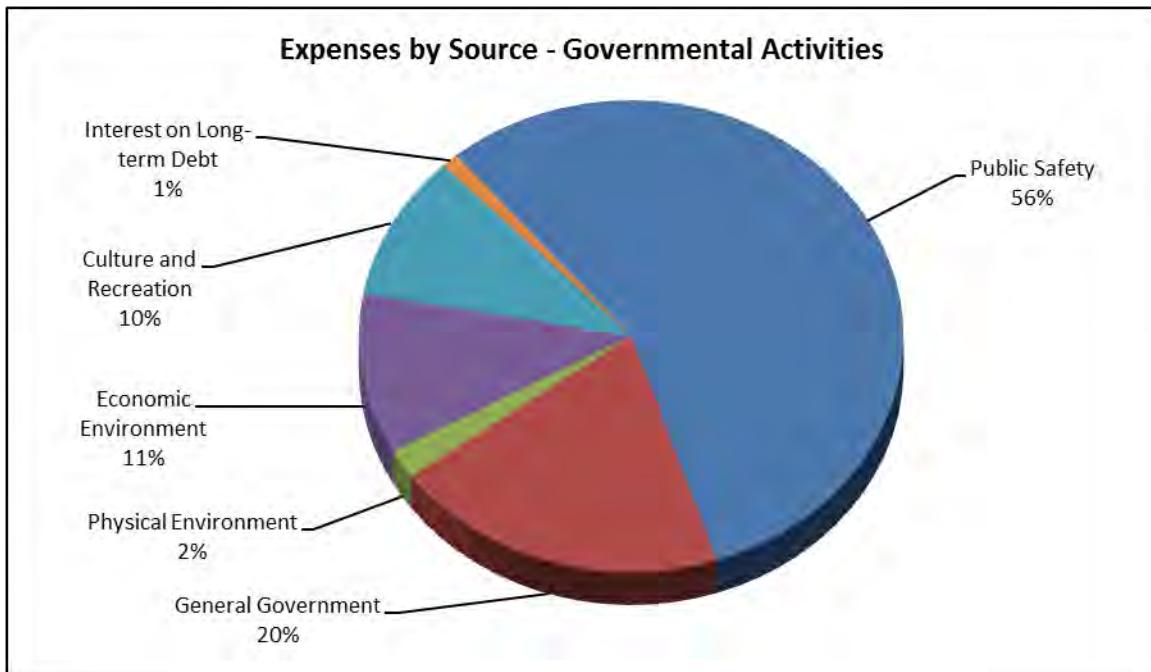
**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**Governmental Activities**

Taxes continue as the major revenue source for the City’s governmental activities representing 67% of revenues in FY 2017-2018, compared to 67% in FY 2016-2017.



Public safety (Police, Fire, and 911 Communications) expenses aggregate 56% of total expenses of governmental activities in FY 2017-2018 compared to 63% in FY 2016-2017.

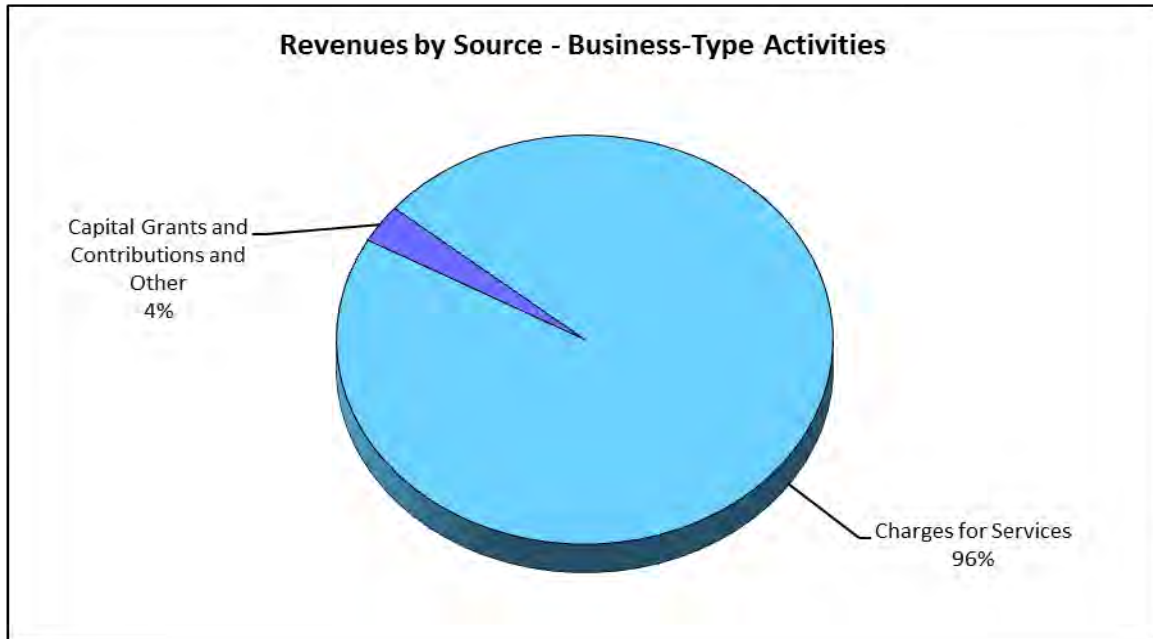




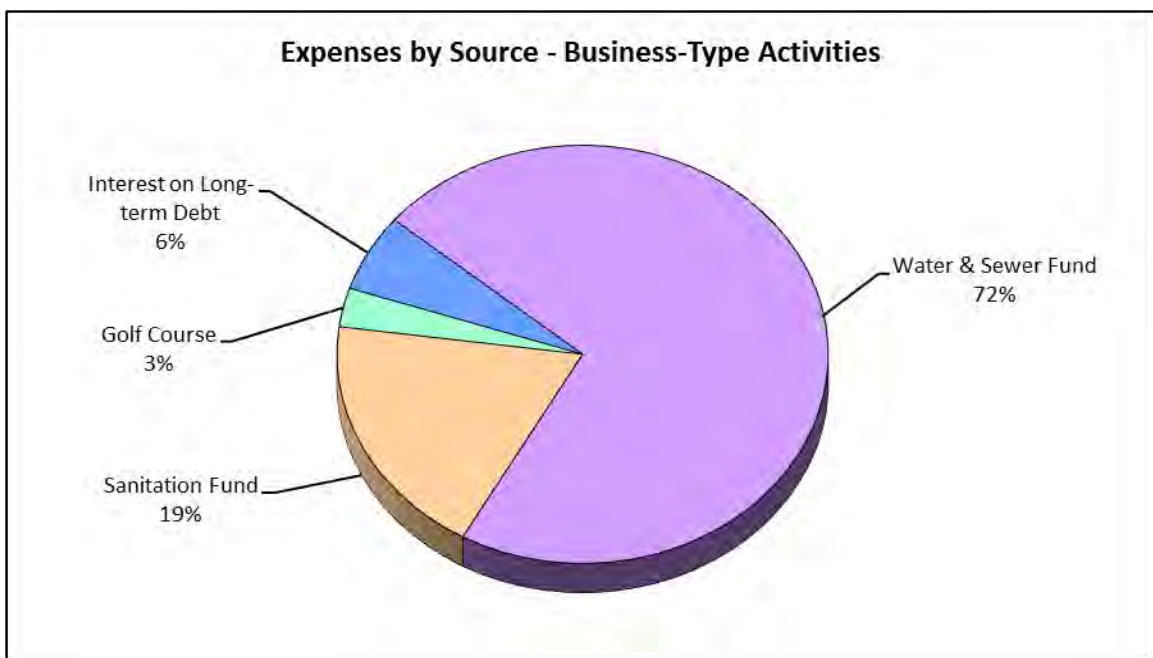
**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**Business-Type Activities**

Charges for services represent 96% of all revenues in FY 2017-2018 and FY 2016-2017. The charges include those for water, wastewater, stormwater, sanitation and golf course revenues.



The Water and Sewer Fund expenses (excluding interest on long-term debt) accounted for 72% of the expenses of the City’s business-type activities in FY 2017-2018 compared to 74% in FY 2016-2017. The Sanitation Fund accounted for 19% of the expenses in FY 2017-2018 compared to 20% in FY 2016-2017. The Golf Course Fund remained unchanged at 3% and interest on long-term debt increased from 3% in FY 2016-2017 to 6% in FY 2017-2018.



**MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)**

**DISCUSSION OF MAJOR FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. According to U.S. generally accepted accounting principles (GAAP), the City identifies and separately reports certain major governmental funds and major proprietary funds. The following paragraphs discuss the financial highlights of these selected major funds.

**Governmental Funds** - The City’s major governmental funds discussed are:

- General Fund
- Boynton Beach Community Redevelopment Agency (CRA) Special Revenue Fund

The City’s *governmental funds* focus on providing 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.

- The **General Fund** is the primary operating fund accounting for all unrestricted operating expenditures of the City. Revenues plus transfers from other funds and issuance of installment notes aggregated \$88.6 million while expenditures plus net transfers to other funds totaled \$89.0 million resulting in a \$400,000 decrease in fund balance for the year. The ending fund balance of \$15.9 million includes \$8.3 million committed by City Ordinance for emergencies and \$490,897 for prepaid items that is nonspendable. The remaining \$7.1 million, representing approximately 8.2% of annual General Fund expenditures, is unassigned and available (a) to mitigate future revenue shortfalls and unanticipated expenditures, (b) to stabilize tax rates, and (c) to provide for working capital to minimize short-term borrowing for operations.

General Fund comparative financial statements for 2018 and 2017 are on pages II-88 to II-89.

- The Boynton Beach CRA Special Revenue Fund accounts for all of the CRA’s general operations. Major revenues for the year included property tax increment revenue of \$11.8 million and charges for services of \$1.3 million. Expenditures included \$3.2 million for general government operations, and transfers to other governmental funds of \$11.8 million for redevelopment projects. At the end of 2018, \$2.4 million of fund balance was committed or assigned for future economic development, primarily redevelopment projects, or was nonspendable.

The CRA Special Revenue Fund comparative financial statements for 2018 and 2017 are on pages II-90 to II-91.

**Proprietary Funds** - The City’s major proprietary funds are:

- Water and Sewer Fund
- Sanitation Fund

The City’s major proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position (deficit) of the City’s major proprietary funds at September 30, 2018 is summarized as follows:

\$45,128,338 – Water and Sewer Fund  
\$(3,509,621) – Sanitation Fund

The above total unrestricted net position (deficit) compares to \$45,984,617 for the Water and Sewer Fund and \$(4,310,905) deficit for the Sanitation Fund at the end of 2017. Other factors concerning the finances of these funds have already been addressed in the discussion of the City’s business-type activities.

Water and Sewer Fund comparative financial statements for 2018 and 2017 are on pages II-96 to II-98 and Sanitation Fund comparative financial statements for 2018 and 2017 are on pages II-99 to II-101.



# THE CITY OF BOYNTON BEACH

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### SUMMARY OF GENERAL FUND BUDGETARY RESULTS

The original General Fund budget appropriation for expenditures and transfers to other funds approved for FY 2017-2018 was \$83,241,077. There was a mid-year budget amendment to expenditures and transfers resulting in a final appropriation for FY 2017-2018 of \$87,487,222. Total expenditures alone of \$84,929,647 for the year were \$140,589 less than the final appropriation for expenditures. Departmental budget details are reflected on pages II-21 to II-22.

The original General Fund budgeted revenues of \$68,173,227 were increased by \$4,246,145 to \$72,419,372 for FY 2017-2018, Actual revenues were less than the final budget by \$1,227,864 for FY 2017-2018.

### REVIEW OF CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** - The City's investment in capital assets (including intangible assets) for its governmental and business-type activities as of September 30, 2018, totals \$270,063,092 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, park facilities, streets, utility lines and wells and intangible assets. The total net increase in the City's investment in capital assets for the current fiscal year was approximately \$3.1 million or 1.2% (a 3.3% decrease for governmental activities and a 3.5% increase for business-type activities). Capital assets are summarized as follows:

#### Capital Assets - Net of Accumulated Depreciation (Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 33,071	\$ 37,624	\$ 5,132	\$ 5,132	\$ 38,203	\$ 42,756
Construction in progress	1,765	678	12,833	7,839	14,598	8,517
Intangible assets	-	-	2,910	2,910	2,910	2,910
Building and improvements	36,752	37,409	57,851	62,367	94,603	99,776
Equipment and vehicles	13,705	11,278	4,412	1,467	18,117	12,745
Utility lines and wells	-	-	98,468	105,949	98,468	105,949
Infrastructure	3,164	3,615	-	-	3,164	3,615
Total	<u>\$ 88,457</u>	<u>\$ 90,604</u>	<u>\$ 181,606</u>	<u>\$ 185,664</u>	<u>\$ 270,063</u>	<u>\$ 276,268</u>

Additional information on the City's capital assets can be found in Note 3. F. beginning on page II-54.

**Long-Term Liabilities** - At the end of the current fiscal year, the City had total outstanding long-term debt (revenue bonds and installment agreements) of \$123,776,523, excluding net unamortized bond premium, as summarized below:

#### Long-Term Liabilities (Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenue bonds	\$ 35,339	\$ 38,949	\$ 87,710	\$ 80,070	\$ 123,049	\$ 119,019
Installment notes	728	-	-	-	728	-
Total	<u>\$ 36,067</u>	<u>\$ 38,949</u>	<u>\$ 87,710</u>	<u>\$ 80,070</u>	<u>\$ 123,777</u>	<u>\$ 119,019</u>

The revenue bonds are secured solely by specified revenue sources and the installment agreements are secured by equipment. The City's long-term debt increased by approximately \$4.8 million, or 4% during the current year.

Additional information on the City's long-term liabilities can be found in Note 3.I. beginning on page II-56.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**FUTURE BUDGETARY OUTLOOK**

The City considered the following economic factors in developing the 2018/2019 fiscal year budget.

- Housing prices are continuing to increase in the City and surrounding areas and the increase in property values is expected to continue for the coming fiscal year.
- The City is continuing to see an increase in permit issuance related to new construction and remodeling.
- Taxable values are expected to increase for fiscal year 2018/2019 and then start to level off thereafter.
- Interest rates are expected to remain favorable, enabling the issuance of Utility Revenue Bonds for capital projects.
- Adoption of a General Fund budget for the 2018/2019 fiscal year of \$91.1 million, which was an increase of \$3.6 million or 4.2% from the final 2017/2018 budget.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions or requests for additional information should be addressed to: Director of Financial Services, 3301 Quantum Boulevard, Suite 101, Boynton Beach, FL 33435, (561) 742-6310.

*Mara Frederiksen*

Mara Frederiksen  
Director of Financial Services



# *Basic Financial Statements*



# THE CITY OF BOYNTON BEACH

## Statement of Net Position September 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Pooled cash and investments	\$ 55,273,062	\$ 26,246,058	\$ 81,519,120
Receivables, net	4,387,206	6,377,153	10,764,359
Due from other governments	1,545,346	5,907	1,551,253
Internal balances	29,159,582	(29,159,582)	-
Prepaid expenses	703,746	85,533	789,279
Inventories	880,588	-	880,588
Investment in joint venture	-	18,810,713	18,810,713
Restricted assets - pooled cash and investments	-	62,434,995	62,434,995
Restricted assets - accounts receivable	-	38,722	38,722
Intangible assets	-	2,910,000	2,910,000
Capital assets not being depreciated	34,836,086	17,965,435	52,801,521
Capital assets net of accumulated depreciation	53,620,866	160,730,705	214,351,571
Total assets	<u>180,406,482</u>	<u>266,445,639</u>	<u>446,852,121</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on debt refundings	1,758,036	736,521	2,494,557
Deferred amounts related to pensions	18,472,040	2,577,676	21,049,716
	<u>20,230,076</u>	<u>3,314,197</u>	<u>23,544,273</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	6,851,361	3,001,986	9,853,347
Accrued interest payable	161,606	1,427,000	1,588,606
Unearned revenue	2,044,881	29,651	2,074,532
Refundable deposits	597,479	115,122	712,601
Customer deposits	-	1,480,484	1,480,484
Other payables	-	2,507,065	2,507,065
Due to other governments	152,311	55,743	208,054
Noncurrent liabilities:			
Due within one year:			
Bonds and notes payable	3,811,118	3,605,000	7,416,118
Compensated absences	889,687	217,766	1,107,453
Provision for insurance losses	1,777,545	-	1,777,545
Due in more than one year:			
Bonds and notes payable	32,255,405	87,005,047	119,260,452
Compensated absences	5,954,061	1,457,350	7,411,411
Other postemployment benefits	5,358,065	3,610,907	8,968,972
Provision for insurance losses	3,077,150	-	3,077,150
Net pension liability	95,791,649	6,194,046	101,985,695
Total liabilities	<u>158,722,318</u>	<u>110,707,167</u>	<u>269,429,485</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amount related to other postemployment benefits	168,651	113,659	282,310
Deferred amounts related to pensions	14,386,285	3,926,842	18,313,127
	<u>14,554,936</u>	<u>4,040,501</u>	<u>18,595,437</u>
<b>NET POSITION</b>			
Net investment in capital assets	52,390,429	139,293,677	191,684,106
Restricted for:			
Public safety	293,168	-	293,168
Grant programs	1,307,599	-	1,307,599
Debt service	91,183	2,299,384	2,390,567
Capital projects	7,564,049	-	7,564,049
Other purposes	558,157	-	558,157
Unrestricted (deficit)	(34,845,281)	13,419,107	(21,426,174)
Total net position	<u>\$ 27,359,304</u>	<u>\$ 155,012,168</u>	<u>\$ 182,371,472</u>

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





# THE CITY OF BOYNTON BEACH

## Statement of Activities For the Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 21,534,502	\$ 10,313,177	\$ 211,528	\$ -
Public safety	61,127,252	7,915,513	92,854	22,997
Physical environment	2,188,823	158,158	-	-
Economic environment	11,450,205	5,247	935,697	-
Culture and recreation	10,900,242	1,176,531	213,693	72,331
Interest on long-term debt	1,122,852	-	-	-
Total governmental activities	<u>108,323,876</u>	<u>19,568,626</u>	<u>1,453,772</u>	<u>95,328</u>
Business-type activities:				
Water and sewer	39,448,905	46,397,059	-	2,138,466
Sanitation	9,893,397	11,911,986	-	-
Golf course	1,563,671	1,569,682	-	-
Total business-type activities	<u>50,905,973</u>	<u>59,878,727</u>	<u>-</u>	<u>2,138,466</u>
Total primary government	<u>\$ 159,229,849</u>	<u>\$ 79,447,353</u>	<u>\$ 1,453,772</u>	<u>\$ 2,233,794</u>

General Revenues:

- Property taxes
- Tax increment
- Franchise taxes
- Public service taxes
- Communications services tax
- Sales taxes
- Gas taxes
- State revenue sharing not restricted to specific programs
- Special assessments
- Investment earnings
- Gain on disposal of capital assets
- Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as originally reported

Restatement for implementation of GASB Statement 75

Net position - beginning of year, as restated

Net position - end of year



# THE CITY OF BOYNTON BEACH

## Net (Expense) Revenue and Change in Net Position

Governmental Activities	Business-type Activities	Total
\$ (11,009,797)	\$ -	\$ (11,009,797)
(53,095,888)	-	(53,095,888)
(2,030,665)	-	(2,030,665)
(10,509,261)	-	(10,509,261)
(9,437,687)	-	(9,437,687)
(1,122,852)	-	(1,122,852)
<u>(87,206,150)</u>	<u>-</u>	<u>(87,206,150)</u>
-	9,086,620	9,086,620
-	2,018,589	2,018,589
-	6,011	6,011
<u>-</u>	<u>11,111,220</u>	<u>11,111,220</u>
(87,206,150)	11,111,220	(76,094,930)
33,819,753	-	33,819,753
11,776,329	-	11,776,329
4,715,685	-	4,715,685
7,735,274	-	7,735,274
2,325,012	-	2,325,012
11,162,782	-	11,162,782
1,401,786	-	1,401,786
2,938,720	-	2,938,720
6,859,492	-	6,859,492
491,696	54,395	546,091
-	1,960	1,960
3,525,293	97,422	3,622,715
9,740,787	(9,740,787)	-
<u>96,492,609</u>	<u>(9,587,010)</u>	<u>86,905,599</u>
9,286,459	1,524,210	10,810,669
17,440,963	155,542,053	172,983,016
631,882	(2,054,095)	(1,422,213)
<u>18,072,845</u>	<u>153,487,958</u>	<u>171,560,803</u>
<u>\$ 27,359,304</u>	<u>\$ 155,012,168</u>	<u>\$ 182,371,472</u>

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



# THE CITY OF BOYNTON BEACH

## Governmental Funds Balance Sheet September 30, 2018

	General Fund	Boynton Beach CRA Special Revenue Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Pooled cash and investments	\$ 15,861,861	\$ 2,368,299	\$ 32,765,902	\$ 50,996,062
Receivables, net	3,664,130	7,128	715,948	4,387,206
Due from other governments	618,702	-	926,644	1,545,346
Due from other funds	3,405,698	-	2,000,000	5,405,698
Prepaid items	490,897	145,036	56,433	692,366
Total assets	<u>\$ 24,041,288</u>	<u>\$ 2,520,463</u>	<u>\$ 36,464,927</u>	<u>\$ 63,026,678</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 2,297,672	\$ 104,846	\$ 1,324,211	\$ 3,726,729
Accrued liabilities	2,008,114	-	28,018	2,036,132
Due to other funds	2,000,000	-	224,428	2,224,428
Due to other governments	-	-	152,311	152,311
Refundable deposits	514,786	13,315	69,378	597,479
Total liabilities	<u>6,820,572</u>	<u>118,161</u>	<u>1,798,346</u>	<u>8,737,079</u>
Deferred inflows of resources:				
Unavailable revenue	<u>1,286,993</u>	<u>-</u>	<u>757,888</u>	<u>2,044,881</u>
Fund balance:				
Nonspendable				
Prepaid items	490,897	145,036	56,433	692,366
Restricted for:				
Public safety	-	-	293,168	293,168
Grant programs	-	-	1,307,599	1,307,599
Debt service	-	-	91,183	91,183
Capital projects	-	-	7,564,049	7,564,049
Other purposes	-	-	558,157	558,157
Committed for:				
Emergency purposes	8,324,107	-	-	8,324,107
Economic development	-	658,307	-	658,307
Debt service	-	-	-	-
Capital projects	-	-	5,777,612	5,777,612
Assigned to:				
Economic development	-	1,598,959	-	1,598,959
Debt service	-	-	5,110,955	5,110,955
Public safety	-	-	1,346,197	1,346,197
Culture and recreation	-	-	529,558	529,558
Cemetery maintenance	-	-	3,272,915	3,272,915
Capital projects	-	-	8,220,118	8,220,118
Unassigned (deficit)	7,118,719	-	(219,251)	6,899,468
Total fund balance	<u>15,933,723</u>	<u>2,402,302</u>	<u>33,908,693</u>	<u>52,244,718</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 24,041,288</u>	<u>\$ 2,520,463</u>	<u>\$ 36,464,927</u>	<u>\$ 63,026,678</u>

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



# THE CITY OF BOYNTON BEACH

## Reconciliation of the Fund Balance of Governmental Funds to the Statement of Net Position of Governmental Activities September 30, 2018

Fund balance reported in the Balance Sheet of total governmental funds.	\$ 52,244,718
<p>Amounts reported as fund balance in the governmental funds Balance Sheet (above) are different from the total net position for governmental activities in the Statement of Net Assets (below) because of a different measurement focus and basis of accounting between the two statements resulting in the following increases and decreases.</p>	
<b>Increases:</b>	
Capital assets are not financial resources. Therefore, they are not reported in the Balance Sheet of governmental funds. However, they are reported in the Statement of Net Position of governmental activities.	79,210,582
The City uses internal service funds to charge the costs of fleet management, risk management, and warehouse services to individual governmental and enterprise funds. The majority of these costs are charged to governmental funds. Therefore, the total net position of internal service funds are included with governmental activities in the Statement of Net Position.	6,869,997
The internal service funds have operations with cumulative positive income results over the years; primarily for excess service charges to governmental funds to pre-fund fleet replacement. Those excess charges have reduced the fund balances reported in the Balance Sheet of total governmental funds above. Since internal service funds should operate at a break-even basis, the cumulative excess charges are added back to the above fund balances.	26,440,391
Deferred outflows of resources for deferred charges on debt refundings are reported in the Statement of Net Position but are recognized in the governmental funds as proceeds and repayment of debt.	1,758,036
Deferred outflows and inflows of resources related to defined benefit pension plans are reported in the statement of net position. Because the net pension obligation does not represent available, spendable resources, it is not reported in governmental funds.	
Deferred outflows related to pensions	18,240,907
Deferred inflows related to other postemployment benefits	(158,460)
Deferred inflows related to pensions	(14,020,657)
<b>Decreases:</b>	
Governmental funds recognize the proceeds and the repayment of noncurrent bonds payable as a change in fund balance included above. However, governmental activities report noncurrent bonds payable as a liability in the Statement of Net Position thus decreasing the fund balance of governmental funds.	(36,066,523)
The net pension liability of defined benefit pension plans are reported in the Statement of Net Position but not in the governmental funds.	(95,236,246)
Governmental funds do not recognize interest on the above noncurrent debt as an expense and an accrued liability until it is due and payable. However, accrued interest is reported as an expense and liability in the government-wide financial statements.	(161,606)
Governmental funds do not recognize other postemployment benefits (OPEB) as an expense and an accrued liability. However, the net OPEB obligation is reported as a liability in the government-wide financial statements.	(5,034,285)
Compensated absences that are not due and payable in the current period are not reported in the governmental funds. However, they are reported as a liability in the Statement of Net Position for governmental activities thus reducing net position.	(6,727,550)
Net position reported in the Statement of Net Position of governmental activities.	\$ 27,359,304

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



# THE CITY OF BOYNTON BEACH

## Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018

	General Fund	Boynton Beach CRA Special Revenue Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes, net of tax increment revenue	\$ 35,573,431	\$ -	\$ 11,410,858	\$ 46,984,289
Tax increment revenue	-	11,776,329	-	11,776,329
Licenses and permits	8,377,370	-	287,773	8,665,143
Intergovernmental	10,991,092	-	6,489,390	17,480,482
Charges for services	7,271,403	1,267,068	729,208	9,267,679
Special assessments	6,859,493	-	-	6,859,493
Fines and forfeitures	266,310	-	1,662,053	1,928,363
Rents and royalties	437,947	-	-	437,947
Investment earnings	107,806	138,978	240,722	487,506
Donations	-	-	279,181	279,181
Miscellaneous	2,921,284	-	2,063,323	4,984,607
Total revenues	<u>72,806,136</u>	<u>13,182,375</u>	<u>23,162,508</u>	<u>109,151,019</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,717,212	3,176,358	1,441,499	20,335,069
Public safety	59,647,201	-	1,088,927	60,736,128
Physical environment	1,303,877	-	21,008	1,324,885
Economic environment	313,792	-	6,163,787	6,477,579
Culture and recreation	8,047,712	-	838,942	8,886,654
Capital outlay	1,348,919	31,054	7,114,671	8,494,644
Debt service:				
Principal retirement	145,994	-	4,331,623	4,477,617
Interest charges	19,568	-	911,219	930,787
Total expenditures	<u>86,544,275</u>	<u>3,207,412</u>	<u>21,911,676</u>	<u>111,663,363</u>
Revenues over (under) expenditures	<u>(13,738,139)</u>	<u>9,974,963</u>	<u>1,250,832</u>	<u>(2,512,344)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,067,850	-	13,171,820	28,239,670
Transfers out	(2,417,186)	(11,822,180)	(8,934,753)	(23,174,119)
Proceeds from sale of capital assets	-	-	1,154,212	1,154,212
Issuance of installment debt	670,140	-	925,000	1,595,140
Total other financing sources and uses	<u>13,320,804</u>	<u>(11,822,180)</u>	<u>6,316,279</u>	<u>7,814,903</u>
Net change in fund balance	(417,335)	(1,847,217)	7,567,111	5,302,559
Fund balance - beginning of year	16,351,058	4,249,519	26,341,582	46,942,159
Fund balance - end of year	<u>\$ 15,933,723</u>	<u>\$ 2,402,302</u>	<u>\$ 33,908,693</u>	<u>\$ 52,244,718</u>

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



# THE CITY OF BOYNTON BEACH

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities of Governmental Activities For the Year Ended September 30, 2018

Net change in fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances of total governmental funds	\$	5,302,559
<p>Amounts reported as changes in fund balance in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances (above) are different from the change in net position of governmental activities in the Statement of Activities (below) since a different measurement focus and basis of accounting between the two statements results in the following increases and decreases.</p>		
<u>Increases:</u>		
Capital outlay, reported as expenditures in governmental funds, is reported as capital assets in the Statement of Net Position rather than expenses.		8,494,644
<p>The City uses internal service funds to charge the costs of fleet management, risk management, and warehouse services to individual governmental and enterprise funds. The net revenue of certain activities of internal service funds are included with governmental activities in the Statement of Activities.</p>		
Transfers	\$ 4,675,236	
Nonoperating revenue	333,157	
Consolidation of operating loss related to governmental funds	(1,978,790)	3,029,603
<p>Governmental funds recognize the repayment of noncurrent bonds and notes payable as a change in fund balance included above, however, the repayment has no effect on the change in net position of governmental activities below.</p>		
Issuance of installment agreements	\$ (1,595,140)	
Repayment of noncurrent bonds and notes	4,477,617	2,882,477
<u>Decreases:</u>		
Depreciation expenses on governmental capital assets included in the Governmental Activities in the Statement of Activities below, but not included in the net change in fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance of total governmental funds above.		(4,284,141)
Depreciation expense		
<p>Governmental funds report certain debt related items as revenues and expenditures when those items are first incurred because they provide or require the use of current financial resources. As a result, the impact of those items has been included in the above net change in fund balance. However, these items must be amortized over the life of related debt when reported in the Statement of Activities.</p>		
Amortization of deferred charges on debt refundings		(207,828)
<p>Some expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.</p>		
Accrued interest on noncurrent debt	\$ 15,763	
Compensated absences expenses	278,525	
Other postemployment benefits	(319,161)	
Pension expense	332,414	307,541
The net effect of transactions involving capital asset dispositions (i.e., sales and trade-ins).		(6,238,396)
Change in net position of Governmental Activities	\$	9,286,459

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



# THE CITY OF BOYNTON BEACH

## General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Budgetary Basis For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes, net of tax increment revenue	\$ 35,828,527	\$ 35,828,527	\$ 35,573,431	\$ (255,096)
Licenses and permits	7,799,000	7,799,000	8,377,370	578,370
Intergovernmental	9,133,300	9,133,300	9,376,464	243,164
Charges for services	7,128,000	7,128,000	7,271,403	143,403
Special assessments	6,589,000	6,589,000	6,859,493	270,493
Fines and forfeitures	673,000	673,000	266,310	(406,690)
Rents and royalties	368,800	368,800	437,947	69,147
Investment earnings	65,000	65,000	107,806	42,806
Miscellaneous	470,500	4,716,645	2,921,284	(1,795,361)
Appropriated fund balance	118,100	118,100	-	(118,100)
Total revenues	<u>68,173,227</u>	<u>72,419,372</u>	<u>71,191,508</u>	<u>(1,227,864)</u>
<b>EXPENDITURES</b>				
General government:				
Mayor and commission	267,301	267,301	260,739	6,562
City manager	741,447	740,822	743,796	(2,974)
Public affairs	333,846	333,846	317,533	16,313
City clerk	570,241	570,866	561,054	9,812
Financial services	1,302,791	1,187,055	1,165,650	21,405
Information technology	2,454,516	2,143,805	2,087,327	56,478
Human resources	824,073	822,748	711,759	110,989
City attorney	574,916	724,916	715,718	9,198
Planning and zoning	756,125	751,325	744,077	7,248
Facilities management	1,974,749	1,993,114	1,852,437	140,677
City hall general administrative	3,150,068	5,746,213	5,259,730	486,483
Town Square	-	1,500,000	1,483,896	16,104
Total general government	<u>12,950,073</u>	<u>16,782,011</u>	<u>15,903,716</u>	<u>878,295</u>
Public safety:				
Police	29,546,483	29,352,647	29,498,810	(146,163)
Fire	24,929,571	25,550,396	26,451,806	(901,410)
Protective inspections	3,052,023	3,251,333	3,201,144	50,189
Total public safety	<u>57,528,077</u>	<u>58,154,376</u>	<u>59,151,760</u>	<u>(997,384)</u>
Physical environment:				
Public works	161,675	253,233	252,387	846
Streets maintenance	1,164,355	1,055,215	1,065,180	(9,965)
Total physical environment	<u>1,326,030</u>	<u>1,308,448</u>	<u>1,317,567</u>	<u>(9,119)</u>
Economic environment:				
Other economic environment	412,318	412,318	313,792	98,526
Total economic environment	<u>412,318</u>	<u>412,318</u>	<u>313,792</u>	<u>98,526</u>
Culture and recreation:				
Library	2,315,127	2,315,127	2,283,959	31,168
Recreation	3,113,087	2,981,687	2,930,047	51,640
Schoolhouse museum	254,971	254,971	239,477	15,494
Forestry and grounds	2,924,208	2,861,098	2,789,329	71,769
Total culture and recreation	<u>8,607,393</u>	<u>8,412,883</u>	<u>8,242,812</u>	<u>170,071</u>
Total expenditures	<u>80,823,891</u>	<u>85,070,036</u>	<u>84,929,647</u>	<u>140,389</u>
Revenues over (under) expenditures	<u>(12,650,664)</u>	<u>(12,650,664)</u>	<u>(13,738,139)</u>	<u>(1,087,475)</u>

(Continued)





# THE CITY OF BOYNTON BEACH

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 15,067,850	\$ 15,067,850	\$ 15,067,850	\$ -
Transfers out	(2,417,186)	(2,417,186)	(2,417,186)	-
Issuance of installment debt	-	-	670,140	670,140
Total other financing sources and uses	<u>12,650,664</u>	<u>12,650,664</u>	<u>13,320,804</u>	<u>670,140</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (417,335)</u>	<u>\$ (417,335)</u>

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





# THE CITY OF BOYNTON BEACH

## Boynton Beach CRA Special Revenue Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Tax increment revenue	\$ 11,461,518	\$ 11,461,518	\$ 11,776,329	\$ 314,811
Charges for services	1,000,000	1,000,000	1,267,068	267,068
Investment earnings	-	-	138,978	138,978
Total revenues	<u>12,461,518</u>	<u>12,461,518</u>	<u>13,182,375</u>	<u>720,857</u>
<b>EXPENDITURES</b>				
Current				
General government	3,619,338	3,619,338	3,176,358	442,980
Capital outlay	-	-	31,054	(31,054)
Total expenditures	<u>3,619,338</u>	<u>3,619,338</u>	<u>3,207,412</u>	<u>411,926</u>
Revenues over expenditures	<u>8,842,180</u>	<u>8,842,180</u>	<u>9,974,963</u>	<u>1,132,783</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated fund balance	-	2,980,000	-	(2,980,000)
Transfers out	(8,842,180)	(11,822,180)	(11,822,180)	-
Total other financing sources and uses	<u>(8,842,180)</u>	<u>(8,842,180)</u>	<u>(11,822,180)</u>	<u>(2,980,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,847,217)</u>	<u>\$ (1,847,217)</u>
Fund balance - beginning of year			<u>4,249,519</u>	
Fund balance - end of year			<u>\$ 2,402,302</u>	

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



# THE CITY OF BOYNTON BEACH

## Statement of Net Position Proprietary Funds September 30, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Non-Major Fund Golf Course Fund		
<b>ASSETS</b>					
Current assets:					
Pooled cash and investments	\$ 26,246,058	\$ -	\$ -	\$ 26,246,058	\$ 4,277,000
Accounts receivable, net	5,096,006	1,277,622	3,525	6,377,153	-
Due from other governments	-	5,907	-	5,907	-
Prepaid expenses	85,533	-	-	85,533	11,380
Inventories	-	-	-	-	880,588
	<u>31,427,597</u>	<u>1,283,529</u>	<u>3,525</u>	<u>32,714,651</u>	<u>5,168,968</u>
Restricted assets:					
Restricted pooled cash and investments:					
Customer deposits	1,441,762	-	-	1,441,762	-
Revenue bond covenants	7,331,384	-	-	7,331,384	-
Capital improvements	53,661,849	-	-	53,661,849	-
	<u>62,434,995</u>	<u>-</u>	<u>-</u>	<u>62,434,995</u>	<u>-</u>
Restricted accounts receivable	38,722	-	-	38,722	-
	<u>62,473,717</u>	<u>-</u>	<u>-</u>	<u>62,473,717</u>	<u>-</u>
Total current assets	<u>93,901,314</u>	<u>1,283,529</u>	<u>3,525</u>	<u>95,188,368</u>	<u>5,168,968</u>
Noncurrent assets:					
Investment in joint venture	18,810,713	-	-	18,810,713	-
Intangible assets	2,910,000	-	-	2,910,000	-
Capital assets not being depreciated	16,608,968	-	1,356,467	17,965,435	33,166
Capital assets, net of accumulated depreciation	160,193,280	3,755	533,670	160,730,705	9,213,204
Total noncurrent assets	<u>198,522,961</u>	<u>3,755</u>	<u>1,890,137</u>	<u>200,416,853</u>	<u>9,246,370</u>
Total assets	<u>292,424,275</u>	<u>1,287,284</u>	<u>1,893,662</u>	<u>295,605,221</u>	<u>14,415,338</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on debt refundings	736,521	-	-	736,521	-
Deferred amounts related to pensions	1,902,845	553,182	121,649	2,577,676	231,133
Total deferred outflows of resources	<u>2,639,366</u>	<u>553,182</u>	<u>121,649</u>	<u>3,314,197</u>	<u>231,133</u>

(Continued)



# THE CITY OF BOYNTON BEACH

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Non-Major Fund Golf Course Fund		
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 2,357,504	\$ 178,200	\$ 18,659	\$ 2,554,363	\$ 1,040,480
Accrued expenses	288,836	121,648	37,139	447,623	48,020
Unearned revenues	-	-	29,651	29,651	-
Provision for insurance losses, current portion	-	-	-	-	1,777,545
Contracts payable	52,800	-	-	52,800	-
Refundable deposits	115,122	-	-	115,122	-
Compensated absences payable, current portion	149,714	46,478	21,574	217,766	15,105
Due to other governments	55,743	-	-	55,743	-
Due to other funds	-	1,745,031	974,160	2,719,191	462,079
	<u>3,019,719</u>	<u>2,091,357</u>	<u>1,081,183</u>	<u>6,192,259</u>	<u>3,343,229</u>
Current liabilities payable from restricted assets:					
Customer deposits	1,480,484	-	-	1,480,484	-
Revenue bonds, current maturities	3,605,000	-	-	3,605,000	-
Accrued revenue bond interest	1,427,000	-	-	1,427,000	-
Contracts payable	2,454,265	-	-	2,454,265	-
	<u>8,966,749</u>	<u>-</u>	<u>-</u>	<u>8,966,749</u>	<u>-</u>
Total current liabilities	<u>11,986,468</u>	<u>2,091,357</u>	<u>1,081,183</u>	<u>15,159,008</u>	<u>3,343,229</u>
Noncurrent liabilities:					
Revenue bonds payable, less current maturities, plus unamortized premium	87,005,047	-	-	87,005,047	-
Provision for insurance losses, less current portion	-	-	-	-	3,077,150
Compensated absences payable, less current portion	1,001,930	311,042	144,378	1,457,350	101,093
Other postemployment benefits	2,665,578	774,919	170,410	3,610,907	323,780
Net pension liability	4,572,455	1,329,274	292,317	6,194,046	555,403
Total noncurrent liabilities	<u>95,245,010</u>	<u>2,415,235</u>	<u>607,105</u>	<u>98,267,350</u>	<u>4,057,426</u>
Total liabilities	<u>107,231,478</u>	<u>4,506,592</u>	<u>1,688,288</u>	<u>113,426,358</u>	<u>7,400,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred amount related to other postemployment benefits	83,903	24,392	5,364	113,659	10,191
Deferred amounts related to pensions	2,920,753	815,348	190,741	3,926,842	365,628
Total deferred inflows of resources	<u>3,004,656</u>	<u>839,740</u>	<u>196,105</u>	<u>4,040,501</u>	<u>375,819</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	137,399,785	3,755	1,890,137	139,293,677	9,246,370
Restricted for:					
Revenue bond covenants	2,299,384	-	-	2,299,384	-
Unrestricted (deficit)	45,128,338	(3,509,621)	(1,759,219)	39,859,498	(2,376,373)
Total net position (deficit)	<u>\$ 184,827,507</u>	<u>\$ (3,505,866)</u>	<u>\$ 130,918</u>	<u>\$ 181,452,559</u>	<u>\$ 6,869,997</u>

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



# THE CITY OF BOYNTON BEACH

## Reconciliation of the Total Enterprise Funds to the Government-wide Statements of Business-Type Activities For the Year Ended September 30, 2018

	Statement of Net Position	Statement of Changes in Net Position
Amounts reported for total Enterprise Funds	\$ 181,452,559	\$ 3,752,934
<p>The City uses internal service funds to charge the costs of fleet management, risk management, and warehouse services to individual governmental and enterprise funds. The operating income (loss) of certain activities of internal service funds related to enterprise funds are included with business-type activities in the Statement of Activities.</p> <p>The following reflect the consolidation of internal service fund activities related to enterprise funds.</p>		
Current year adjustment	(2,228,724)	(2,228,724)
Cumulative prior year adjustments	(24,211,667)	-
Net position/Change in net position of Business-type Activities	\$ 155,012,168	\$ 1,524,210

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



# THE CITY OF BOYNTON BEACH

## Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds			Total	Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Non-Major Fund Golf Course Fund		
<b>OPERATING REVENUES</b>					
Charges for services:					
Water sales	\$ 23,420,190	\$ -	\$ -	\$ 23,420,190	\$ -
Sewer service	19,096,323	-	-	19,096,323	-
Stormwater utility fees	3,880,546	-	-	3,880,546	-
Garbage fees	-	11,890,131	-	11,890,131	-
Recycling fees	-	21,855	-	21,855	-
Cart and green fees	-	-	1,249,244	1,249,244	-
Dues	-	-	64,291	64,291	-
Other services	-	-	256,147	256,147	9,069,587
Total operating revenues	<u>46,397,059</u>	<u>11,911,986</u>	<u>1,569,682</u>	<u>59,878,727</u>	<u>9,069,587</u>
<b>OPERATING EXPENSES</b>					
Personal services and benefits	9,603,027	3,353,426	837,607	13,794,060	1,461,288
Supplies, services and claims	12,728,677	4,947,516	584,506	18,260,699	8,032,433
Depreciation and amortization	12,540,654	1,298	128,383	12,670,335	3,783,380
Total operating expenses	<u>34,872,358</u>	<u>8,302,240</u>	<u>1,550,496</u>	<u>44,725,094</u>	<u>13,277,101</u>
Operating income (loss)	<u>11,524,701</u>	<u>3,609,746</u>	<u>19,186</u>	<u>15,153,633</u>	<u>(4,207,514)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	54,395	-	-	54,395	4,190
Interest expense	(3,203,498)	-	-	(3,203,498)	-
Equity in loss of Regional Wastewater Joint Venture	(748,657)	-	-	(748,657)	-
Gain on disposal of capital assets	-	-	1,960	1,960	122,097
Miscellaneous income	97,422	-	-	97,422	206,870
	<u>(3,800,338)</u>	<u>-</u>	<u>1,960</u>	<u>(3,798,378)</u>	<u>333,157</u>
Income (loss) before contributions and transfers	7,724,363	3,609,746	21,146	11,355,255	(3,874,357)
Capital contributions	2,138,466	-	-	2,138,466	-
Transfers:					
Transfers in	-	10,000	-	10,000	4,680,112
Transfers out	(7,342,069)	(2,383,116)	(25,602)	(9,750,787)	(4,876)
Total transfers	<u>(7,342,069)</u>	<u>(2,373,116)</u>	<u>(25,602)</u>	<u>(9,740,787)</u>	<u>4,675,236</u>
Change in net position	2,520,760	1,236,630	(4,456)	3,752,934	800,879
Net position - beginning of year, as originally reported	183,861,255	(4,310,198)	202,663	179,753,720	6,382,563
Restatement for implementation of GASB Statement 75	(1,554,508)	(432,298)	(67,289)	(2,054,095)	(313,445)
Net position (deficit) - beginning of year	<u>182,306,747</u>	<u>(4,742,496)</u>	<u>135,374</u>	<u>177,699,625</u>	<u>6,069,118</u>
Net position (deficit) - end of year	<u>\$ 184,827,507</u>	<u>\$ (3,505,866)</u>	<u>\$ 130,918</u>	<u>\$ 181,452,559</u>	<u>\$ 6,869,997</u>

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





# THE CITY OF BOYNTON BEACH

## Statement of Cash Flows Proprietary Funds For the Year Ended September 30, 2018

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer Fund	Sanitation Fund	Non-Major Fund		
			Golf Course Fund	Total	
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 46,429,344	\$ 12,037,926	\$ 1,571,873	\$ 60,039,143	\$ -
Receipts from others	97,422	-	-	97,422	206,870
Receipts from interfund services provided	-	-	-	-	9,069,587
Payments to suppliers	(11,013,788)	(4,090,826)	(432,251)	(15,536,865)	(8,163,550)
Payments to employees	(10,649,564)	(3,543,487)	(1,019,988)	(15,213,039)	(1,568,090)
Payments for interfund services used	(795,092)	(2,026,151)	(127,667)	(2,948,910)	(156,644)
Net cash provided by (used in) operating activities	<u>24,068,322</u>	<u>2,377,462</u>	<u>(8,033)</u>	<u>26,437,751</u>	<u>(611,827)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>					
Loans from (to) other funds	-	-	76,047	76,047	-
Transfers in	-	10,000	-	10,000	4,680,112
Transfers out	(7,342,069)	(2,383,116)	(25,602)	(9,750,787)	(4,876)
Net cash provided by (used in) non-capital financing activities	<u>(7,342,069)</u>	<u>(2,373,116)</u>	<u>50,445</u>	<u>(9,664,740)</u>	<u>4,675,236</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition of capital assets	(7,937,388)	(4,346)	(44,372)	(7,986,106)	(3,663,995)
Proceeds from sale of capital assets	-	-	1,960	1,960	122,097
Capital contributions	2,138,466	-	-	2,138,466	-
Proceeds from issuance of revenue bonds	11,065,000	-	-	11,065,000	-
Principal payments on revenue bonds	(3,425,000)	-	-	(3,425,000)	-
Interest payments on revenue bonds	(3,261,374)	-	-	(3,261,374)	-
Net cash used in capital and related financing activities	<u>(1,420,296)</u>	<u>(4,346)</u>	<u>(42,412)</u>	<u>(1,467,054)</u>	<u>(3,541,898)</u>
<b>Cash Flows From Investing Activity</b>					
Interest on pooled cash and investments	54,395	-	-	54,395	4,190
Net cash provided by investing activity	<u>54,395</u>	<u>-</u>	<u>-</u>	<u>54,395</u>	<u>4,190</u>
Increase in cash and cash equivalents	15,360,352	-	-	15,360,352	525,701
Cash and cash equivalents - beginning of year	73,320,701	-	-	73,320,701	3,751,299
Cash and cash equivalents - end of year	<u>\$ 88,681,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,681,053</u>	<u>\$ 4,277,000</u>
<b>Reconciliation of cash and cash equivalents to Statement of Net Assets</b>					
Pooled cash and investments	\$ 26,246,058	\$ -	\$ -	\$ 26,246,058	\$ 4,277,000
Restricted pooled cash and investments	62,434,995	-	-	62,434,995	-
Cash and cash equivalents - end of year	<u>\$ 88,681,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,681,053</u>	<u>\$ 4,277,000</u>

(Continued)



# THE CITY OF BOYNTON BEACH

	<u>Business-Type Activities - Enterprise Funds</u>				<b>Governmental Activities - Internal Service Funds</b>
	<u>Water and Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Non-Major Fund</u>		
			<u>Golf Course Fund</u>	<u>Total</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:</b>					
Operating income (loss)	\$ 11,524,701	\$ 3,609,746	\$ 19,186	\$ 15,153,633	\$ (4,207,514)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	12,540,654	1,298	128,383	12,670,335	3,783,380
Provision for doubtful accounts	(327,293)	-	-	(327,293)	-
Miscellaneous income	97,422	-	-	97,422	206,870
Changes in operating assets and liabilities:					
Accounts receivable	364,208	112,532	(143)	476,597	-
Due from other governments	-	13,408	-	13,408	-
Prepaid expenses	(73,518)	-	-	(73,518)	(11,380)
Inventories	-	-	19,097	19,097	76,565
Deferred amounts related to pensions	158,490	56,784	(3,625)	211,649	18,266
Deferred amounts related to other postemployment benefits	83,903	24,392	5,364	113,659	10,191
Accounts payable	986,648	30,378	5,491	1,022,517	(239,789)
Accrued expenses	8,492	14,818	4,863	28,173	6,195
Due to other funds	-	(1,199,839)	-	(1,199,839)	(190,363)
Unearned revenues	-	-	2,334	2,334	-
Refundable deposits	6,431	-	-	6,431	-
Due to other governments	6,667	-	-	6,667	-
Provision for insurance losses	-	-	-	-	77,206
Customer deposits	(11,061)	-	-	(11,061)	-
Compensated absences payable	(10,316)	10,129	(6,503)	(6,690)	22,056
Other postemployment benefits	85,087	24,736	5,439	115,262	10,335
Net pension liability	(1,372,193)	(320,920)	(187,919)	(1,881,032)	(173,845)
Total adjustments	<u>12,543,621</u>	<u>(1,232,284)</u>	<u>(27,219)</u>	<u>11,284,118</u>	<u>3,595,687</u>
Net cash provided by (used in) operating activities	<u>\$ 24,068,322</u>	<u>\$ 2,377,462</u>	<u>\$ (8,033)</u>	<u>\$ 26,437,751</u>	<u>\$ (611,827)</u>
<b>Noncash Investing, Capital and Related Financing Activities:</b>					
Equity in loss of Regional Wastewater Joint Venture	\$ (748,657)	\$ -	\$ -	\$ (748,657)	\$ -
Gain on disposal of capital assets	-	-	1,960	1,960	122,097
Amortization of bond premiums	305,467	-	-	305,467	-
Amortization of charges on refundings	(137,157)	-	-	(137,157)	-

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



# THE CITY OF BOYNTON BEACH

## Statement of Fiduciary Net Position Pension Trust Funds September 30, 2018

	<u>Total Pension Trust Funds</u>
<b>ASSETS</b>	
Cash	\$ 1,189,529
Investments:	
Money market mutual funds	5,253,913
U.S. Government and Agency obligations	23,280,160
Mortgage-backed securities	3,819,593
Corporate obligations	11,604,631
Equity securities	94,988,032
Equity mutual funds	47,536,140
Equity investment funds	102,856,561
International equity investment funds	18,061,651
Fixed income investment funds	41,700,894
Real estate investment funds	45,791,573
Total investments	<u>394,893,148</u>
Contributions receivable	789,121
Interest and dividends receivable	342,412
Pending trades receivable	643,976
DROP loans	366,066
Prepaid expenses	25,744
Total assets	<u>398,249,996</u>
 <b>LIABILITIES</b>	
Accounts payable	507,976
Pending trades payable	635,153
Total liabilities	<u>1,143,129</u>
 <b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	 <u><u>\$ 397,106,867</u></u>

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



# THE CITY OF BOYNTON BEACH

## Statement of Changes in Fiduciary Net Position Pension Trust Funds For the Year Ended September 30, 2018

	<u>Total Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 17,909,417
Plan members	4,646,598
State	<u>1,614,628</u>
Total contributions	<u>24,170,643</u>
Investment earnings:	
Net appreciation in fair value of investments	27,368,956
Interest and dividends	5,352,569
Miscellaneous	<u>39,333</u>
	32,760,858
Less investment expenses:	
Investment expenses	<u>1,909,703</u>
Net investment earnings	<u>30,851,155</u>
Total additions	<u>55,021,798</u>
<b>DEDUCTIONS</b>	
Benefits paid	22,598,718
Refunds of contributions	386,991
Administrative expenses	<u>442,573</u>
Total deductions	<u>23,428,282</u>
Change in plan net position	31,593,516
Net position restricted for pension benefits - beginning of year	<u>365,513,351</u>
Net position restricted for pension benefits - end of year	<u>\$ 397,106,867</u>

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



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

The City of Boynton Beach (the "City") is a Florida municipality established in 1920 by the Laws of Florida, Section 24398, pursuant to the authority provided in Chapter 165, Florida Statutes. The City is governed by an elected five-member Commission and provides a full range of municipal services including public safety, planning and zoning, sanitation, highways and streets, recreation and park facilities, public improvements, water, wastewater and stormwater services, and general administration functions.

Under governmental accounting and financial reporting standards, the reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's financial statements to be misleading or incomplete. The primary government is financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of the authority of the organization's governing board. Legally separate organizations outside of the primary government, which meet the criteria for financial accountability, are component units of the reporting entity.

The accompanying financial statements present the City as the primary government, with its blended component unit, the Boynton Beach Community Redevelopment Agency (CRA), and a joint venture, the South Central Regional Wastewater Treatment and Disposal Board (the "Board").

**Blended Component Unit.** The Boynton Beach Community Redevelopment Agency operates under the authority of Florida Statutes Chapter 163, Part III and City Ordinance Number 83-41 to finance and develop certain targeted areas in the City. The City is financially accountable for the CRA and in accordance with City Ordinance Number 11-009 and pursuant to Florida Statutes, Section 163.357, the Mayor and City Commissioners plus two (2) additional members appointed by the City Commission comprise the governing board of the CRA, and the City approves the CRA's budget and guarantees the CRA's debt. Accordingly, the CRA meets the criteria to blend its activities with the funds of the City's financial statements. The CRA has a September 30 year-end and issues separate, audited financial statements which are available from the CRA at 710 North Federal Highway, Boynton Beach, Florida 33435.

**Joint Venture.** The South Central Regional Wastewater Treatment and Disposal Board is an independent special district created by the cities of Boynton Beach and Delray Beach to operate a regional wastewater treatment facility serving both cities. The Board's governing body is comprised of the City Commissions of Boynton Beach and Delray Beach, who exercise equal control and oversight. The City accounts for its investment in the Board as a joint venture recorded on the equity method of accounting as discussed in Note 3.E. The Board has a September 30 year-end and issues separate, audited financial statements which are available at their administrative offices located at 1801 North Congress Avenue, Delray Beach, Florida 33445.

**Related Organizations.** The Quantum Park Overlay Dependent District (the "QPODD") was created on October 18, 2005 by City Ordinance 05-061. The Quantum Community Development District ("QCDD") was created on July 16, 1991 by City Ordinance 091-48. The High Ridge/Quantum Community Development District ("High Ridge CDD") was created on August 17, 2004, by City Ordinance 04-062. The QPODD, QCDD and High Ridge CDD are collectively referred to as the Districts and were formed pursuant to the Florida Uniform Dependent District Act of 1980. Members of each District's governing body are elected at a bi-annual meeting of the landowners in the respective District's area, although members of the governing body are subject to removal by the City Commission. The City does not provide funding, approve budgets, retain any financial interest or have any obligation for debt and cannot impose its will on the Districts. Accordingly, the three Districts are not included in the City's financial reporting entity.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 1. Summary of Significant Accounting Policies (Continued)

#### B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities that encompass all non-fiduciary activities of the City. Both statements report separate information on the *governmental activities* and the *business-type activities* of the City and its blended component unit. Governmental activities are functions primarily supported by taxes and grants. Business-type activities are those functions supported by charges for services and user fees.

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

#### C. Fund Financial Statements

The basic financial statements include separate fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The governmental funds and enterprise funds financial statements report *major* funds as separate columns in the respective fund financial statements.

The City reports the following funds as major governmental funds:

The General Fund (the City's primary operating fund) accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Boynton Beach CRA Special Revenue Fund accounts for the activity and redevelopment projects of the CRA covering a specified redevelopment area in downtown Boynton Beach.

The City reports the following major proprietary funds:

The Water and Sewer Fund accounts for the activities related to providing water, wastewater and stormwater services to the public.

The Sanitation Fund accounts for the activities related to providing trash collection and disposal services to the public.

Additionally, the City reports the following fund types:

Internal Service Funds account for the activities related to providing fleet services, risk management, and warehouse services to other departments of the City.

Pension Trust Funds account for the activities of the City's three defined benefit pension funds which accumulate resources for pension benefit payments to City employees.

#### D. Measurement Focus and Basis of Accounting

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





**1. Summary of Significant Accounting Policies (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if collected within 60 days of the end of the current fiscal year.

Property taxes, franchise taxes, public service taxes, state shared revenues and charges for services and investment income associated with the current fiscal period are all considered susceptible to accrual and are recognized as revenues of the current fiscal period. For special assessments, only the portion of the special assessment receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current fiscal period. Business taxes and other revenues collected in advance of periods to which they relate are recorded as unavailable revenues, a deferred inflow of resources. Grant revenue is recorded when the related expenditures/expenses are incurred and the eligibility requirements have been met. All other revenue items are measurable and available only when the City receives the cash.

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.

**E. Financial Statement Presentation**

The City maintains its accounting records in accordance with the principles and policies applicable to governmental entities set forth by the Governmental Accounting Standards Board (GASB) as U.S. generally accepted accounting principles (GAAP).

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 where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer function and various other functions of the City.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer, sanitation, and golf course enterprise funds, and of the City's internal service funds, are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**F. Pooled Cash and Investments**

Pooled cash and investments consist of petty cash on hand, demand and money market deposits with financial institutions, money market mutual funds and investments with the Florida Municipal Investment Trust ("FMIT"). Interest earned on pooled cash and investments is allocated to individual funds based on their average daily pooled cash and investment balances. For purposes of the statement of cash flows, the City considers all highly



**1. Summary of Significant Accounting Policies (Continued)**

**F. Pooled Cash and Investments (Continued)**

liquid investments (including restricted assets) with an original maturity or availability of three months or less to be cash equivalents. Money market mutual funds are reported at amortized cost, which approximates fair value.

All deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a *qualified public depository*. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories.

The Florida Municipal Investment Trust (FMIT) is an external investment pool established in 1993 and administered by the Florida League of Cities, Inc. pursuant to the laws of the State of Florida. FMIT is exempt from registration under the Securities Act of 1933, the Investment Company Act of 1940 and the Florida Securities and Investors Protection Act. Participants in FMIT are limited to governmental entities in the State of Florida. FMIT operates six fixed income and five equity funds with differing investment goals. The City invests in three FMIT fixed income funds as follows: 1) the 0-2 Year High Quality Bond Fund; 2) the 1-3 Year High Quality Bond Fund; and, 3) the Intermediate High Quality Bond Fund, which are designed to provide an investment horizon and yield greater than that of money market instruments. The fair value of the City's investment in FMIT is the net asset value of each FMIT fund based on the fair value of the fund's portfolio as determined by the fund administrator at the end of each month. Contributions to and withdrawals from FMIT funds may be made monthly in a minimum amount of \$5,000 based on advance written notification at least five business days prior to a FMIT fund's portfolio valuation date, generally on the last business day of each month. Each FMIT fund may limit redemptions to a maximum of \$2 million or 10 percent of the fund's net asset value if the fund administrator determines that the fund's net asset value would be adversely affected by a redemption. If a redemption is limited, the maximum redemption amount will be made at each subsequent redemption date, generally at least monthly.

The City's pension trust funds investments consist of money market mutual funds, U.S. Government and Agency obligations, mortgage-backed securities, domestic and international corporate obligations, equity securities, equity mutual funds and alternative investments consisting of equity and fixed income investment funds and real estate investment funds. City and Pension Trust Fund investment policies do not allow investments in derivatives. All investments are reported at fair value, except for money market mutual funds that are reported at amortized cost, which approximates fair value. Purchases and sales of investments are recorded on the trade dates. Realized and unrealized gains and losses on investments are reflected in current operating results as investment earnings. Realized gains and losses on investments held at the end of the prior year and sold during the current year include the change in fair value from the beginning of the year to the date sold.

**G. Receivables**

Receivables in the governmental funds include delinquent property taxes, billings for general City services, various taxes due from local businesses, and amounts due from other governments for shared revenues, taxes and grants. All property tax and other receivables are reported net of an allowance for uncollectible accounts.

Accounts receivable in the proprietary funds include amounts due for various City services and utilities, provided primarily to local businesses and residents. Accounts receivable are reported net of an allowance for uncollectible accounts determined based on the age of the individual receivable and historical collection trends. Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. An allowance for doubtful accounts has been provided for those accounts where collectability appears to be doubtful. The City does not require collateral from its customers, except for the Water and Sewer Fund, which requires deposits for



**1. Summary of Significant Accounting Policies (Continued)**

**G. Receivables (Continued)**

services. The City maintains an allowance for doubtful accounts at a level which management believes is sufficient to cover potential credit losses.

**H. Unbilled Service Receivables**

The City's enterprise funds recognize revenue on the basis of monthly cycle billings to customers for services provided. As a result of this cycle billing method, there are unbilled receivables at the end of each fiscal year with respect to services provided, but not billed at such date. It is the policy of the City to accrue the unbilled service amounts at year-end. The public service taxes owed to the City on the unbilled services are recorded as receivables in the Public Service Tax Debt Service Fund. All unbilled receivables are billed in the following month.

**I. Interfund Receivables and Payables**

Activity between funds that represents interfund lending/borrowing that is outstanding at year end is classified as "due to/due from other funds". Any such balances outstanding between governmental activities and business-type activities in the government-wide financial statements are classified as "internal balances."

**J. Prepaid Items and Inventories**

Expenditures/expenses for insurance premiums and other administrative expenses extending over more than one accounting period are accounted for as prepaid items/expenses and allocated between accounting periods. Inventories are valued at average cost which approximates market. Inventories are accounted for using the consumption method, whereby inventories are recorded as expenditures in the period when used.

**K. Investment in Joint Venture**

The City accounts for its investment in the jointly owned South Central Regional Wastewater Treatment and Disposal Board as a joint venture recorded on the equity method of accounting. This investment is included in the City's Water and Sewer Enterprise Fund balance sheet as Investment in Joint Venture.

**L. Restricted Assets**

The City classifies certain amounts of pooled cash and investments in the Water and Sewer Enterprise Fund as restricted assets because their use is legally restricted for monies held for customers as security deposits, revenue bond covenant requirements and capital improvements. The net position of the Water and Sewer Enterprise Fund is restricted to the extent that restricted assets exceed liabilities payable from restricted assets.

**M. Capital Assets**

Capital assets include land, buildings, equipment, and infrastructure. The City reports these assets in the applicable governmental or business-type activities columns in the government-wide statement of net position and in the statements of net position for enterprise and internal service funds.

The City defines capital assets as assets with an initial, individual cost of more than \$750 and an estimated useful life in excess of one year. Donated capital assets are recorded at the date of donation at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the date of acquisition. Capital asset acquisitions are recorded as capital outlay expenditures in the governmental fund financial statements.

All costs relating to the construction of facilities are capitalized including salaries, employee benefits, contracted services, and materials. Prior to adoption of GASB Statement No. 89 for the current fiscal year, the City also capitalized interest incurred during the construction phase of capital assets of business-type activities as part of



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 1. Summary of Significant Accounting Policies (Continued)

#### M. Capital Assets (Continued)

the capitalized cost of the assets constructed. Costs which materially extend the useful life of existing properties are capitalized. However, the City does not capitalize the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives.

Infrastructure assets of the governmental activities are reported in the government-wide financial statements. Governmental activities infrastructure assets include roads, bridges, streets and sidewalks, curbs and gutters, lighting systems and similar assets that are immovable and generally of value only to the City. The City has historically reported infrastructure assets of the business-type activities as capital assets and recorded depreciation on those assets.

The City calculates depreciation of capital assets using the straight-line method over the following estimated useful lives of the related assets:

Equipment	3-12 years
Buildings and other improvements	10-40 years
Water/wastewater/stormwater system	15-50 years
Infrastructure	15-50 years

#### N. Unavailable / Unearned Revenue

Unearned revenue in the Governmental Activities and unavailable revenue in the Governmental Funds includes amounts received in advance for business licenses, grants and long-term receivables for various housing assistance programs provided by the City. Unearned revenue in the Business-type Activities and Proprietary Funds is composed of advance utility payments from customers and other amounts received in advance of the related services being provided by the City.

#### O. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits in varying amounts based on length of service. Upon termination, employees are paid accumulated vacation at the pay rate on the date of termination. Employees are compensated for a maximum of 50% of accumulated sick leave upon termination, depending on the employee's hire date and length of service. Compensated absences, including related payroll taxes, are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### P. Noncurrent Liabilities

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other noncurrent obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the respective debt issue using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in the period the debt is issued.

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



**1. Summary of Significant Accounting Policies (Continued)**

**Q. Deferred Outflows / Inflows of Resources**

In addition to assets and liabilities, the government-wide statement and proprietary funds statements of net position report a separate section for deferred outflows or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City reports deferred charges on refundings and deferred amounts related to pensions as deferred outflows of resources on the government-wide statement of net position. The deferred charges on refundings were losses resulting from the difference in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pensions result from differences between expected and actual experience and investment earnings, changes in assumptions, or other actuarial inputs. The deferred amounts are amortized to pension expense in a systematic and rational manner over a period equal to the average expected remaining service lives of employees provided with benefits through the pension plans, including inactive employees.

The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City's deferred inflows of resources on the government-wide and proprietary funds statements of net position consist of deferred amounts related to other postemployment benefits (OPEB) and pensions. The deferred inflows of resources related to OPEB and pensions results from differences between expected and actual experience which are deferred and included in OPEB and pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB and pension plans (active employees and inactive employees). The City also has one item, unavailable revenues, which arises only under the modified accrual basis of accounting and is reported as a deferred inflow of resources on the governmental funds balance sheet. The unavailable revenues include amounts received in advance for business licenses, grants and long-term receivables for various housing assistance programs provided by the City. These amounts are deferred and recognized as an inflow of resources in the year that the amounts become available.

**R. Net Position / Fund Balance**

**Net Position.** Net position of the government-wide and proprietary funds are categorized as *net investment in capital assets, restricted or unrestricted*. Net investment in capital assets is that portion of net position that relates to the City's capital assets reduced by the portion of the assets that have been acquired through the use of long-term debt. This amount is offset by any unspent debt proceeds that are outstanding at fiscal year-end.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

The government-wide statement of net position reports governmental activities restricted net position and business-type activities restricted net position and the proprietary funds statement of net position reports restricted net position for the following purposes:

*Public Safety* – Net position of the governmental activities are restricted for certain funds that are legally restricted by Florida Statutes to law enforcement capital expenditures and police education.

*Grant Programs* – Net position of the governmental activities are restricted for grant funds that are legally restricted by grantors to allowable costs for specific grant programs.

*Debt Service* – Net position of the governmental activities are restricted for CRA debt service funds that are legally restricted to the payment of principal and interest on the CRA's bonded debt. Net position of the business-type activities and the Water and Sewer Fund are restricted for the excess of restricted assets required by revenue bond covenants over the related liabilities payable from those restricted assets.





**1. Summary of Significant Accounting Policies (Continued)**

**R. Net Position / Fund Balance (Continued)**

*Capital Projects* – Net position of the governmental activities are restricted for local option gas tax funds that are legally restricted by Florida Statutes to capital improvements for roads and streets and the one-cent sales tax surcharge that is restricted for infrastructure projects. Net position of the business-type activities and Water and Sewer Fund are restricted for the excess of restricted assets required for renewal and replacement by bond covenants over the related liabilities payable from those restricted assets.

*Other Purposes* – Net position of the governmental activities are restricted for assets held in trust in the Community Service Fund that are restricted for specific purposes.

Unrestricted net position consists of net position not included in net investment in capital assets or restricted.

**Fund Balance.** In the fund financial statements, governmental funds report fund equity classifications that comprise a hierarchy based primarily on the extent to which the City is legally bound to honor the specific purposes for which amounts in fund balance may be spent. The fund balance classifications are summarized as follows:

*Nonspendable* - Nonspendable fund balances include amounts that cannot be spent because they are either: 1) not in spendable form; or, 2) legally or contractually required to be maintained intact.

*Restricted* - Restricted fund balances include amounts that are restricted to specific purposes either by: 1) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments; or, 2) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance.

*Assigned* - Assigned fund balances include amounts that are constrained by the City's intent to be used for specific purposes. The City Commission assigns fund balance through the annual budget or by adopting a resolution delegating authority to a City Official or other Board.

*Unassigned* - Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed, or assigned to specific purposes in the General Fund. The unassigned deficit represents the fund balance deficit of certain non-major special revenue funds that will be funded through the future revenues of those funds.

The City considers restricted fund balances to be spent when expenditures are incurred for the restricted purpose. The City considers committed, assigned or unassigned fund balances to be spent when expenditures are incurred for purposes for which amounts in any of those fund balance classifications could be used.

**Minimum Fund Balance Policy.** Generally, the City strives to maintain 10% to 20% of the following year's budgeted expenditures to provide for short term revenue fluctuations and other emergency purposes. However, the City has not adopted a formal policy establishing a minimum fund balance requirement.

**S. Property Taxes**

Ad valorem property taxes are assessed as of January 1 and levied the following October. Property taxes are due March 31 and become delinquent on April 1. Delinquent tax certificates are sold on June 1 and become a lien on the property. All property taxes are collected by the Palm Beach County Tax Collector and remitted to the City. Revenue is recognized at the time monies are received from Palm Beach County. At September 30, estimated unpaid delinquent taxes are recorded as a receivable and offset by an allowance for estimated uncollectibility. State Statutes permit municipalities to levy property taxes at a rate not to exceed 10 mills (\$10.00 for each \$1,000 of assessed valuation).





# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 1. Summary of Significant Accounting Policies (Continued)

#### S. Property Taxes (Continued)

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. For the fiscal year ended September 30, 2018, the maximum tax levy allowed by a majority vote of the governing body is generally based on a percentage adjustment applied to the prior year (2016/2017) property tax revenue. The percentage adjustment is calculated based on the compound annual growth rate in the per capita property taxes levied for five preceding fiscal years. State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the adjusted current year roll back millage rate plus 10%; or, 3) any millage rate approved by unanimous vote of the governing body or voter approved referendum.

#### T. On-behalf Payments

The City receives on-behalf payments from the State of Florida to be used for Police Officers and Firefighters pension benefits. These on-behalf payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP basis government-wide and General Fund financial statements, but are not budgeted and therefore are not included in the General Fund budgetary comparison statement. On-behalf payments to the City totaled \$1,614,628 for the fiscal year ended September 30, 2018.

#### U. Interfund Transactions

Transactions between funds during the year consisted of loans, services provided, reimbursements and transfers. Loans are reported in the fund financial statements as *Due from Other Funds* and *Due to Other Funds* as appropriate and are subject to elimination in the government-wide financial statements. The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Services, deemed to be reasonably equivalent in value, are treated as revenue and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are presented as transfers. Transfers within the governmental and business-type activities are eliminated in the government-wide financial statements.

#### V. Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses/expenditures. Actual results could vary from the estimates that were used.

#### W. Implementation of GASB Statements

The following GASB Statements were effective for the City during the fiscal year ended September 30, 2018:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, established new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits (OPEB), as well as certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to employees of other entities.



**1. Summary of Significant Accounting Policies (Continued)**

**W. Implementation of GASB Statements (Continued)**

- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provided accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary and required a government recognize assets representing the beneficial interest in the irrevocable split-interest agreement administered by a third party if the government controls the present service capacity of the beneficial interests.
- GASB Statement No. 85, *Omnibus 2017*, addressed practice issues that have been identified during implementation and application of certain GASB Statements including topics related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.
- GASB Statement No. 86, *Certain Debt Extinguishment Issues*, provided consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which only existing resources, other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also addressed accounting and financial reporting for prepaid insurance on debt that is extinguished and disclosures for debt that is defeased in-substance.

In addition, the City early adopted the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which required 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.

*Restatement for Implementation of GASB Statements* – The implementation of GASB Statement No. 75 resulted in a restatement that decreased the beginning net position of the City's government-wide financial statements by \$1,422,213 and decreased the beginning net position of Proprietary Funds financial statements by \$2,367,540, to record the total OPEB liability for the City's defined benefit OPEB plans at October 1, 2017. The implementation of other GASB Statements effective for the year ended September 30, 2018 had no effect on the previously reported amounts in the City's financial statements.

**X. Recent Accounting Pronouncements**

The Governmental Accounting Standards Board has also issued new Statements effective in future years. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the City:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. Statement No. 83 also requires disclosure of information about the government's AROs, including the methods and assumptions used for estimating liabilities and the estimated remaining useful life of the associated tangible capital assets. The requirements of this statement will be effective for the City for the fiscal year ending September 30, 2019.
- GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement will be effective for the City for the fiscal year ending September 30, 2020.



**1. Summary of Significant Accounting Policies (Continued)**

**X. Recent Accounting Pronouncements (Continued)**

- GASB Statement No. 87, *Leases*, addresses accounting and financial reporting for leases by governments. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement will be effective for the City for the fiscal year ending September 30, 2021.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, addresses the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement requires additional note disclosures regarding debt, including unused lines of credit, assets pledged as collateral for debt, and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance related consequences and significant acceleration provisions. The requirements of this statement will be effective for the City for the fiscal year ending September 30, 2019.
- GASB Statement No. 90, *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*, defines a majority equity interest and specifies the basis for measurement of a majority equity interest in a legally separate organization. The requirements of this statement will be effective for the City for the fiscal year ending September 30, 2020.

**2. Stewardship, Compliance, and Accountability**

**A. Concentration of Credit Risk**

The City performs ongoing credit evaluations of its customers and generally does not require collateral, except for customer deposits in the City's Water and Sewer Fund. The City maintains an allowance for uncollectible accounts at a level which management believes is sufficient to cover potential credit losses. Generally, the allowance includes accounts over 90 days past due. Accounts receivable are written off on an individual basis in the year the City deems them uncollectible. Subsequent collections on accounts that were previously written off are recorded as revenue in the year received.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as part of the budgetary accounting system in the general, special revenue and capital projects funds. The City records encumbrances as an appropriation of fund balance until expended or accrued as a liability of the fund.

**C. Budgets and the Budgeting Process**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to July 15, the City Manager submits a tentative budget to the City Commission for consideration and approval. The budget is prepared by fund, function and activity, and is made available to the public at this time.
- 2) Informal budget workshops are held by the City Commission to review the proposed budget and to obtain public comment.
- 3) The City advises the Palm Beach County Tax Collector of the proposed millage rate, the rolled-back millage rate, and the day, time and place of the public hearing for budget acceptance.
- 4) The public hearing is held to obtain final taxpayer input and to adopt the final budget.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 2. Stewardship, Compliance, and Accountability (Continued)

#### C. Budgets and the Budgeting Process (Continued)

- 5) The budget and related millage rates are legally enacted through passage of an ordinance.
- 6) Changes or amendments to the total budgeted expenditures of a fund and transfers between funds must be approved by the City Commission. There were four budget amendments that increased the General Fund budgeted revenues and expenditures by \$4,246,145 for the year ended September 30, 2018. Various other non-major funds were adjusted to recognize additional revenues and unforeseen expenditures and to provide a budget for various transfers, including a wage increase for employees. Department heads may transfer appropriations within a department with the approval of the Financial Services Department. Changes or amendments to total budgeted expenditures of a department require approval of the City Manager. Accordingly, the legal level of control for budget appropriations is exercised at the fund level.

Appropriated budgets are legally adopted on a modified-accrual basis, excluding General Fund on-behalf payments from the State for Police Officers' and Firefighters' pensions, for the following funds: 1) General Fund; 2) Boynton Beach CRA Special Revenue, Local Option Gas Tax, Community Improvements, Public Art, Recreation Program, Boynton Beach Memorial Park (special revenue funds); 3) Public Service Tax Debt Service (debt service fund); and, 4) General Capital Improvements (capital projects fund). The General Fund revenues and expenditures reported in the Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual differ from the revenues and expenditures reported on the GAAP Basis. The General Fund differences are reconciled as follows:

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary basis	\$ 71,191,508	\$ 84,929,647
On-behalf payments for pension benefits	<u>1,614,628</u>	<u>1,614,628</u>
GAAP basis	<u>\$ 72,806,136</u>	<u>\$ 86,544,275</u>

Non-appropriated budgets are prepared for the City's enterprise funds (Water and Sewer Fund, Sanitation Fund, and Golf Course Fund) and internal service funds (Vehicle Service Fund, Warehouse Fund and Self Insurance Fund). The operations of the following funds: 1) Grants, FEMA Hurricane, SHIP Grant, CDBG Grant, Traffic Safety, Green Building and Community Services (special revenue funds); 2) Boynton Beach CRA Debt Service (debt service fund); 3) Parks & Recreational Facilities, Boynton Beach CRA Bond Projects and Local Government Surtax Improvement (capital projects funds); and, 4) all fiduciary funds are non-budgeted financial activities.

#### D. Deficit Fund Equity

The Grants Fund and Community Improvements Fund (special revenue funds) had deficit fund balances of \$137,454 and \$81,797, respectively, at September 30, 2018. For the Grants Fund, the deficit was caused by program expenditures that were paid but not eligible for reimbursement until 60 days after the end of the current fiscal year. For the Community Improvements Fund, the deficit was caused by lower than expected revenues for the City's low-income home improvement program. The City anticipates receiving these funds or cutting expenditures for these programs in fiscal year 2019. The expenditures within this fund have been consistent; however, the revenues fluctuate year to year. The City anticipates that revenues will increase over the next two fiscal years as larger new projects begin.

The Sanitation Fund (proprietary fund) had a deficit net position of \$3,505,866 at September 30, 2018. The deficit was originally caused by the implementation of GASB Statement 68. The City plans to recover the deficit over several years from future operating revenues. The Warehouse Fund and Self Insurance Fund (internal service funds) had a deficit net position of \$135,064 and \$2,977,792, respectively, at September 30, 2018, which was caused by the implementation of GASB Statement 68 and higher than anticipated claims payouts for the Self Insurance Fund. The City plans to increase charges over the next two fiscal years to cover the deficits.



**3. Detailed Notes on All Funds**

**A. Deposits with Financial Institutions**

The City's deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions which comply with the requirements of Florida Statutes and have been designated as a *qualified public depository*. Qualified public depositories are required to pledge collateral to the State Treasurer with a market value equal to a percentage of the average daily balance of all governmental deposits in excess of available federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied from the federal deposit insurance, pledged collateral and, if necessary, an assessment to other qualified public depositories. Accordingly, the City's deposits are considered fully insured or collateralized.

**B. Investments**

The City has adopted an investment policy to establish guidelines for the efficient management of its cash reserves. The investment policy limits permitted investments to the following:

- a. U.S. Government securities and U.S. Government Agency obligations;
- b. Florida Prime administered by the Florida State Board of Administration;
- c. Florida Municipal Investment Trust administered by the Florida League of Cities;
- d. Certificates of deposit or savings accounts in State-certified qualified public depositories;
- e. Repurchase agreements;
- f. Money market mutual funds, with portfolios limited to direct obligations of the U.S. Government or any Agency or Instrumentality thereof;
- g. Commercial paper of any U.S. company that is rated at least "P-1" by Moody's and "A-1" by Standard & Poor's (S&P); and,
- h. Corporate notes issued by U.S. corporations or by depository institutions licensed by the United States that have a long-term debt rating at the time of purchase, of at least "Aa" by Moody's and "AA" by S&P.

The investment policy of the General Employees' Pension Fund limits investments to the following:

- a. Direct obligations of the U.S. Government with a maturity of one year or less;
- b. Commercial paper with a maturity of 270 days or less and rated "Prime 1" by Moody's and "A-1" by S&P;
- c. A money market mutual fund or short term investment fund provided by the Plan's custodian;
- d. Bankers Acceptances issued by the largest 50 banks in the United States (in terms of total assets);
- e. Corporate obligations issued by a corporation organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia;
- f. Fixed income securities below investment grade (BBB) cannot exceed 15% of the fixed income portfolio;
- g. The duration of the fixed income portfolio cannot exceed 135% of the duration of the Barclay's Capital Aggregate Bond Index;
- h. Mortgage-backed securities guaranteed or fully insured by Ginnie Mae (formerly the Government National Mortgage Association), the Federal Home Loan Mortgage Corporation (FHLMC), Fannie Mae (formerly the Federal National Mortgage Association), or rated "Aaa" by Moody's or "AAA" by S&P;
- i. Common stocks, with investments in stocks of foreign companies limited to 20% (at cost) of the total investment portfolio and stocks publicly traded for less than one year limited to 15% of the equity portfolio;
- j. Mutual funds, commingled funds, limited partnerships, real estate held in commingled funds, and absolute or real return investments held in commingled funds.



**3. Detailed Notes on All Funds (Continued)**

**B. Investments (Continued)**

The investment policy of the Police Officers' Pension Fund limits investments to the following:

- a. Time or saving accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings and loan association insured by the Saving Insurance Association Insurance Fund which is administered by the Federal Deposit Insurance Corporation or a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund;
- b. Obligations issued by the U.S. Government or obligations guaranteed as to principal and interest by the government of the United States;
- c. Bonds issued by the State of Israel;
- d. Bonds, stocks, or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia provided the corporation is listed on one or more of the recognized national exchanges or on the National Market System of the NASDAQ stock market and, in the case of bonds only, the average rating of such bonds shall be no lower than "AA" by S&P;
- e. Real estate investment trusts (REIT'S); and,
- f. Commingled stock, bond, or money market funds and institutional mutual funds whose investments are restricted to securities meeting the criteria outlined above. Investments in stocks and convertible securities are limited to 65% of the portfolio cost.

Investments of the Firefighters' Pension Fund are subject to limitations set forth in Florida Statute Section 215.47 and are limited to the following:

- a. Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof and notes, bonds, or other obligations of agencies of the United States;
- b. State bonds pledging the full faith and credit of the state and revenue bonds additionally secured by the full faith and credit of the state;
- c. Certificates of deposit or savings accounts in state certified qualified public depositories;
- d. Bankers Acceptances, which are accepted by a member bank of the Federal Reserve System having total deposits of not less than \$400 million;
- e. Commercial paper, of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service;
- f. Negotiable certificates of deposit by domestic or foreign financial institutions in United States dollars;
- g. Common stocks, preferred stocks, pooled equity funds, and foreign stocks provided that the investments in stocks and convertible securities are limited to 70% of the portfolio cost; and,
- h. Securities of, or other interests in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, wherein the portfolio is limited to U.S. Government obligations and to repurchase agreements fully collateralized by such U.S. Government obligations.





# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### B. Investments (Continued)

A summary of deposits and investments reported on the statement of net position and statement of fiduciary net position for the City is as follows:

	<u>Pooled Cash and Investments</u>		<u>Pension Cash and Investments</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Cash</u>	<u>Investments</u>	
Governmental activities	\$ 55,273,062	\$ -	\$ -	\$ -	\$ 55,273,062
Business-type activities	26,246,058	62,434,995	-	-	88,861,053
Total statement of net position	81,519,120	62,434,995	-	-	143,954,115
Pension Trust Funds	-	-	1,189,529	394,893,148	366,082,677
Total deposits and investments	<u>\$ 81,519,120</u>	<u>\$ 62,434,995</u>	<u>\$ 1,189,529</u>	<u>\$ 394,893,148</u>	<u>\$ 540,036,792</u>

The following summary presents the components of the City's pooled cash and investments, cash and investments at September 30, 2018:

	<u>Fair Value</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Pension</u>
<b>Cash:</b>			
Petty cash	\$ 6,288	\$ -	\$ -
Deposits with financial institutions	48,625,045	16,844,586	1,189,529
Total cash	48,631,333	16,844,586	1,189,529
<b>Investments:</b>			
Money market mutual funds	32,877,787	-	5,253,913
Florida Municipal Investment Trust:			
0-2 Year High Quality Bond Fund	-	4,641,615	-
1-3 Year High Quality Bond Fund	-	22,462,410	-
Intermediate High Quality Bond Fund	-	18,486,384	-
U.S. Government and Agency obligations	-	-	23,280,160
Mortgage-backed securities	-	-	3,819,593
Corporate obligations	-	-	11,604,631
Fixed income investment funds	-	-	8,180,050
Equity securities	-	-	94,988,032
Equity mutual funds	-	-	47,536,140
Equity investment funds	-	-	37,311,420
International equity investment funds	-	-	18,061,651
Alternative investments:			
Equity investment funds	-	-	65,545,141
Fixed income investment funds	-	-	33,520,844
Real estate investment funds	-	-	45,791,573
Total investments	32,887,787	45,590,409	394,893,148
TOTAL	<u>\$ 81,519,120</u>	<u>\$ 62,434,995</u>	<u>\$ 396,082,677</u>

**Fair Value of Investments:** The City follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring the fair value of investments in a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

**Level 1:** Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access at the measurement date.





**3. Detailed Notes on All Funds (Continued)**

**B. Investments (Continued)**

Level 2: Inputs to the valuation methodology include the following:

- Quoted prices for similar assets in active markets.
- Quoted prices for identical or similar assets in inactive markets.
- Inputs other than quoted prices that are observable for the assets.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the entity's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques would typically include discounted cash flow models and similar techniques, but may also include the use of market prices of assets that are not directly comparable to the subject asset.

The fair value measurement of an asset within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The categorization of an investment within the fair value hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the City's perceived risk of that investment.

*Valuation Methodologies:* The valuation methods and assumptions used by the City in estimating the fair value of financial instruments measured at fair value on a recurring basis under GASB Statement No. 72, were as follows:

*Equity securities, equity investment funds and equity mutual funds:* Valued at the closing price or net asset value reported on the active exchange on which the individual securities and mutual funds are actively traded.

*U.S. Government and Agency obligations, mortgage-backed securities, corporate obligations and fixed income investment funds:* Valued at the closing price reported on the active exchange on which the individual securities are actively traded. Securities that are not actively traded are valued by the investment manager using a matrix pricing technique based on the securities' relationship to quoted benchmark prices. Certain fixed income investment funds include private corporate obligations that are not traded and are valued by the investment manager using proprietary models.

*Investments measured at net asset value (NAV):* The Florida Municipal Investment Trust, certain equity investment funds, certain fixed income investment funds and real estate investment funds are valued at the unadjusted NAV per share at September 30, 2018, calculated in a manner consistent with GAAP for external governmental investment pools and private investment companies based on the fair value of the underlying fund investments as determined by the fund manager, if available, or by valuations of a fund's underlying assets as provided by the general partner or investment manager, since the assets are not publicly traded. Real estate values are based upon appraisals performed for assets held by the fund, or estimated by the fund manager, if appraisals are not performed or available. The fair value of real estate is the price that would be received if the asset was sold to a market participant assuming the highest and best use of each asset at the measurement date. The equity and fixed income investment funds are not publicly traded and invest in various types of equity or fixed income securities, as applicable. These alternative investment funds may hold certain investments which may be valued by a single market maker. While the fund managers use their best judgment in estimating the fair values of underlying investments, there are inherent limitations in any estimation technique. Accordingly, the fair values of the investment funds may be estimated by the management of the pension funds and their investment advisors in the absence of readily ascertainable market values.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### B. Investments (Continued)

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the City believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the year ended September 30, 2018.

*Fair Value of Investments:* The financial assets measured at fair value on a recurring basis include the City's investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2018. The fair value of the City's investments at September 30, 2018 is summarized as follows:

	Fair Values at September 30, 2018			
	Level 1	Level 2	Level 3	Total
<b>Fixed Income Investments</b>				
U.S. Government and Agency obligations	\$ -	\$ 23,280,160	\$ -	\$ 23,280,160
Mortgage-backed securities	-	3,819,593	-	3,819,593
Corporate obligations	-	11,604,631	-	11,604,631
Fixed income investment funds	-	6,697,654	1,482,396	8,180,050
Total debt securities	-	45,402,038	1,482,396	46,884,434
<b>Equity Investments</b>				
Equity securities	94,988,032	-	-	94,988,032
Equity mutual funds	47,536,140	-	-	47,536,140
Equity investment funds	37,311,420	-	-	37,311,420
International equity investment funds	18,061,651	-	-	18,061,651
Total equity securities	197,897,243	-	-	197,897,243
Total investments by level	\$ 197,897,243	\$ 45,402,038	\$ 1,482,396	244,781,677
<b>Investments measured at NAV</b>				
Florida Municipal Investment Trust				45,590,409
Alternative investment funds:				
Equity investment funds				65,545,141
Fixed income investment funds				33,520,844
Real estate investment funds				45,791,573
Total investments at NAV				190,447,967
Total fair value				\$ 435,229,644

The reported fair values for the alternative investment funds may differ significantly from the values that would have been used had a ready market for the underlying funds existed and the differences could be material. Future confirming events will affect the estimates of fair value, and the effect of such events on the estimates of fair value could be material. The alternative investment funds also expose the pension funds to additional investment risks, including liquidity risks; counterparty and custody risks; foreign political, economic and governmental risks; and, market risk. The fixed income alternative investment funds have a remaining funding commitment of \$1,246,753 at September 30, 2018. There were no lock-up periods for any investments at September 30, 2018. The alternative investment funds were redeemable with advance notice and approval of the investment fund manager.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### B. Investments (Continued)

**Credit Risk:** Credit risk is the risk that a debt issuer will not fulfill its obligations. The investment policies of the City and the pension funds utilize portfolio diversification to control this risk as well as limiting investments to investment grade (BBB) securities as rated by nationally recognized statistical rating agencies at the time of purchase. The S&P rating for each Florida Municipal Investment Trust investment pool was AAf/S1 and money market mutual funds were rated AAAm. The S&P ratings for the Pension Funds' investments at September 30, 2018, are summarized as follows:

Investment Type	Rating	Fair Value
U.S. Government and Agency obligations	AAA to AA	\$ 23,280,160
Mortgage-backed securities	Not Rated	3,819,593
Corporate obligations	AA+ to B	11,604,631
Fixed income investment funds	AA	29,173,271
Fixed income investment funds	Not Rated	12,527,623

**Custodial Credit Risk:** Custodial credit risk is defined as the risk that the City may not recover cash and investments held by another party in the event of financial failure. The City investment policy requires cash and investments to be fully insured or collateralized, or held in independent custodial safekeeping accounts in the City's name. At September 30, 2018, all investments were held in independent custodial safekeeping accounts, except for investments considered unclassified pursuant to GASB Statement No. 3, as amended, which include the Florida Municipal Investment Trust funds, money market mutual funds, equity mutual funds, equity and fixed income investment funds and real estate investment funds.

**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. For all investments of the City, including those in the City's three pension funds, securities of a single issuer are limited to no more than 5% of the Plan's total investments.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risks. The City's investment policy limits the maturities of investments to five years from the date of purchase, unless the investment is matched with a specific cash flow. The investment policies of the three pension funds provide no specific limitations on the maturity of investments, but require the investment portfolios to be structured in a manner as to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities are matched with known cash needs and anticipated cash-flow requirements.

The table below summarizes the scheduled maturities of fixed income investments of the City's General Employees' Pension Trust Fund at September 30, 2018:

	Fair Value of Investment Maturities			
	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
General Employees' Pension Trust Fund:				
U.S. Government and Agency obligations	\$ 294,210	\$ 3,393,433	\$ 4,364,531	\$ 3,530,049
Mortgage-backed securities	-	-	148,127	3,671,466
Corporate obligations	63,046	5,083,835	1,506,378	203,718
Total Fair Value	\$ 357,256	\$ 8,477,268	\$ 6,019,036	\$ 7,405,233



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### B. Investments (Continued)

The table below summarizes the average effective duration of the City's investments in the Florida Municipal Investment Trust funds and the fixed income investments of the Police Officers' and Firefighters' Pension Funds at September 30, 2018:

	Fair Value	Effective Duration
City - Florida Municipal Investment Trust:		
0-2 Year High Quality Bond Fund	\$ 4,641,615	0.67 years
1-3 Year High Quality Bond Fund	22,462,410	1.44 years
Intermediate High Quality Bond Fund	18,486,384	3.75 years
Police Officers' Pension Fund:		
Fixed income investment funds	29,173,271	6.3 years
Firefighters' Pension Fund:		
U.S. Government and Agency obligations	11,697,937	4.8 years
Corporate obligations	4,747,654	4.6 years
Fixed income investment funds	12,527,623	Unknown

The average effective duration of the money market mutual fund investments held by the City and its pension trust funds is less than 90 days.

**Foreign Currency Risk:** Foreign currency risk includes the risk of revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized and unrealized gains, and their price may be more volatile than those of comparable securities in U.S. Companies. At September 30, 2018 the Pension Trust Funds' investments included \$18,061,651 invested in a U.S. dollar denominated international equity investment fund.

**Other Risks:** The value, liquidity, and related income of certain securities held by FMIT and in the City's Pension Trust Funds that have contractual cash flows, such as mortgage-backed securities, collateralized mortgage obligations, and alternative investments or mutual funds investing in these types of securities or entities, are particularly sensitive to changes in financial markets and economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates. In addition, such securities are also subject to prepayment risk and liquidity risk which can adversely affect the fair value and/or income of the investment.

Due to the various risks associated with the City's investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### C. Receivables

Receivables (excluding restricted assets - accounts receivable) for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, at September 30, 2018 are as follows:

	Delinquent Property Taxes	Receivables, Billed Services	Receivables, Unbilled Services	Due From Other Governments	Public Services Taxes	Allowances for Uncollectible Accounts	Total Receivables, Net
General Fund	\$ 284,728	\$ 6,318,765	\$ -	\$ 618,702	\$ -	\$ (2,399,363)	\$ 4,282,832
Boynton Beach CRA Special Revenue Fund	-	7,128	-	-	-	-	7,128
Non-Major Governmental Funds	-	112,247	57,205	926,644	555,934	(9,438)	1,642,592
Water and Sewer Fund	-	3,548,987	1,968,813	-	-	(421,794)	5,096,006
Sanitation Fund	-	1,290,482	449,743	5,907	-	(462,603)	1,283,529
Other Non-Major Enterprise Fund	-	3,525	-	-	-	-	3,525
Total	<u>\$ 284,728</u>	<u>\$ 11,281,134</u>	<u>\$ 2,475,761</u>	<u>\$ 1,551,253</u>	<u>\$ 555,934</u>	<u>\$ (3,833,198)</u>	<u>\$ 12,315,612</u>

The amounts due from other governments at September 30, 2018 are summarized as follows:

Due from Palm Beach County	\$ 234,558
Due from State of Florida	1,311,632
Due from U.S. Government	<u>5,063</u>
Total due from other governments	<u>\$ 1,551,253</u>

The CRA established a Homebuyer Assistance Program to assist residents with the purchase of a home by providing a subsidy of up to \$50,000 per homeowner. The subsidy is secured by a mortgage and a note payable on the residence, which require repayment by the property owner only under certain circumstances, such as the sale of the property, and is forgiven if the homeowner remains in the home for the full term specified in the agreement. The amount of these notes receivable outstanding at September 30, 2018, totaled \$1,394,672. Given the nature of these loans and that there is no right to demand payment; the CRA does not expect to collect the receivables. Accordingly, the CRA charges the homeowner loans to expenditures when approved and does not recognize these notes receivable in the financial statements.

The City has a Community Development Block Grant with the U.S. Department of Housing and Urban Development (HUD) to assist local property owners with rehabilitation and preservation of their personal residence. The assistance is secured by a mortgage note payable on the residence, which requires repayment by the property owner only under certain circumstances, such as the sale of the property, and is forgiven if the property owner remains in the property for the full term specified in the agreement, typically ten years. The amount of these mortgages receivable outstanding at September 30, 2018 totaled \$4,246,279. Given the nature of these loans and that there is no right to demand payment; the City does not expect to collect the receivables. Accordingly, the City charges the homeowner loans to expenditures when approved and does not recognize these notes receivable in the financial statements.

#### D. Restricted Assets

In connection with City ordinances governing the issuance of water and sewer system revenue bonds, the City is required to invest and restrict pooled cash and investments and accounts receivable held for customer deposits, bond requirements and unspent bond proceeds held for capital improvements of the water and sewer system.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### D. Restricted Assets (Continued)

The restricted assets and liabilities payable from restricted assets in the Water and Sewer Fund at September 30, 2018, are summarized as follows:

	Restricted for			
	Customer Deposits	Revenue Bond Covenants	Capital Improvements	Total
<b>Restricted Assets:</b>				
Pooled cash and investments	\$ 1,441,762	\$ 7,331,384	\$ 53,661,849	\$ 62,434,995
Accounts receivable	38,722	-	-	38,722
Total restricted assets	1,480,484	7,331,384	53,661,849	62,473,717
<b>Liabilities Payable from Restricted Assets:</b>				
Customer deposits	(1,480,484)	-	-	(1,480,484)
Revenue bonds payable, current	-	(3,605,000)	-	(3,605,000)
Accrued revenue bond interest	-	(1,427,000)	-	(1,427,000)
Contracts payable	-	-	(2,454,265)	(2,454,265)
Total liabilities	(1,480,484)	(5,032,000)	(2,454,265)	(8,966,749)
Net restricted assets	-	2,299,384	51,207,584	53,506,968
Less unspent bond proceeds allocated to revenue bonds payable	-	-	(51,207,584)	(51,207,584)
Net position restricted for revenue bond covenants	\$ -	\$ 2,299,384	\$ -	\$ 2,299,384

#### E. Investment in Regional Wastewater Treatment Plant

In 1974, the City joined with the City of Delray Beach to form the South Central Regional Wastewater Treatment and Disposal Board (the "Board"), an independent special district. The Board, which is governed by a body composed of the Commission members from each city, oversees the operation of the Regional Wastewater Treatment Plant which services both cities and surrounding areas. The interlocal agreement between the City and the City of Delray Beach specifies that the Board has the authority to accept and disburse funds, transact business and enter into contracts for budgeted items. In addition, the Board has the authority, subject to approval by a majority vote of each City Commission before becoming effective, to adopt an annual budget, establish rates and charges for operations, maintenance, expansion and construction, enter into contracts for non-budgeted items and authorize the return of any surplus funds or levy additional charges for deficits of the Board to the respective cities. No debt has been authorized or issued by the Board.

Ownership of the Regional Wastewater Treatment Plant is vested proportionately with the cities in accordance with the capital investments of each city, which to date are approximately 50% each. The Board charges each city for its share of the Board's operating expenses based on the percentage flow of wastewater from each city. For the year ended September 30, 2018, the City accounted for approximately 50% of the total wastewater flow treated by the Board, and approximately 50% of the Board's operating expenses were billed to the City.

The City accounts for its investment in the Board as a joint venture recorded on the equity method of accounting. At September 30, 2018, the City's 50% equity interest in the net position of the Board totaled \$18,256,101 plus land purchased by the City in the amount of \$554,612 for a total investment of \$18,810,713. This investment has been included in the City's Water and Sewer Enterprise Fund statement of net position as Investment in Joint Venture.

At September 30, 2018, the City had a receivable from and a payable to the Board of \$428,793 and \$324,522, respectively. For the year ended September 30, 2018, the City paid approximately \$5.1 million to the Board for operating expenses, repairs and replacement and capital charges. Each individual city is responsible for setting the rates and collecting charges for wastewater disposal from customers within its jurisdiction. Financial information relating to the Board as of and for the years ended September 30, 2018 and 2017 is as follows:



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### E. Investment in Regional Wastewater Treatment Plant (Continued)

Net Position		
	2018	2017
Current and other assets	\$ 23,689,000	\$ 7,466,000
Capital assets, net	<u>29,632,000</u>	<u>31,802,000</u>
Total assets	53,321,000	39,268,000
Current liabilities	1,669,000	1,183,000
Noncurrent liabilities	<u>15,139,000</u>	<u>75,000</u>
Total liabilities	<u>16,808,000</u>	<u>1,258,000</u>
Net position	<u>\$ 36,513,000</u>	<u>\$ 38,010,000</u>
Changes in Net Position		
Charges for services	\$ 7,745,000	\$ 7,625,000
Capital grants and contributions	2,053,000	1,000,000
Operating expenses	<u>(10,647,000)</u>	<u>(10,492,000)</u>
Operating loss	(849,000)	(1,867,000)
Investment and other revenues	102,000	121,000
Transfers to joint venture participants	<u>(750,000)</u>	<u>(953,000)</u>
Changes in net position	<u>\$ (1,497,000)</u>	<u>\$ (2,699,000)</u>

Separate, audited financial statements of the Board can be obtained by contacting the South Central Regional Wastewater Treatment and Disposal Board, 1801 North Congress Avenue, Delray Beach, FL 33445.





# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### F. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Reclassifications	Additions	Deletions	Ending Balance
<b>Governmental activities</b>					
Non-depreciable assets:					
Land	\$ 37,624,154	\$ -	\$ 1,660,843	\$ (6,214,144)	\$ 33,070,853
Construction in progress	<u>677,677</u>	<u>(4,490)</u>	<u>1,116,298</u>	<u>(24,252)</u>	<u>1,765,233</u>
Total non-depreciable assets	<u>38,301,831</u>	<u>(4,490)</u>	<u>2,777,141</u>	<u>(6,238,396)</u>	<u>34,836,086</u>
Depreciable assets:					
Buildings and improvements	99,535,568	-	2,034,828	-	101,570,396
Machinery, equipment, and vehicles	63,949,677	4,490	7,346,670	(1,917,406)	69,383,431
Infrastructure	<u>15,987,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,987,343</u>
Total depreciable assets	<u>179,472,588</u>	<u>4,490</u>	<u>9,381,498</u>	<u>(1,917,406)</u>	<u>186,941,170</u>
Less accumulated depreciation:					
Buildings and improvements	(62,126,311)	-	(2,692,359)	-	(64,818,670)
Machinery, equipment, and vehicles	(52,671,907)	-	(4,923,345)	1,917,406	(55,677,846)
Infrastructure	<u>(12,371,971)</u>	<u>-</u>	<u>(451,817)</u>	<u>-</u>	<u>(12,823,788)</u>
Total accumulated depreciation	<u>(127,170,189)</u>	<u>-</u>	<u>(8,067,521)</u>	<u>1,917,406</u>	<u>(133,320,304)</u>
Total depreciable assets, net	<u>52,302,399</u>	<u>4,490</u>	<u>1,313,977</u>	<u>-</u>	<u>53,620,866</u>
Governmental activities capital assets, net	<u>\$ 90,604,230</u>	<u>\$ -</u>	<u>\$ 4,091,118</u>	<u>\$ (6,238,396)</u>	<u>\$ 88,456,952</u>
<b>Business-type activities</b>					
Non-depreciable assets:					
Land	\$ 5,132,225	\$ -	\$ -	\$ -	\$ 5,132,225
Intangible	2,910,000	-	-	-	2,910,000
Construction in progress	<u>7,839,076</u>	<u>-</u>	<u>5,017,362</u>	<u>(23,228)</u>	<u>12,833,210</u>
Total non-depreciable assets	<u>15,881,301</u>	<u>-</u>	<u>5,017,362</u>	<u>(23,228)</u>	<u>20,875,435</u>
Depreciable assets:					
Buildings and improvements	120,867,001	-	-	-	120,867,001
Utility lines	188,299,244	-	-	-	188,299,244
Wells	21,924,533	-	-	-	21,924,533
Golf course improvements	2,941,303	-	42,414	(355,572)	2,628,145
Machinery, equipment, and vehicles	<u>29,508,698</u>	<u>-</u>	<u>3,550,343</u>	<u>(64,706)</u>	<u>32,994,335</u>
Total depreciable assets	<u>363,540,779</u>	<u>-</u>	<u>3,592,757</u>	<u>(420,278)</u>	<u>366,713,258</u>
Less accumulated depreciation:					
Buildings and improvements	(58,849,231)	-	(4,476,305)	-	(63,325,536)
Utility lines	(85,322,031)	-	(6,786,809)	-	(92,108,840)
Wells	(18,952,558)	-	(694,153)	-	(19,646,711)
Golf course improvements	(2,592,622)	-	(82,109)	355,572	(2,319,159)
Machinery, equipment, and vehicles	<u>(28,041,248)</u>	<u>-</u>	<u>(630,959)</u>	<u>89,900</u>	<u>(28,582,307)</u>
Total accumulated depreciation	<u>(193,757,690)</u>	<u>-</u>	<u>(12,670,335)</u>	<u>445,472</u>	<u>(205,982,553)</u>
Total depreciable assets, net	<u>169,783,089</u>	<u>-</u>	<u>(9,077,578)</u>	<u>25,194</u>	<u>160,730,705</u>
Business-type activities capital assets, net	<u>\$185,664,390</u>	<u>\$ -</u>	<u>\$ (4,060,216)</u>	<u>\$ 1,966</u>	<u>\$181,606,140</u>



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### F. Capital Assets (Continued)

Depreciation expense was charged to programs/functions as follows:

<u>Governmental activities</u>		
General government	\$	526,265
Public safety		967,173
Physical environment		784,484
Economic environment		1,301
Culture and recreation		1,775,189
Capital assets of the City's internal service funds are charged to functions based on their usage of the assets		3,783,380
Blended component unit		<u>229,729</u>
Total depreciation – governmental activities	\$	<u>8,067,521</u>
 <u>Business-type activities</u>		
Water and sewer	\$	12,540,654
Sanitation		1,298
Non-major enterprise fund: Golf course		<u>128,383</u>
Total depreciation – business-type activities	\$	<u>12,670,335</u>

#### G. Interfund Receivables and Payables

Interfund receivable and payable balances at September 30, 2018, are summarized as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 3,405,698	\$ 2,000,000
Special Revenue Funds:		
Grants Fund	-	107,875
CDBG Grant Fund	-	106,027
Capital Improvements Fund	-	10,526
Capital Projects Fund	2,000,000	-
General Capital Improvements Fund		
Sanitation Fund	-	1,745,031
Golf Course Fund	-	974,160
Internal Service Fund:		
Warehouse Fund	<u>-</u>	<u>462,079</u>
Total	<u>\$ 5,405,698</u>	<u>\$ 5,405,698</u>

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances also include the amount of working capital loans made to various funds that the General Fund expects to collect in the subsequent year.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### H. Interfund Transfers

Transfers	General Fund	Non-Major Governmental Funds	Sanitation Fund	Internal Service Funds	Total Transfers Out
General Fund	\$ -	\$ 20,000	\$ -	\$ 2,397,186	\$ 2,417,186
Boynton Beach CRA Special Revenue Fund	-	11,822,180	-	-	11,822,180
Non-Major Governmental Funds	7,590,850	1,329,640	-	14,263	8,934,753
Water & Sewer Fund	6,367,000	-	-	975,069	7,342,069
Sanitation Fund	1,100,000	-	-	1,283,116	2,383,116
Golf Course Fund	10,000	-	10,000	5,602	25,602
Internal Service Funds	-	-	-	4,876	4,876
Total transfers in	<u>\$15,067,850</u>	<u>\$ 13,171,820</u>	<u>\$ 10,000</u>	<u>\$ 4,680,112</u>	<u>\$32,929,782</u>

Transfers are used to: (1) pay the payment in lieu of taxes charged to the various enterprise funds by the General Fund, (2) fund the internal service funds in excess of the expense for the current period, and (3) move fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and excess revenues collected for debt service after the payment of principal and interest due for the current year.

#### I. Noncurrent Liabilities

##### Governmental Activities

Changes in governmental activities noncurrent liabilities for the year ended September 30, 2018, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Public service tax revenue refunding bonds Series 2015	\$ 21,830,000	\$ -	\$ (1,940,000)	\$ 19,890,000	\$ 1,970,000
CRA Tax increment refunding revenue bonds, Series 2012	12,834,000	-	(1,300,000)	11,534,000	1,331,000
CRA Tax increment refunding revenue bonds, Series 2015	<u>4,285,000</u>	<u>-</u>	<u>(370,000)</u>	<u>3,915,000</u>	<u>380,000</u>
Total bonds payable	38,949,000	-	(3,610,000)	35,339,000	3,681,000
Installment agreements for equipment	-	1,595,140	(867,617)	727,523	130,118
Compensated absences	7,100,217	4,832,309	(5,088,778)	6,843,748	889,687
Provision for insurance losses	<u>4,777,489</u>	<u>2,758,555</u>	<u>(2,681,349)</u>	<u>4,854,695</u>	<u>1,777,545</u>
Total noncurrent liabilities	<u>\$ 50,826,706</u>	<u>\$ 9,186,004</u>	<u>\$ (12,247,744)</u>	<u>\$ 47,764,966</u>	<u>\$ 6,478,350</u>

Compensated absences are typically liquidated by the General Fund. Insurance claims liabilities have typically been liquidated by the Self Insurance Internal Service Fund which mainly serves the governmental funds. Therefore, the long-term liabilities of this fund are included in the governmental activities noncurrent liabilities.

**Public Service Tax Revenue Refunding Bonds, Series 2015** - On May 15, 2015, the City issued \$24,210,000 Public Service Tax Revenue Refunding Bonds, Series 2015 (the "Series 2015 Bonds"), to advance refund \$5,425,000 of the Public Service Tax Revenue Bonds, Series 2004, and \$18,190,000 of the Public Service Tax Revenue Refunding Bonds, Series 2006, and to pay the costs associated with the issuance of the Series 2015 Bonds. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$2,450,000 and reduced the total debt service



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### I. Noncurrent Liabilities (Continued)

##### Governmental Activities (Continued)

payments by approximately \$2,723,000. The Series 2015 Bonds bear interest at a fixed rate of 1.95% and are payable semi-annually on November 1 and May 1. Principal payments are due beginning on November 1, 2015 through maturity on November 1, 2026. The Series 2015 Bonds are payable from and secured by a pledge of the City's public service tax revenues.

The debt service requirements of the Series 2015 Bonds are as follows at September 30, 2018:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 1,970,000	\$ 368,648	\$ 2,338,648
2020	2,095,000	329,013	2,424,013
2021	2,130,000	287,820	2,417,820
2022	2,170,000	245,894	2,415,894
2023	2,215,000	203,142	2,418,142
2024-2027	<u>9,310,000</u>	<u>367,476</u>	<u>9,677,476</u>
	<u>\$ 19,890,000</u>	<u>\$ 1,801,993</u>	<u>\$ 21,691,993</u>

CRA Tax Increment Refunding Revenue Bonds, Series 2012 – Resolution 12-07 of the CRA Board of Commissioners dated October 9, 2012, authorized the issuance of CRA Tax Increment Refunding Revenue Bonds, Series 2012 (the "CRA Series 2012 Bonds"), in the principal amount of \$16,185,000 to advance refund \$12,665,000 of the CRA Series 2004 Bonds and \$3,000,000 of the CRA Series 2005A Bonds. The proceeds of the CRA Series 2012 Bonds were placed in an irrevocable trust to provide resources to purchase U.S. Government securities which were used, along with all interest earnings, for the sole purpose of making future debt service payments on the refunded CRA Series 2004 Bonds and CRA Series 2005A Bonds. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunding and refunded bonds) of \$1,182,292 and reduced the total debt service payments by \$2,095,052. The outstanding CRA Series 2012 Bonds at September 30, 2018, were \$11,534,000 and are due in annual principal installments of \$1,331,000 to \$1,530,000 plus interest at 2.56% through maturity on October 1, 2026. Principal and interest on the CRA Series 2012 Bonds are payable from and secured by a pledge of the CRA's tax increment revenues.

The debt service requirements of the CRA Series 2012 Bonds are as follows at September 30, 2018:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 1,331,000	\$ 295,270	\$ 1,626,270
2020	1,367,000	261,197	1,628,197
2021	1,397,000	226,201	1,623,201
2022	1,439,000	190,439	1,629,439
2023	1,471,000	153,600	1,624,600
2024-2027	<u>4,529,000</u>	<u>232,347</u>	<u>4,761,347</u>
	<u>\$ 11,534,000</u>	<u>\$ 1,359,054</u>	<u>\$ 12,893,054</u>



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### I. Noncurrent Liabilities (Continued)

##### Governmental Activities (Continued)

CRA Tax Increment Refunding Revenue Bonds, Series 2015 – On March 26, 2015, the CRA authorized the issuance of \$5,005,000 Tax Increment Refunding Revenue Bonds, Series 2015 (the “Series 2015 CRA Bonds”), to advance refund the CRA’s Tax Increment Revenue Bonds, Series 2005B. The Series 2015 CRA Bonds are structured as a private placement to be issued as additional bonds under Resolution No. 15-01 adopted on March 10, 2015. The payment of principal and interest on the Series 2015 CRA Bonds are secured by a pledge of the CRA’s tax increment revenues. Principal and interest at a fixed interest rate of 3.30% on the Series 2015 CRA Bonds is payable through maturity on October 1, 2026. The refunding resulted in an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$1,450,000 and reduced the total debt service payments by approximately \$1,790,000.

The debt service requirements of the CRA Series 2015 Bonds are as follows at September 30, 2018:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 380,000	\$ 129,195	\$ 509,195
2020	395,000	116,655	511,655
2021	410,000	103,620	513,620
2022	420,000	90,090	510,090
2023	435,000	76,230	511,230
2024-2027	1,875,000	132,990	2,007,990
	\$ 3,915,000	\$ 648,780	\$ 4,563,780

Installment Agreements/Capital Leases – The City entered into various installment agreements to finance the purchase of equipment. At September 30, 2018, the cost of equipment held under these agreements was approximately \$1,666,000 and the accumulated amortization was approximately \$379,000. Amortization expense related to the equipment is included in depreciation expense in the accompanying financial statements. The installment agreements are secured by the related equipment. Future payments through maturity for the City’s installment agreements as of September 30, 2018, are as follows:

Fiscal Year Ending September 30,	Amount
2019	\$ 145,994
2020	145,994
2021	208,716
2022	283,096
Total minimum payments	783,800
Less amounts representing interest	(56,277)
Outstanding balance at September 30, 2018	\$ 727,523

Pledged Governmental Revenues - The City has pledged the future public service tax revenues of the City to repay the outstanding Public Service Tax Revenue Refunding Bonds, Series 2015. The public service tax bonds are payable solely from the public service tax revenues received by the City and are payable through fiscal year 2027. Annual principal and interest payments on the bonds are expected to require less than 25 percent of public service tax revenues. Total principal and interest remaining to be paid on the public service tax revenue bonds at September 30, 2018 is \$21,691,993. Principal and interest paid and public service tax revenues received for the current year were \$2,346,770 and \$10,060,286 respectively.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### I. Noncurrent Liabilities (Continued)

##### Governmental Activities (Continued)

The CRA has pledged its future tax increment revenues to repay the outstanding CRA Tax Increment Refunding Revenue Bonds, Series 2012 and 2015. The City has also pledged its full faith and credit to guarantee repayment by the CRA of its outstanding bonds. The tax increment bonds are payable solely from the tax increment revenues received by the CRA and are payable through fiscal year 2027. Annual principal and interest payments on the bonds are expected to require less than 20 percent of the tax increment revenues. Total principal and interest remaining to be paid on the CRA tax increment revenue bonds at September 30, 2018 is \$17,456,834. Principal and interest paid for the current year were \$2,138,786. Tax increment revenues received by the CRA for the current year were \$11,776,329.

Legal Debt Limit - The City's legal debt limit on general obligation debt is based on 10% of the total assessed value of real property and was approximately \$841 million at September 30, 2018.

##### Defeased Bonds

The City and the CRA have defeased certain bonds by placing the proceeds of new bonds in irrevocable trust accounts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The outstanding principal of the defeased bonds considered extinguished under these funding arrangements is as follows at September 30, 2018:

City of Boynton Beach Public Service Tax Revenue Bonds, Series 2006 \$ 17,510,000

##### Business-type Activities

Changes in business-type activities noncurrent liabilities are as follows for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Water and sewer utility revenue bonds:					
Series 2002	\$ 12,870,000	\$ -	\$ (2,965,000)	\$ 9,905,000	\$ 3,125,000
Series 2012	44,200,000	-	(460,000)	43,740,000	480,000
Series 2016	23,000,000	-	-	23,000,000	-
Series 2018	-	11,065,000	-	11,065,000	-
Unamortized bond premium	<u>3,205,514</u>	<u>-</u>	<u>(305,467)</u>	<u>2,900,047</u>	<u>-</u>
Total revenue bonds payable	83,275,514	11,065,000	(3,730,467)	90,610,047	3,605,000
Compensated absences	<u>1,681,806</u>	<u>1,130,484</u>	<u>(1,137,174)</u>	<u>1,675,116</u>	<u>217,766</u>
Total noncurrent liabilities	<u>\$ 84,957,320</u>	<u>\$ 12,195,484</u>	<u>\$ (4,867,641)</u>	<u>\$ 92,285,163</u>	<u>\$ 3,822,766</u>

Compensated absences are typically liquidated by the Water and Sewer, Sanitation and Other Enterprise Funds for which the related employees work.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### I. Noncurrent Liabilities (Continued)

##### Business-type Activities (Continued)

Water and Sewer Utility Revenue Refunding Bonds, Series 2002 - The City issued \$24,400,000 Utility System Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds"), for the principal purpose of refunding the City's outstanding Utility System Revenue Bonds, Series 1992, maturing on and after November 1, 2002. The proceeds from the issuance of the Series 2002 Bonds, together with certain other funds of the City, were used to defease the Series 1992 Bonds. Interest on the Series 2002 Bonds is payable semi-annually on November 1<sup>st</sup> and May 1<sup>st</sup> at interest rates ranging from 5.375% to 5.5%. Annual principal payments are due on November 1<sup>st</sup> through maturity on November 1, 2020. The principal and interest on the Series 2002 Bonds are payable solely from and secured by a pledge of the City's Water and Sewer Utility System revenues.

The debt service requirements of the Series 2002 Bonds are as follows at September 30, 2018:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 3,125,000	\$ 458,838	\$ 3,583,838
2020	3,300,000	282,150	3,582,150
2021	<u>3,480,000</u>	<u>95,700</u>	<u>3,575,700</u>
	<u>\$ 9,905,000</u>	<u>\$ 836,688</u>	<u>\$ 10,741,688</u>

Water and Sewer Utility Revenue Bonds, Series 2012 - On February 27, 2012, the City issued \$45,895,000 Utility System Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), to finance the cost of approximately \$20 million of capital improvements to the City's Water and Sewer Utility System and to refund all of the City's outstanding Utility System Revenue Bonds, Series 2008, maturing on or after November 1, 2012. A portion of the proceeds from the issuance of the Series 2012 Bonds, together with certain other funds of the City, were used to currently refund the Series 2008 Bonds, which were called for full redemption on May 1, 2012. The advance refunding of the Series 2008 Bonds resulted in an economic gain (the difference between the present value of the debt service payments on the Series 2008 Bonds and Series 2012 Bonds) of \$1,712,358 and reduced the City's total debt service payments by \$2,289,751. Interest on the Series 2012 Bonds is payable semi-annually on November 1<sup>st</sup> and May 1<sup>st</sup> at interest rates ranging from 2.0% to 5.0%. Annual principal payments are due on November 1<sup>st</sup> through maturity on November 1, 2036. The principal and interest on the Series 2012 Bonds are payable solely from and secured by a pledge of the City's Water and Sewer Utility System revenues.

The debt service requirements of the Series 2012 Bonds are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 480,000	\$ 1,990,462	\$ 2,470,462
2020	500,000	1,970,862	2,470,862
2021	520,000	1,950,462	2,470,462
2022	2,565,000	1,882,350	4,447,350
2023	2,695,000	1,764,000	4,459,000
2024-2028	15,770,000	6,627,561	22,397,561
2029-2033	11,695,000	3,117,893	14,812,893
2034-2037	<u>9,515,000</u>	<u>779,900</u>	<u>10,294,900</u>
	<u>\$ 43,740,000</u>	<u>\$ 20,083,490</u>	<u>\$ 63,823,490</u>





# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### I. Noncurrent Liabilities (Continued)

##### Business-type Activities (Continued)

Water and Sewer Utility Revenue Refunding Bonds, Series 2016 - On November 18, 2016, the City issued \$23,000,000 Utility System Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"), to finance improvement projects including pipeline rehabilitation in various neighborhood locations, water reuse distribution, completion of the East Plant Rehabilitation and ion exchange, and Seacrest Corridor Improvement Projects and to pay costs associated with the issuance of the Series 2016 Bonds. The Series 2016 Bonds are payable from and secured by a pledge of the Utility System Revenue which includes (1) Net Revenues of the System, (2) certain impact fees, and (3) certain funds and accounts established under the resolution. Interest at 2.45% is payable annually beginning May 1, 2017. Principal payments are due beginning November 1, 2021, through maturity on November 1, 2031. The debt service requirements of the Series 2016 Bonds are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ -	\$ 563,500	\$ 563,500
2020	-	563,500	563,500
2021	-	563,500	563,500
2022	1,830,000	541,083	2,371,083
2023	1,860,000	495,881	2,355,881
2024-2028	9,820,000	1,773,191	11,593,191
2029-2032	<u>9,490,000</u>	<u>482,407</u>	<u>9,972,407</u>
	<u>\$ 23,000,000</u>	<u>\$ 4,983,062</u>	<u>\$ 27,983,062</u>

Water and Sewer Utility Revenue Bonds, Series 2018 - On June 8, 2018, the City issued \$11,065,000 Utility System Revenue Bonds, Series 2018 (the "Series 2018 Bonds"), to finance capital improvements to the City's Water and Sewer Utility System and to pay for certain costs associated with the issuance of the Series 2018 Bonds. The Series 2018 Bonds are payable from and secured by a pledge of the Utility System Revenue which includes (1) Net Revenues of the System, (2) certain impact fees, and (3) certain funds and accounts established under the resolution. Interest at 3.60% is payable annually beginning November 1, 2018. Principal payments are due beginning November 1, 2019, through maturity of the bonds on November 1, 2037. The debt service requirements of the Series 2012 Bonds are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ -	\$ 357,400	\$ 357,400
2020	415,000	390,870	805,870
2021	430,000	375,660	805,660
2022	445,000	359,910	804,910
2023	465,000	343,530	808,530
2024-2028	2,575,000	1,450,530	4,025,530
2029-2033	3,075,000	943,470	4,018,470
2034-2038	<u>3,660,000</u>	<u>338,940</u>	<u>3,998,940</u>
	<u>\$ 11,065,000</u>	<u>\$ 4,560,310</u>	<u>\$ 15,625,310</u>

Bond Resolution 96-88 of the City requires that net operating revenue (as defined in the resolution) of the Water and Sewer Fund be sufficient to provide an amount equal to 110% of the current fiscal year's principal and interest requirements on all outstanding utility system bonds and 100% of all amounts required to meet the current year's reserve account deposit requirements and renewal and replacement fund requirements. The City was in compliance with these requirements for the year ended September 30, 2018.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 3. Detailed Notes on All Funds (Continued)

#### I. Noncurrent Liabilities (Continued)

##### Business-type Activities (Continued)

*Pledged Business-type Revenues* - The City has pledged the future net revenues (generally customer revenues, net of specified operating expenses) of the water and sewer utility to repay the outstanding Series 2002, Series 2012, Series 2016 and Series 2018 water and sewer utility revenue bonds issued to finance improvements to the system. The water and sewer utility revenue bonds are payable solely from the utility net revenues and are payable through fiscal year 2038. Annual principal and interest payments on the bonds are expected to require less than 30 percent of utility net revenues. Total principal and interest remaining to be paid on the water and sewer utility revenue bonds is \$118,173,550. Principal and interest paid for the current year was \$6,686,374. Net water and sewer utility revenues available for debt service for the current year were approximately \$24.2 million.

##### Interest Expense

Total interest costs incurred and paid on all City debt, including the CRA, for the year ended September 30, 2018, totaled \$4,326,350 and \$4,192,161, respectively.

##### Defeased Bonds

The City defeased certain Water and Sewer Utility System revenue bonds by placing the proceeds of the new bonds in irrevocable trust accounts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At September 30, 2018, the outstanding principal of the defeased bonds considered extinguished under these funding arrangements is as follows:

Water and Sewer Utility Revenue Bonds, Series 1992	\$ 11,730,000
Water and Sewer Utility Revenue Bonds, Series 1996	<u>445,000</u>
	<u>\$ 12,175,000</u>

#### J. Debt Service Reserve Surety Bonds

The City's Public Service Tax Refunding Revenue Bonds (Series 2006) and Water and Sewer Revenue Bonds (Series 2012), collectively the "Bonds", require the City to maintain debt service reserves equivalent to the maximum principal and interest due in any year through maturity on the Bonds. The Bonds' resolutions provided that the City may purchase a credit facility for the debt service reserve requirements from an institution with the highest credit rating for municipal bonds insured or guaranteed by that institution. The City purchased surety bonds from MBIA Assurance Corp. ("MBIA"), Assured Guaranty Municipal Corporation ("AGM") and Financial Guaranty Insurance Company ("FGIC") to satisfy the debt service reserve requirements for the Bonds at the date of issue. At September 30, 2018, MBIA, AGM and FGIC had credit ratings that were less than the highest rating from Moody's Investor Service, Inc. ("Moody's") and Standard and Poor's ("S&P"), or had their ratings withdrawn by these agencies. The surety bonds outstanding at September 30, 2018, have a credit rating lower than the City's underlying rating of AA- from S&P. City management, in consultation with bond counsel, has determined that the City is not required to obtain new surety bonds or substitute cash and investments to replace the surety bonds from MBIA, AGM and FGIC that were held by the City at September 30, 2018. Accordingly, the debt service reserves for the Bonds are secured only by the original credit facility, which may not be available in the event of nonpayment by the City.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information

#### A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and general and automotive liability. The City has a Self Insurance Fund (an Internal Service Fund) to provide coverage for general liability, automotive liability, workers' compensation and property claims.

The liability for claims retained by the City is accrued in the Self Insurance Fund which will be the source of payment for these claims. Insurance claim expense is recognized when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated, and includes incurred-but-not-reported claims. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

The City also purchased commercial insurance policies to provide excess coverage as follows:

	<u>Individual Claims In Excess of</u>		<u>Maximum Coverage</u>
	<u>Per Person</u>	<u>Per Occurrence</u>	
General liability	\$ 200,000	\$ 300,000	\$ 5 million
Automobile liability	100,000	300,000	2 million
Property	50,000	100,000	5 million
Workers compensation	500,000	500,000	5 million

The City's liability for estimated insurance losses represents the estimated ultimate cost of settling self-insurance liability claims. The liability for estimated insurance losses was estimated by an outside actuary using accepted actuarial methods. These methods consider case-basis reserves established by the City, the rate of loss development on older claims, the effects of incurred-but-not-reported claims and the effects of inflation and other economic factors to determine ultimate cost.

The City has recorded a liability for estimated insurance losses of \$4,854,695, of which \$1,777,545 is considered to be a current liability. The liability falls within the actuarially determined range, from an actuarial valuation for all claims based upon the date the loss was incurred. Due to the long-term nature of many of these claims, the City considers anticipated investment income in determining the net liability for estimated insurance losses by discounting claims to the estimated present value. At September 30, 2018, the recorded liability for estimated insurance losses of \$4,854,695 is based on gross claims of \$5,214,808 discounted at an assumed rate of return on investments of 3%. The following summarizes the liability for estimated insurance loss activity for the previous three years:

	<u>Claims Liability Beginning of Fiscal Year</u>	<u>Claims Expense</u>	<u>Claims Paid</u>	<u>Claims Liability End of Fiscal Year</u>
2015-2016	\$ 3,729,824	\$ 2,429,969	\$ (2,163,669)	\$ 3,996,124
2016-2017	3,996,124	2,782,608	(2,001,243)	4,777,489
2017-2018	4,777,489	2,758,555	(2,681,349)	4,854,695

For each of the past three years, there have been no settlements that have exceeded the City's insurance coverage.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### B. Commitments and Contingencies

**Contract Commitments** - The City has various long-term contractual obligations for construction projects on which work has not been completed. The balances of these contracts and related commitments as of September 30, 2018, are as follows:

	General Fund	Capital Projects Funds	Other Governmental Funds	Water and Sewer Fund	Other Enterprise Funds	Total
Total contract amount	\$ 391,879	\$ 8,107,444	\$ 5,241,938	\$ 18,686,818	\$ 488,382	\$ 32,916,461
Interim payments on contracts	<u>165,443</u>	<u>1,049,281</u>	<u>367,606</u>	<u>15,652,518</u>	<u>385,765</u>	<u>17,620,613</u>
Remaining contract commitment as of September 30, 2018	<u>\$ 226,436</u>	<u>\$ 7,058,163</u>	<u>\$ 4,874,332</u>	<u>\$ 3,034,300</u>	<u>\$ 102,617</u>	<u>\$ 15,295,848</u>

The contractual commitments of the Water and Sewer Fund will be paid primarily from unspent bond proceeds. The contractual commitments of the General Fund, Capital Projects Funds, Other Governmental Funds and Other Enterprise Funds will be paid from various sources, including future revenues, operating transfers, and available fund equity.

**City Operating Lease Commitments** - The City entered into various operating lease agreements for office space, library space, Police and Fire functions, and communication services commencing April 2018 with various terms through March 2023. The leases are non-cancelable and include annual increases in base rent of 4% plus payment for real estate taxes, insurance and maintenance of the property. Rent expense totaled approximately \$380,000 for the year ended September 30, 2018.

The future minimum lease payments on these operating lease agreements are as follows:

Fiscal Year Ending September 30,	
2019	\$ 1,294,917
2020	1,304,036
2021	885,060
2022	103,680
2023	<u>51,840</u>
Total	<u>\$ 3,639,533</u>

**CRA Operating Lease Commitments** - The CRA entered into an operating lease for office space commencing October 2011 with a term of ten years, and base monthly rent and maintenance expenses of approximately \$6,400. The lease is non-cancelable for the first six years and includes annual increases in base rent of 4% plus payment for real estate taxes, insurance and maintenance of the property. If terminated during the seventh through tenth year, the CRA is obligated to pay a portion of the monthly rent depending on the termination year. Under the terms of the lease, the CRA was responsible for interior renovations totaling \$88,000, of which the landlord will credit the CRA a total of \$73,000 proportionately in years 8, 9 and 10 of the lease, unless the CRA terminates the lease. Rent expense totaled approximately \$102,000 for the year ended September 30, 2018.

The future minimum lease payments on this operating lease agreement are as follows:

Fiscal Year Ending September 30,	
2019	\$ 71,734
2020	95,583
2021	<u>98,610</u>
Total	<u>\$ 265,927</u>



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### B. Commitments and Contingencies (Continued)

Interlocal Agreements - The City approved an Interlocal Agreement with the Town of Ocean Ridge (“Ocean Ridge”) to provide Fire Suppression, Emergency Medical and Fire Life Safety services to Ocean Ridge for a 12-year term commencing October 1, 2016 through September 30, 2028. The Agreement provides for Ocean Ridge to pay the City \$1,058,853 for the first year of the Agreement with annual increases of 4% thereafter.

The City approved an Interlocal Agreement with the Town of Hypoluxo (“Hypoluxo”) to provide Fire Suppression, Emergency Medical and Fire Life Safety services to Hypoluxo for a 7-year term commencing October 1, 2018 through September 30, 2025. The Agreement provides for Hypoluxo to pay the City \$436,142 for the first year of the Agreement with annual increases of 4% thereafter.

The City approved an Interlocal Agreement with the Town of Briny Breezes (“Briny Breezes”) to provide Police Safety services to Briny Breezes for a 3-year term commencing October 1, 2016 through September 30, 2019. The Agreement provides for Briny Breezes to pay the City \$200,000 for the first year of the Agreement with annual increases of 1.5% thereafter. The City also has an Agreement to provide Fire Suppression, Emergency Medical and Fire Life Safety services to Briny Breezes for a 12-year term commencing October 1, 2016 through September 30, 2028. This Agreement provides for Briny Breezes to pay the City \$356,725 for the first year of the Agreement with annual increases of 4% thereafter.

The City approved an Interlocal Agreement with the Village of Golf (the “Village”) to provide Fire Suppression, Emergency Medical and Fire Life Safety services to the Village for a 10-year term commencing October 1, 2015 through September 30, 2025. The Agreement provides for the Village to pay the City \$200,000 for the first year of the Agreement with annual increases of 4% thereafter.

Town Square Project – During 2017 the City Commission approved the Town Square Project (the “Project”) to redevelop the existing City Hall complex and surrounding properties with a Public-Private Partnership between the City and private development companies pursuant to Florida Statutes Section 287.05712. The Project includes the construction of a new City Hall, Police Station, Fire Station and Library and renovation of the historic Boynton Beach High School building. In addition to the new municipal buildings, the completed Project will include a cultural center, residential and retail spaces, a hotel, public spaces and two parking garages on approximately 22 acres.

The Project is composed of multiple phases. Phase 1 was approved by the City Commission on June 12, 2017, and includes interior and roof rehabilitation of the vacant Boynton Beach High School at a cost of approximately \$15 million. Phase 2 was approved by the City Commission on March 13, 2018, and includes renovation of the Boynton Beach High School building into the Boynton Beach Cultural Center at a cost of approximately \$11 million. Subsequent phases will include construction of a new, four story City Hall and Library building with a combined 110,000 square feet and an estimated cost of \$26.9 million; a new fire station with an estimated cost of \$4.8 million; and, a new Police Station with an estimated cost of \$19.2 million. The City also plans to construct a District Energy Plant at an estimated cost of \$11.5 million which will supply central energy to the new Town Square buildings. Two parking garages will be constructed on the site with a total of 465 parking spaces and an estimated cost of \$10.3 million.

Costs to demolish the existing City Hall complex, site infrastructure, new buildings, bond costs, developer costs, land lease payment, and contingencies are estimated to total approximately \$118.3 million, of which \$76 million would be financed by CFP Boynton Beach Town Square, LLC (“CFP”), a Minnesota non-profit corporation and a qualified tax exempt 501(c)(3) charitable organization. CFP will build and finance the Project and lease the properties to the City as they are completed. The CFP debt will not constitute indebtedness or a pledge of the City’s general credit or taxing power, but will be secured by a pledge of the City to budget and appropriate, on an annual basis, available non ad valorem revenue sufficient to make the annual rental payments to CFP under the facilities lease agreements.



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### B. Commitments and Contingencies (Continued)

On August 7, 2018, CFP issued \$69,990,000 of Public Finance Authority Capital Improvement Revenue Bonds, Series 2018, for the Project and received net bond proceeds of \$76,288,551 at closing, which included \$69,990,000 of bond principal, \$7,030,251 of original issue premium, less \$731,700 of underwriter's fees. CFP deposited the net bond proceeds into separate escrow accounts for construction of the Project and payment of related expenses. The bonds have a maturity date of June 1, 2044. The City's annual lease payments to CFP for the Project properties varies from approximately \$3.0 million to \$5.2 million over the 25 year term of the facilities lease agreements ending on June 1, 2044. The City's lease payments commence on December 1, 2018 and are due semi-annually on December 1<sup>st</sup> and June 1<sup>st</sup>. Title to all facilities will transfer to the City at the end of the leases. The lease payments and all Project facilities are pledged as collateral for the Series 2018 Bonds. The future annual lease payments due to CFP under the facilities lease agreements are summarized as follows:

Fiscal Year Ending September 30,	City Hall	Police Station	Fire Station	Totals
2019	\$ 1,976,079	\$ 820,741	\$ 204,060	\$ 3,000,880
2020	2,953,174	1,226,565	304,959	4,484,698
2021	2,952,268	1,226,189	304,866	4,483,323
2022	2,953,469	1,226,910	305,045	4,485,424
2023	2,952,436	1,226,259	304,883	4,483,578
2024-2028	15,216,008	6,319,785	1,571,281	23,107,074
2029-2033	17,061,636	7,086,344	1,761,870	25,909,850
2034-2038	17,060,268	7,085,776	1,161,728	25,907,772
2039-2043	17,058,939	7,085,224	1,761,591	25,905,754
2044	3,402,815	1,413,318	351,392	5,167,525

The City has contracted with 3 providers for development of the Project:

- (1) *CFP Boynton Beach Town Square, LLC*. This company is responsible for the construction of the new City Hall, Fire Station #1, Police Headquarters, Parks and Open Space, Utilities and Infrastructure and associated site and road work.
- (2) *E2L Real Estate Solutions, LLC*. This company is responsible for the High School renovation and redevelopment, the District Energy Plant and the design and construction management services.
- (3) *JKM Development*. This company is responsible for building the parking garage.

**Grants** - Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the Federal and State government. Any disallowed claims, including amounts already received, may constitute a liability of the City for the return of those funds. In the opinion of management, all grant expenditures were in substantial compliance with the terms of the grant agreements and applicable Federal and State statutes and regulations and the amount of reimbursement to grantor agencies, if any, would not materially affect the financial position of the City.

**Environmental Liabilities** - The City owns property that was used as a landfill prior to 1985. Final closure occurred during 1992. Post-closure care is mandated by State and Federal statutes and regulations and consists of certain maintenance and monitoring functions at the landfill site for 20 years after its closure. Although the City's mandatory post-closure care period ended in 2012, the City's closed landfill site remains subject to ongoing monitoring by various regulatory agencies for potential environmental contaminants. The monitoring programs have not identified any contaminants from the City's closed landfill, however, in the event any landfill contaminants are identified, the City may be financially responsible for the environmental assessment and any cleanup costs, as well as potential fines imposed by governmental regulatory agencies.

**Litigation** - The City is a defendant in various lawsuits incurred in the normal course of operations, the ultimate outcomes of which are not presently determinable. Management and the City's legal counsel believe that amounts not covered by insurance, if any, resulting from these lawsuits would not materially affect the financial position of the City.





# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### C. Postemployment Benefits Other Than Pensions

##### Plan Description

The City administers a single-employer defined benefit plan (the "OPEB Plan") that provides medical and life insurance benefits to eligible retired employees and their beneficiaries. The Plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The City Commission has the authority to establish and amend premiums for and the benefit provisions of the OPEB Plan. The OPEB Plan is financed on a "pay-as-you-go" basis and is not administered as a formal qualifying trust. The OPEB Plan does not issue a publicly available financial report.

Florida Statute 112.0801 requires the City to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the OPEB Plan from separately rating retirees and active employees. Therefore, both groups (active employees and retirees) are charged an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires the actuarial figures to be calculated using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. OPEB Plan members receiving benefits contribute 100% of the monthly premiums ranging from a minimum of \$579 to a maximum of \$1,192 for medical/prescription coverage.

##### Plan Membership

Membership of the City's OPEB Plan as of October 1, 2017, the date of the most recent actuarial valuation, is summarized as follows:

Inactive employees or beneficiaries currently receiving benefit payments	540
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	680

##### Total OPEB Liability

The City's total OPEB liability of \$8,968,972 was determined by an actuarial valuation as of October 1, 2017. The actuarial methods and significant assumptions used to determine the City's total OPEB liability for the current year are summarized as follows:

Actuarial valuation date	October 1, 2017
Measurement date	September 30, 2018
Actuarial cost method	Entry Age Normal
Post-retirement benefit increases	None
Health care cost trend rates	4.0% per year initially, 6.75% for 2019 reduced to an ultimate rate of 4.78% in 2040
Amortization method	Level Percent of Payroll – Closed
Remaining amortization period	28 years
Asset valuation method	N/A <sup>(1)</sup>
Actuarial assumptions:	
Investment rate of return	3.83% <sup>(2)</sup>
Projected salary increases*	3.5% - 14.5%
* Includes inflation rate	2.5%

(1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of September 30, 2018.

(2) Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the *Fidelity 20-Year Municipal GO AA Index*.





# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### C. Postemployment Benefits Other Than Pensions (Continued)

##### Total OPEB Liability (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. In addition, projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective and accordingly, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

##### Changes in the Total OPEB Liability

The change in the City's total OPEB liability for the current year is as follows:

Total OPEB liability at September 30, 2017		\$	8,682,674
Changes in the total OPEB liability for the year			
Service cost			642,372
Interest			320,506
Changes in assumptions and other inputs			(341,125)
Benefit payments			(335,455)
			286,298
Change in total OPEB liability			286,298
Total OPEB liability at September 30, 2018		\$	8,968,972

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:** The following table presents the total OPEB liability of the City calculated using the current 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 one percentage point lower (2.83%) or one percentage point higher (4.83%) than the current rate:

Current Discount Rate	Total OPEB Liability		
	1.0% Decrease in Current Rate	Current Discount Rate	1.0% Increase in Current Rate
3.83%	\$ 10,059,224	\$ 8,968,972	\$ 8,037,418

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate:** The following table presents the total OPEB liability of the City calculated using the current healthcare cost trend rate of 4.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (3.0%) or one percentage point higher (5.0%) than the current rate:

Current Discount Rate	Total OPEB Liability		
	1.0% Decrease in Current Rate	Current Trend Rate	1.0% Increase in Current Rate
4.0%	\$ 7,819,107	\$ 8,968,972	\$ 10,400,748



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### C. Postemployment Benefits Other Than Pensions (Continued)

##### OPEB Expense and Deferred Inflows/Outflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$904,063. At September 30, 2018, the City reported deferred inflows/outflows of resources related to OPEB from the following sources:

	Deferred Inflows	Deferred Outflows
Changes in assumptions and other inputs	\$ 282,310	\$ -
<b>Total</b>	<b>\$ 282,310</b>	<b>\$ -</b>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	
2019	\$ (58,815)
2020	(58,815)
2021	(58,815)
2022	(58,815)
2023	(47,050)

#### D. Defined Benefit Pension Plans

##### Description of Plans

The City contributes to three single-employer defined benefit pension plans covering all full-time City employees.

**General Employees' Pension Fund:** The General Employees' Pension Plan covers all permanent full-time employees except those covered by the Police Officers' and Firefighters' Pension Plans. The benefit provisions and all requirements are established by City Ordinance. Employees are fully vested after five years of service with the City. There is no mandatory retirement age. Retirees begin receiving monthly benefit checks the month their retirement begins and continues until death. Benefits to which retirees are entitled are equal to 3% of their final average monthly compensation times years of credited service, provided the employee has completed at least 30 full years of credited service at any age; 25 or more years of credited service at age 55; or 5 or more years of credited service at age 62. Employee contributions are 7% of annual earnings. The City's contribution is determined actuarially on an annual basis. For 2018 the City's contribution was \$7,110,298. The General Employees' Pension Plan is governed by a seven member board comprised of the Mayor, the City Manager, two City residents appointed by the City Commission and three members elected by the plan membership, one of whom must be a member of a bargaining unit of the City and one of whom must not be a member of a bargaining unit of the City.

**Police Officers' Pension Fund:** The Police Officers' Pension Plan covers all sworn police department employees. Employees are vested after 10 years of service with the City and are eligible for retirement after 20 years of service regardless of age. Employees with 10 years of credited service may retire at or after age 55 or employees with 15 years of credited service may retire at or after age 50. Employees who are age 50 and have 10 years of credited service receive a reduced retirement benefit. Monthly benefit checks begin the month an employee retires, and the amount of benefit to which the retired employee is entitled is equal to the number of years of credited service multiplied by 3% of average final compensation. Employee contributions are 7% of annual



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

##### Description of Plans (Continued)

compensation. The City's contribution is determined actuarially on an annual basis and is reduced by the amount the City receives from the State of Florida pursuant to Chapter 185 of the Florida Statutes, which provides for a premium tax on certain casualty insurance contracts written on properties within the City. The tax is collected by the State of Florida and remitted to the City for the Police Officers' Pension Fund. For 2018 the City's contribution was \$5,355,058 and the contribution from the State was \$825,507. The Police Officers' Pension Plan is governed by a five member board consisting of two police officers, two City residents and a fifth member elected by the other four members.

*Firefighters' Pension Fund:* The Firefighters' Pension Plan covers all firefighters and fire department officers. Employees become vested after 10 years of service with the City and are eligible for retirement after 20 years regardless of age. Employees with 10 years of credited service may retire at or after age 55. Employees who are age 50 and have 10 years of credited service can receive a reduced retirement benefit. Monthly benefit checks begin the month an employee retires, and the amount of the benefit to which the retired employee will be entitled will be equal to the number of years of credited service multiplied by 3% of average final compensation. Employee contributions are 12% of annual compensation. The City's contribution is determined actuarially on an annual basis and is reduced by the amount the City receives from the State of Florida pursuant to Chapter 175 of the Florida Statutes, which provides for a premium tax on certain property insurance contracts written on properties within the City. The tax is collected by the State of Florida and remitted to the City for the Firefighters' Pension Fund. For 2018 the City's contribution was \$5,444,061 and the contribution from the State was \$789,121. The Firefighters' Pension Plan is governed by a five member board consisting of two firefighters, two City residents and a fifth member elected by the other four members.

The benefit provisions and all other requirements of the General Employees', Police Officers' and Firefighters' Pension Funds are established by City Ordinance. The funding methods and determination of benefits payable are provided in the various acts of the Florida Legislature, which created these plans, including subsequent amendments thereto. The Florida Statutes provide, in general, that funds are to be accumulated from employee contributions, City contributions, State appropriations and income from investment of accumulated funds. Florida Statutes also provide that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds, or from any revenues which may lawfully be used for said purposes and in an amount sufficient to make up the deficiency. The investments of the funds are administered, managed and operated by the respective Board of Trustees of each plan.

The net pension liability, deferred outflows/inflows of resources related to pensions and pension expense related to the City's three defined benefit retirement plans are summarized as follows at September 30, 2018:

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Total</u>
Net pension liability	<u>\$ 15,385,113</u>	<u>\$ 43,162,477</u>	<u>\$ 43,438,105</u>	<u>\$ 101,985,695</u>
Deferred outflows/inflows				
Deferred outflows of resources	<u>\$ 6,402,573</u>	<u>\$ 7,896,828</u>	<u>\$ 6,750,315</u>	<u>\$ 21,049,716</u>
Deferred inflows of resources	<u>\$ 9,682,129</u>	<u>\$ 3,309,431</u>	<u>\$ 5,321,567</u>	<u>\$ 18,313,127</u>
Pension expense	<u>\$ 3,298,756</u>	<u>\$ 7,324,506</u>	<u>\$ 6,743,407</u>	<u>\$ 17,366,669</u>



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

##### Plan Membership

Membership data of the City's pension plans as of October 1, 2017, the date of the most recent actuarial valuations, are summarized as follows:

	<u>General Employees'</u>	<u>Police Officers'</u>	<u>Firefighters'</u>
Retirees, beneficiaries and DROP participants receiving benefits	409	134	109
Terminated employees entitled to benefits but not yet receiving them	49	20	3
Active members	383	136	124

##### Significant Accounting Policies

The financial statements of the three pension plans are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value. Money market mutual funds are reported at amortized cost, which approximates fair value. Securities and mutual funds traded on a national exchange are valued at the last sales price. Net asset values of investment funds that are not publicly traded are determined by the fund managers based on the fair values of the underlying investments of the fund. Net appreciation or depreciation in the fair value of investments includes the difference between the fair value and cost of the investments held as well as the net realized and unrealized gains and losses for investments sold during the period. Interest and dividend income are recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis. Investment earnings are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services.

##### DROP Accounts

Any participant of the General Employees', Police Officers', and Firefighters' Pension Plans who is eligible to receive an early or normal retirement benefit may elect to participate in a deferred retirement option plan (DROP) while continuing his or her active employment. Upon participation in DROP, the participant becomes a retiree for plan purposes and ceases to accrue further benefits under the pension plan. Normal retirement payments payable to the participant are invested in DROP and distributed to the participant upon termination of employment. The amounts held for DROP benefits at September 30, 2018 were \$11,970,335 for the General Employees' Pension Plan; \$13,134,973 for the Police Officers' Pension Plan; and \$17,196,200 for the Firefighters' Pension Plan.

##### Investments

Investment Policy: The policy for the allocation of invested assets is established and may be amended by a majority vote of the Board of each pension plan. It is the policy of each pension plan Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policies of the City's pension plans discourage the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. There were no significant changes in the investment policies of the City's pension plans for the year ended September 30, 2018. The asset allocation policies adopted by the pension plan Boards at September 30, 2018 were as follows:



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

##### Investments (Continued)

Asset Class	General Employees'	Police Officers'	Firefighters'
Domestic equity	45%	25%	45%
International equity	20	30	15
Bonds and fixed income	20	32	30
Real estate and REITS	15	7	10
Master limited partnerships	-	2	-
Commodities	-	2	-
Cash	-	2	-
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Rate of Return:** The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. The annual money-weighted rates of return on pension plan investments, net of investment expenses, were as follows for the year ended September 30, 2018:

	General Employees'	Police Officers'	Firefighters'
Annual money-weighted rate of return	9.70%	7.30%	8.87%

##### Net Pension Liability

The components of the net pension liability for the three pension plans for the most recent actuarial valuation as of October 1, 2017, were as follows:

	General Employees'	Police Officers'	Firefighters'
Total pension liability	\$ 195,105,878	\$ 145,145,193	\$ 158,841,491
Plan fiduciary net position	<u>(179,720,765)</u>	<u>(101,982,716)</u>	<u>(115,403,386)</u>
Net pension liability	<u>\$ 15,385,113</u>	<u>\$ 43,162,477</u>	<u>\$ 43,438,105</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>92.1%</u>	<u>70.3%</u>	<u>72.7%</u>



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

##### Actuarial Assumptions

The net pension liability of each pension plan was determined by an actuarial valuation as of October 1, 2017 and measurement date of September 30, 2018, using the following significant actuarial assumptions:

	General Employees'	Police Officers'	Firefighters'
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent of payroll, closed	Level percent of payroll, closed	Level percent of payroll, closed
Remaining amortization period	8 years	21 years	21 years
Asset valuation method	Five year smoothed market	Five year smoothed market	Five year smoothed market
Actuarial assumptions:			
Investment rate of return*	7.3%	7.25%	7.5%
Projected salary increases*	3.5% - 8.6%	5.0% - 6.5%	3.5% -14.5%
Inflation rate	2.8%	2.5%	2.5%
Cost of living adjustments	None	1% annually	2% five years after retirement

\* Includes inflation rate

**Mortality rates** - Mortality rates for the General Employees', Police Officers' and Firefighters' Pension Plans are based on the RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years using Scale BB with a 50% blue collar adjustment and 50% white collar adjustment for males and a 100% white collar adjustment for females for General Employees and 90% blue collar adjustment and 10% white collar adjustment for males and a 100% white collar adjustment for females for Police Officers and Firefighters.

**Actuarial Changes:** There were no changes in benefits. The following changes in actuarial assumptions were made for the actuarial valuations at October 1, 2017:

**General Employees' Pension** - The assumed investment return was reduced from 7.4% to 7.3% for the October 1, 2017 actuarial valuation. The investment return assumption is scheduled to be reduced by 0.10% per year until a target of 7.0% is reached.

**Police Officers' Pension** - The RP-2000 Combined Healthy Participant Mortality Table using Scale AA was adopted for the 2011 actuarial valuation and phased in over a five year period. Scale BB was adopted for the 2016 actuarial valuation. The mortality rates for the 2017 actuarial valuation are based on 100% RP-2000 Combined Healthy Participant Mortality Table using Scale BB.

**Firefighters' Pension** - No changes.

**Rate of Return on Investments:** The long-term expected rate of return on investments of each pension plan 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 a long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target allocation as of September 30, 2018 are summarized in the following table:



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

##### Actuarial Assumptions (Continued)

Asset Class	Long-Term Expected Real Rate of Return		
	General Employees'	Police Officers'	Firefighters'
Domestic equity	4.50%	4.80%	6.00%
International equity	5.00	2.24	8.50
Bonds and fixed income	1.50	2.44	6.00
Real estate and REITS	4.30	7.10	4.50
Master limited partnerships	-	16.90	-
Commodities	-	4.90	-
Cash	-	4.10	-

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

#### Changes in the Net Pension Liability

The changes in the net pension liability of the General Employees', Police Officers' and Firefighters' Pension Plans were as follows for the year ended September 30, 2018:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>General Employees' Pension Fund</b>			
<b>Balances at October 1, 2017</b>	\$ 185,696,911	\$ 165,934,113	\$ 19,762,798
<b>Changes for the Current Year</b>			
Service cost	3,435,186	-	3,435,186
Interest	13,626,918	-	13,626,918
Difference between actual and expected experience	484,186	-	484,186
Assumption changes	1,800,889	-	1,800,889
Contributions – City	-	7,110,298	(7,110,298)
Contributions – Employee	-	1,532,846	(1,532,846)
Net investment income	-	15,250,355	(15,250,355)
Benefit payments, including refunds of employee contributions	(9,969,109)	(9,969,109)	-
Administration expenses	-	(137,738)	137,738
Other (contributions toward elective benefits)	30,897	-	30,897
<b>Net Changes</b>	<b>9,408,967</b>	<b>13,786,652</b>	<b>(4,377,685)</b>
<b>Balances at September 30, 2018</b>	<b>\$ 195,105,878</b>	<b>\$ 179,720,765</b>	<b>\$ 15,385,113</b>





# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

#### Changes in the Net Pension Liability (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Police Officers' Pension Fund</b>			
<b>Balances at October 1, 2017</b>	\$ 133,418,274	\$ 95,209,495	\$ 38,208,779
<b>Changes for the Current Year</b>			
Service cost	3,199,467	-	3,199,467
Interest	10,007,776	-	10,007,776
Difference between actual and expected experience	1,355,270	-	1,355,270
Changes of assumptions	3,525,859	-	3,525,859
Contributions – City	-	5,355,058	(5,355,058)
Contributions – State	-	825,507	(825,507)
Contributions – Employee	-	1,214,260	(1,214,260)
Net investment income	-	6,379,064	(6,379,064)
Benefit payments, including refunds of employee contributions	(6,939,906)	(6,939,906)	-
Administration expenses	-	(163,266)	163,266
Other (other income/adjustments to reserves)	578,453	102,504	475,949
<b>Net Changes</b>	<b>11,726,919</b>	<b>6,773,221</b>	<b>4,953,698</b>
<b>Balances at September 30, 2018</b>	<b>\$ 145,145,193</b>	<b>\$ 101,982,716</b>	<b>\$ 43,162,477</b>
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Total Pension Liability
<b>Firefighters' Pension Fund</b>			
<b>Balances at October 1, 2017</b>	\$ 148,770,660	\$ 104,369,743	\$ 44,400,917
<b>Changes for the Current Year</b>			
Service cost	3,717,529	-	3,717,529
Interest	11,208,637	-	11,208,637
Difference between actual and expected experience	1,224,054	-	1,224,054
Contributions – City	-	5,444,061	(5,444,061)
Contributions – State	-	789,121	(789,121)
Contributions – Employee	-	1,473,516	(1,473,516)
Net investment income	-	9,221,736	(9,221,736)
Benefit payments, including refunds of employee contributions	(6,076,694)	(6,076,694)	-
Administration expenses	-	(141,569)	141,569
Other (rollovers into DROP/adjustments to reserves)	(2,695)	323,472	(326,167)
<b>Net Changes</b>	<b>10,070,831</b>	<b>11,033,643</b>	<b>(962,812)</b>
<b>Balances at September 30, 2018</b>	<b>\$ 158,841,491</b>	<b>\$ 115,403,386</b>	<b>\$ 43,438,105</b>



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

##### Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following table presents the current discount rate used to measure the total pension liability for each pension plan and the net pension liability of each pension plan calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	Current Discount Rate	Net Pension Liability (Asset)		
		1.0% Decrease in Current Rate	Current Discount Rate	1.0% Increase in Current Rate
General Employees'	7.30%	\$ 35,206,371	\$ 15,385,113	\$ (1,345,119)
Police Officers'	7.25%	\$ 59,068,783	\$ 43,162,477	\$ 29,978,241
Firefighters'	7.50%	\$ 61,408,424	\$ 43,438,105	\$ 28,721,648

##### Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions

For the year ended September 30, 2018, the City recognized pension expense of \$15,919,506 and \$1,447,163 for the governmental activities and business-type activities, respectively. At September 30, 2018, the City reported deferred inflows and deferred outflows of resources related to the General Employees', Police Officers' and Firefighters' Pension Plans from the following sources:

	Deferred Inflows	Deferred Outflows
<b>General Employees' Pension Fund</b>		
Differences between expected and actual experience	\$ 1,029,797	\$ 1,281,951
Changes of assumptions	-	3,424,258
Net difference between projected and actual investment earnings on pension plan investments	8,652,332	1,696,364
<b>Total</b>	<b>\$ 9,682,129</b>	<b>\$ 6,402,573</b>
<b>Police Officers' Pension Fund</b>		
Differences between expected and actual experience	\$ 1,004,418	\$ 1,718,976
Changes of assumptions	204,722	4,657,849
Net difference between projected and actual investment earnings on pension plan investments	2,100,291	1,520,003
<b>Total</b>	<b>\$ 3,309,431</b>	<b>\$ 7,896,828</b>
<b>Firefighters' Pension Fund</b>		
Differences between expected and actual experience	\$ 166,067	\$ 1,471,674
Changes of assumptions	-	4,117,708
Net difference between projected and actual investment earnings on pension plan investments	5,155,500	1,160,933
<b>Total</b>	<b>\$ 5,321,567</b>	<b>\$ 6,750,315</b>



# THE CITY OF BOYNTON BEACH

## NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

### 4. Other Information (Continued)

#### D. Defined Benefit Pension Plans (Continued)

##### Pension Expense and Deferred Inflows/Outflows of Resources Related to Pensions (Continued)

Amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	General Employees'	Police Officers'	Firefighters'
2019	\$ (73,280)	\$ 1,803,403	\$ 1,575,186
2020	(1,270,503)	993,576	(33,925)
2021	(1,349,561)	1,007,344	(24,137)
2022	(586,212)	783,074	(88,376)

##### Separately Issued Pension Plan Financial Statements

The City's external auditors did not audit the financial statements of the General Employees', Police Officers' and Firefighters' Pension Funds which were audited by other auditors. Copies of the separate, audited financial statements of each pension plan can be obtained from the City's Pension Boards by calling (561) 742-6081 or by writing to: Pension Administrator, 100 E. Boynton Beach Boulevard, Boynton Beach, FL 33435.

#### E. CRA Defined Contribution Plans

The CRA participates in a 401(a) defined contribution retirement plan and a 457(b) deferred compensation plan (the "Plans"). The Plans are qualified under Sections 401(a), 403(a) and 501(a) of the Internal Revenue Code and are administered by independent trustees. All employees who meet the Plans' eligibility requirements are qualified to participate. Employees make voluntary contributions to the 457(b) plan. The CRA contributes 20% of the total salaries of qualified participants to the 401(a) defined contribution retirement plan which totaled \$144,172 for 2018.

### 5. Related Party Transactions

The CRA is a blended component unit of the City. For the year ended September 30, 2018, the CRA's tax increment revenue includes \$7,336,119 of taxes received from the City. In addition, the CRA reimbursed the City for services performed on behalf of the CRA, including information technology services, Clean & Safe program, landscape and maintenance services, festival expenses, human resources and payroll services, facility rental and permitting fees paid during the year. Payments by the CRA to the City for these services for the year ended September 30, 2018, totaled \$3,335,074.

### 6. Subsequent Event

On November 6, 2018 the City entered into a term loan agreement with a private lender to finance the cost for rehabilitation and construction of the Boynton Beach High School in the amount of \$6,850,000. Interest accrues at a fixed rate of 4.85% beginning December 1, 2018, and is payable monthly through maturity on September 1, 2021. The City is required to deposit an interest reserve of \$337,000 with the lender. Principal payments of \$2,500,000 are due on September 1, 2019 and September 1, 2020, and the remaining principal balance plus accrued interest is due on September 1, 2021.





***Required Supplementary Information***

# THE CITY OF BOYNTON BEACH

## Required Supplementary Information Schedule of Changes in the Net Pension Liability and Related Ratios General Employees' Pension Plan Last Five Fiscal Years

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 3,435,186	\$ 3,115,194	\$ 2,990,326	\$ 2,954,646	\$ 2,968,214
Interest	13,626,918	12,836,669	12,699,614	11,691,291	11,192,833
Changes of benefit terms	-	-	-	5,680,646	-
Differences between expected and actual experience	484,186	2,006,523	(4,891,541)	1,191,720	(13,973)
Change in assumptions	1,800,889	4,538,235	-	-	-
Benefit payments, including refunds	(9,969,109)	(9,749,117)	(8,516,256)	(7,784,781)	(7,994,248)
Other (Contributions toward elective benefits)	30,897	34,453	36,826	40,842	44,092
Net change in total pension liability	9,408,967	12,781,957	2,318,969	13,774,364	6,196,918
Total pension liability, beginning of fiscal year	185,696,911	172,914,954	170,595,985	156,821,621	150,624,703
<b>Total pension liability, end of fiscal year (a)</b>	<b><u>\$ 195,105,878</u></b>	<b><u>\$ 185,696,911</u></b>	<b><u>\$ 172,914,954</u></b>	<b><u>\$ 170,595,985</u></b>	<b><u>\$ 156,821,621</u></b>
<b>Plan Fiduciary Net Position</b>					
Contributions					
Employer	\$ 7,110,298	\$ 6,951,693	\$ 7,615,053	\$ 7,273,068	\$ 6,780,773
Plan members	1,532,846	1,520,068	1,450,369	1,439,239	1,492,985
Net investment income	15,250,355	17,730,273	16,354,236	1,605,790	11,833,483
Benefit payments, including refunds	(9,969,109)	(9,749,117)	(8,516,256)	(7,784,781)	(7,994,248)
Administration expense	(137,738)	(144,179)	(141,114)	(142,577)	(135,227)
Net change in plan fiduciary net position	13,786,652	16,308,738	16,762,288	2,390,739	11,977,766
Plan fiduciary net position, beginning of fiscal year	165,934,113	149,625,375	132,863,087	130,472,348	118,494,582
<b>Plan fiduciary net position, end of fiscal year (b)</b>	<b><u>\$ 179,720,765</u></b>	<b><u>\$ 165,934,113</u></b>	<b><u>\$ 149,625,375</u></b>	<b><u>\$ 132,863,087</u></b>	<b><u>\$ 130,472,348</u></b>
<b>Net Pension Liability, end of fiscal year [(a)-(b)]</b>	<b><u>\$ 15,385,113</u></b>	<b><u>\$ 19,762,798</u></b>	<b><u>\$ 23,289,579</u></b>	<b><u>\$ 37,732,898</u></b>	<b><u>\$ 26,349,273</u></b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.1%	89.4%	86.5%	77.9%	83.2%
Covered Payroll	<u>\$ 21,456,414</u>	<u>\$ 21,223,071</u>	<u>\$ 20,193,471</u>	<u>\$ 19,977,100</u>	<u>\$ 20,698,471</u>
Net Pension Liability as a Percentage of Covered Payroll	71.7%	93.1%	115.3%	188.9%	127.3%

Information prior to fiscal year 2014 is not available.



# THE CITY OF BOYNTON BEACH

## Required Supplementary Information Schedule of Changes in the Net Pension Liability and Related Ratios Police Officers' Pension Plan Last Five Fiscal Years

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 3,199,467	\$ 2,886,162	\$ 3,047,445	\$ 2,767,701	\$ 2,809,815
Interest	10,007,776	9,654,424	9,076,479	8,679,595	8,234,704
Differences between expected and actual experience	1,355,270	(1,118,136)	1,820,086	(1,776,804)	(129,636)
Changes of assumptions	3,525,859	3,177,559	(565,994)	617,426	-
Benefit payments, including refunds	(6,939,906)	(6,270,887)	(6,262,438)	(5,507,892)	(5,519,854)
Other (adjustments to reserves)	578,453	533,304	481,282	395,891	255,655
Net change in total pension liability	11,726,919	8,862,426	7,596,860	5,175,917	5,650,684
Total pension liability, beginning of fiscal year	133,418,274	124,555,848	116,958,988	111,783,071	106,132,387
<b>Total pension liability, end of fiscal year (a)</b>	<b>\$ 145,145,193</b>	<b>\$ 133,418,274</b>	<b>\$ 124,555,848</b>	<b>\$ 116,958,988</b>	<b>\$ 111,783,071</b>
<b>Plan Fiduciary Net Position</b>					
Contributions					
Employer	\$ 5,355,058	\$ 4,791,528	\$ 4,391,305	\$ 4,365,259	\$ 4,159,736
State	825,507	781,307	735,945	675,227	645,579
Plan members	1,214,260	976,688	928,153	1,040,875	911,375
Net investment income	6,379,064	8,797,727	8,254,453	1,428,464	7,154,203
Other income	102,504	98,740	109,362	78,814	28,186
Benefit payments, including refunds	(6,939,906)	(6,270,887)	(6,262,438)	(5,507,892)	(5,519,854)
Administration expense	(163,266)	(167,698)	(164,398)	(153,104)	(125,126)
Net change in plan fiduciary net position	6,773,221	9,007,405	7,992,382	1,927,643	7,254,099
Plan fiduciary net position, beginning of fiscal year	95,209,495	86,202,090	78,209,708	76,282,065	69,027,966
<b>Plan fiduciary net position, end of fiscal year (b)</b>	<b>\$ 101,982,716</b>	<b>\$ 95,209,495</b>	<b>\$ 86,202,090</b>	<b>\$ 78,209,708</b>	<b>\$ 76,282,065</b>
<b>Net Pension Liability, end of fiscal year [(a)-(b)]</b>	<b>\$ 43,162,477</b>	<b>\$ 38,208,779</b>	<b>\$ 38,353,758</b>	<b>\$ 38,749,280</b>	<b>\$ 35,501,006</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.3%	71.4%	69.2%	66.9%	68.2%
Covered Payroll	\$ 11,522,888	\$ 11,834,364	\$ 11,279,375	\$ 11,553,613	\$ 11,070,863
Net Pension Liability as a Percentage of Covered Payroll	374.6%	322.9%	340.0%	335.4%	320.7%

Information prior to fiscal year 2014 is not available.





# THE CITY OF BOYNTON BEACH

## Required Supplementary Information Schedule of Changes in the Net Pension Liability and Related Ratios Firefighters' Pension Plan Last Five Fiscal Years

	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>					
Service cost	\$ 3,717,529	\$ 3,330,443	\$ 3,204,682	\$ 2,988,536	\$ 2,772,724
Interest	11,208,637	10,066,945	9,542,671	8,955,215	8,188,369
Differences between expected and actual experience	1,224,054	668,799	(498,197)	708,071	(28,363)
Changes of assumptions	-	6,644,861	-	1,809,581	-
Benefit payments, including refunds	(6,076,694)	(5,510,050)	(5,176,836)	(4,308,771)	(4,342,743)
Other (Rollovers to DROP & adjustments to reserves)	(2,695)	(161,694)	79,370	399,111	656,082
Net change in total pension liability	10,070,831	15,039,304	7,151,690	10,551,743	7,246,069
Total pension liability, beginning of fiscal year	148,770,660	133,731,356	126,579,666	116,027,923	108,781,854
<b>Total pension liability, end of fiscal year (a)</b>	<b><u>\$ 158,841,491</u></b>	<b><u>\$ 148,770,660</u></b>	<b><u>\$ 133,731,356</u></b>	<b><u>\$ 126,579,666</u></b>	<b><u>\$ 116,027,923</u></b>
<b>Plan Fiduciary Net Position</b>					
Contributions					
Employer	\$ 5,444,061	\$ 4,293,563	\$ 4,195,420	\$ 3,930,996	\$ 3,522,147
State	789,121	883,314	923,246	963,573	1,016,561
Plan members	1,473,516	1,477,115	1,485,128	1,251,530	1,291,773
Net investment income	9,221,736	12,165,106	9,197,486	282,853	7,187,580
Benefit payments, including refunds	(6,076,694)	(5,510,050)	(5,176,836)	(4,308,771)	(4,342,743)
Administration expense	(141,569)	(151,010)	(161,122)	(132,439)	(122,390)
Other (Rollovers into DROP)	323,472	70,279	271,411	139,860	343,843
Net change in plan fiduciary net position	11,033,643	13,228,317	10,734,733	2,127,602	8,896,771
Plan fiduciary net position, beginning of fiscal year	104,369,743	91,141,426	80,406,693	78,279,091	69,382,320
<b>Plan fiduciary net position, end of fiscal year (b)</b>	<b><u>\$ 115,403,386</u></b>	<b><u>\$ 104,369,743</u></b>	<b><u>\$ 91,141,426</u></b>	<b><u>\$ 80,406,693</u></b>	<b><u>\$ 78,279,091</u></b>
<b>Net Pension Liability, end of fiscal year [(a)-(b)]</b>	<b><u>\$ 43,438,105</u></b>	<b><u>\$ 44,400,917</u></b>	<b><u>\$ 42,589,930</u></b>	<b><u>\$ 46,172,973</u></b>	<b><u>\$ 37,748,832</u></b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	<u>72.7%</u>	<u>70.2%</u>	<u>68.2%</u>	<u>63.5%</u>	<u>67.5%</u>
Covered Payroll	<u>\$ 11,133,758</u>	<u>\$ 11,219,225</u>	<u>\$ 10,906,700</u>	<u>\$ 9,962,067</u>	<u>\$ 9,925,925</u>
Net Pension Liability as a Percentage of Covered Payroll	<u>390.1%</u>	<u>395.8%</u>	<u>390.5%</u>	<u>463.5%</u>	<u>380.3%</u>

Information prior to fiscal year 2014 is not available.



# THE CITY OF BOYNTON BEACH

## Required Supplementary Information Schedules of City Contributions Pension Trust Funds Last Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Employees' Pension Fund</b>					
Actuarially determined contribution	\$ 7,110,298	\$ 6,951,693	\$ 7,608,338	\$ 7,273,067	\$ 6,780,773
Contributions in relation to actuarially determined contribution	<u>7,110,298</u>	<u>6,951,693</u>	<u>7,615,053</u>	<u>7,273,068</u>	<u>6,780,773</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,715)</u>	<u>\$ (1)</u>	<u>\$ -</u>
Covered payroll	<u>\$ 21,456,414</u>	<u>\$ 21,223,071</u>	<u>\$ 20,193,471</u>	<u>\$ 19,977,100</u>	<u>\$ 20,698,471</u>
Contributions as a percentage of covered payroll	<u>33.1%</u>	<u>32.8%</u>	<u>37.7%</u>	<u>36.4%</u>	<u>32.8%</u>
<b>Police Officers' Pension Fund</b>					
Actuarially determined contribution	\$ 5,820,145	\$ 5,256,615	\$ 4,856,392	\$ 4,830,346	\$ 4,560,918
Contributions in relation to actuarially determined contribution	<u>5,820,145</u>	<u>5,256,615</u>	<u>4,856,392</u>	<u>4,830,346</u>	<u>4,624,823</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,905)</u>
Covered payroll	<u>\$ 11,522,888</u>	<u>\$ 11,834,364</u>	<u>\$ 11,279,375</u>	<u>\$ 11,553,613</u>	<u>\$ 11,070,863</u>
Contributions as a percentage of covered payroll	<u>50.5%</u>	<u>44.4%</u>	<u>43.1%</u>	<u>41.8%</u>	<u>41.8%</u>
<b>Firefighters' Pension Fund</b>					
Actuarially determined contribution	\$ 6,157,171	\$ 5,075,517	\$ 4,899,742	\$ 4,635,318	\$ 4,226,469
Contributions in relation to actuarially determined contribution	<u>6,226,015</u>	<u>5,075,517</u>	<u>4,977,374</u>	<u>4,635,318</u>	<u>4,226,469</u>
Contribution deficiency (excess)	<u>\$ (68,844)</u>	<u>\$ -</u>	<u>\$ (77,632)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 11,133,758</u>	<u>\$ 11,219,225</u>	<u>\$ 10,906,700</u>	<u>\$ 9,962,067</u>	<u>\$ 9,925,925</u>
Contributions as a percentage of covered payroll	<u>55.9%</u>	<u>45.2%</u>	<u>45.6%</u>	<u>46.5%</u>	<u>42.6%</u>

Information prior to fiscal year 2014 is not available.



# THE CITY OF BOYNTON BEACH

## Required Supplementary Information Notes to Schedules of City Contributions Pension Trust Funds Last Five Fiscal Years

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund
<b>Actuarial valuation date</b>	10/1/2017	10/1/2017	10/1/2017
<b>Measurement date</b>	9/30/2018	9/30/2018	9/30/2018
<b>Actuarial methods and assumptions used to determine contribution rates:</b>			
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed	Level Percent of Payroll, Closed
Remaining amortization period	8 years	21 years	21 years
Asset valuation method	5-Year Smoothed	5-Year Smoothed	5-Year Smoothed
Investment rate of return (net of expenses, with inflation)	7.3% / year	7.25% / year	7.5% / year
Salary increases (with inflation)	3.5% - 8.6% / year	5.0% - 6.5% / year	3.5% - 14.5% / year
Inflation	2.8% / year	2.5% / year	2.5% / year
Cost of living adjustments	None	1.0% annually	2.0% five years after retirement
Retirement age	Experienced-based table of rates	Experienced-based table of rates	Experienced-based table of rates
Mortality	RP-2000 Combined Healthy Participant Mortality Table using Scale BB	RP-2000 Combined Healthy Participant Mortality Table using Scale BB	RP-2000 Combined Healthy Participant Mortality Table using Scale BB

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

### Actuarial Changes

Revisions in benefits	None	(1)	None
(1) Ordinance 15-022 was passed on September 3, 2015 and changed the benefit accrual for all members hired on or after 10-1-2015 to 3.0% per year of credited service. The benefit accrual for members hired prior to 10-1-2015 remains at 3.5%.			
Revisions in actuarial assumptions	(6)	(2) (4) (5)	(3) (5)
(2) RP-2000 Combined Healthy Participant Mortality Table using Scale BB was adopted on October 1, 2011 and phased in over a five year period. For the current actuarial valuation 100% of the revised rate are used.			
(3) The investment return assumption was reduced from 7.65% in the 2013 actuarial valuation to 7.50% in the 2014 actuarial valuation.			
(4) The investment return assumption was reduced from 7.75% in the 2015 actuarial valuation to 7.50% in 2016 and from 7.50% to 7.25% in the 2017 actuarial valuation.			
(5) RP-2000 Combined Healthy Participant Mortality Table using Scale BB was adopted on October 1, 2016.			
(6) The investment return assumption was reduced from 7.5% in the 2015 actuarial valuation to 7.4% in 2016 and from 7.4% to 7.3% in the 2017 actuarial valuation.			



**Required Supplementary Information  
Schedules of Investment Returns  
Pension Trust Funds  
Last Five Fiscal Years**

Fiscal Year Ended September 30,	Annual money-weighted rate of return, net of investment expenses		
	General Employees' Pension Plan	Police Officers' Pension Plan	Firefighters' Pension Plan
2018	9.70%	7.30%	8.87%
2017	12.50%	11.04%	12.86%
2016	12.60%	10.72%	11.07%
2015	0.80%	2.50%	0.78%
2014	10.20%	11.00%	9.54%

**Notes to Schedule:**

The money-weighted rate of return considers the changing amounts estimated as invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. Cash flows are estimated on a monthly basis and are assumed to occur at the beginning of each month. Cash inflows are netted with cash outflows, resulting in a net cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

Information prior to fiscal year 2014 is not available.



# THE CITY OF BOYNTON BEACH

## Required Supplementary Information Schedule of Changes in the Total OPEB Liability and Related Ratios Current Fiscal Year

	<b>2018</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 642,372
Interest	320,506
Changes of assumptions	(341,125)
Benefit payments	(335,455)
Net change in total OPEB liability	286,298
Total OPEB liability, beginning of fiscal year	8,682,674
<b>Total OPEB liability, end of fiscal year</b>	<b>\$ 8,968,972</b>
Covered Employee Payroll	\$ 47,747,864
Net Pension Liability as a Percentage of Covered Employee Payroll	18.8%

**Notes to Schedule:**

Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

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

*Changes of Assumptions*: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each year. The following are the discount rates used for each fiscal year:

2017	3.50%
2018	3.83%



*Combining and Individual Fund  
Financial Statements*





**MAJOR GOVERNMENTAL FUNDS**

**General Fund:**

The General Fund serves as the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund.

**Boynton Beach CRA Special Revenue Fund:**

The Boynton Beach CRA Special Revenue Fund accounts for revenues and expenditures relative to all the general operations of the City's Community Redevelopment Agency (CRA). It is a blended component unit that encourages development in the City's downtown area.



# THE CITY OF BOYNTON BEACH

## Major Governmental Funds Balance Sheets September 30, 2018

	General Fund	Boynton Beach CRA Special Revenue Fund
<b>ASSETS</b>		
Pooled cash and investments	\$ 15,861,861	\$ 2,368,299
Accounts receivable, net	3,664,130	7,128
Due from other governments	618,702	-
Due from other funds	3,405,698	-
Prepaid items	490,897	145,036
Total assets	\$ 24,041,288	\$ 2,520,463
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 2,297,672	\$ 104,846
Accrued liabilities	2,008,114	-
Refundable deposits	514,786	13,315
Total liabilities	6,820,572	118,161
Deferred inflows of resources:		
Unavailable revenue	1,286,993	-
Fund balance:		
Nonspendable		
Prepaid items	490,897	145,036
Committed for:		
Emergency purposes	8,324,107	-
Economic development	-	658,307
Assigned to:		
Economic development	-	1,598,959
Unassigned	7,118,719	-
Total fund balance	15,933,723	2,402,302
Total liabilities, deferred inflows of resources and fund balance	\$ 24,041,288	\$ 2,520,463



# THE CITY OF BOYNTON BEACH

## Major Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018

	General Fund	Boynton Beach CRA Special Revenue Fund
<b>REVENUES</b>		
Taxes	\$ 42,909,550	\$ 11,776,329
Less: tax increment revenue	(7,336,119)	-
Licenses and permits	8,377,370	-
Intergovernmental	10,991,092	-
Charges for services	7,271,403	1,267,068
Special assessments	6,859,493	-
Fines and forfeitures	266,310	-
Rents and royalties	437,947	-
Investment earnings	107,806	138,978
Miscellaneous	2,921,284	-
Total revenues	72,806,136	13,182,375
<b>EXPENDITURES</b>		
Current:		
General government	15,717,212	3,176,358
Public safety	59,647,201	-
Physical environment	1,303,877	-
Economic environment	313,792	-
Culture and recreation	8,047,712	-
Capital outlay	1,348,919	31,054
Debt service:		
Principal retirement	145,994	-
Interest charges	19,568	-
Total expenditures	86,544,275	3,207,412
Revenues over (under) expenditures	(13,738,139)	9,974,963
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	15,067,850	-
Transfers out	(2,417,186)	(11,822,180)
Issuance of installment debt	670,140	-
Total other financing sources and uses	13,320,804	(11,822,180)
Net change in fund balance	(417,335)	(1,847,217)
Fund balance - beginning of year	16,351,058	4,249,519
Fund balance - end of year	\$ 15,933,723	\$ 2,402,302



# THE CITY OF BOYNTON BEACH

## General Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 15,861,861	\$ 11,131,925
Accounts receivable, net	3,664,130	3,979,538
Due from other governments	618,702	528,232
Due from other funds	3,405,698	4,729,316
Prepaid items	490,897	469,156
Total assets	\$ 24,041,288	\$ 20,838,167
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 2,297,672	740,543
Accrued liabilities	2,008,114	1,757,375
Refundable deposits	514,786	627,956
Total liabilities	6,820,572	3,125,874
Deferred inflows of resources:		
Unavailable revenue	1,286,993	1,361,235
Fund balance:		
Nonspendable:		
Prepaid items	490,897	469,156
Committed for:		
Emergency purposes	8,324,107	8,324,107
Assigned to:		
Subsequent year's budget	-	118,100
Unassigned	7,118,719	7,439,695
Total fund balance	15,933,723	16,351,058
Total liabilities, deferred inflows of resources and fund balance	\$ 24,041,288	\$ 20,838,167



# THE CITY OF BOYNTON BEACH

## General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Taxes	\$ 42,909,550	\$ 39,957,209
Less: tax increment revenue	(7,336,119)	(6,590,331)
Licenses and permits	8,377,370	7,550,572
Intergovernmental	10,991,092	10,642,905
Charges for services	7,271,403	7,578,059
Special assessments	6,859,493	5,692,928
Fines and forfeitures	266,310	600,889
Rents and royalties	437,947	413,386
Investment earnings	107,806	148,509
Miscellaneous	2,921,284	964,837
Total revenues	72,806,136	66,958,963
<b>EXPENDITURES</b>		
Current:		
General government	15,717,212	11,144,116
Public safety	59,647,201	57,761,958
Physical environment	1,303,877	1,327,054
Economic environment	313,792	146,452
Culture and recreation	8,047,712	7,844,874
Capital outlay	1,348,919	738,558
Debt service		
Principal retirement	145,994	-
Interest charges	19,568	-
Total expenditures	86,544,275	78,963,012
Revenues over (under) expenditures	(13,738,139)	(12,004,049)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	15,067,850	14,842,000
Transfers out	(2,417,186)	(2,491,861)
Issuance of installment debt	670,140	-
Total other financing sources and uses	13,320,804	12,350,139
Net change in fund balance	(417,335)	346,090
Fund balance - beginning of year	16,351,058	16,004,968
Fund balance - end of year	\$ 15,933,723	\$ 16,351,058



# THE CITY OF BOYNTON BEACH

## Boynton Beach CRA Special Revenue Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 2,368,299	\$ 4,259,996
Accounts receivable, net	7,128	6,496
Prepaid items	145,036	125,196
Total assets	\$ 2,520,463	\$ 4,391,688
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 104,846	\$ 131,309
Refundable deposits	13,315	10,860
Total liabilities	118,161	142,169
Fund balance:		
Nonspendable:		
Prepaid items	145,036	125,196
Restricted for economic development	-	88,123
Committed for economic development	658,307	1,196,851
Assigned to economic development	1,598,959	2,839,349
Total fund balance	2,402,302	4,249,519
Total liabilities and fund balance	\$ 2,520,463	\$ 4,391,688



# THE CITY OF BOYNTON BEACH

## Boynton Beach CRA Special Revenue Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Taxes	\$ 11,776,329	\$ 10,579,150
Charges for services	1,267,068	1,135,721
Investment earnings	138,978	29,352
Total revenues	13,182,375	11,744,223
<b>EXPENDITURES</b>		
Current:		
General government	3,176,358	2,761,209
Capital outlay:		
General government	31,054	36,098
Total expenditures	3,207,412	2,797,307
Revenues over expenditures	9,974,963	8,946,916
<b>OTHER FINANCING USES</b>		
Transfers out	(11,822,180)	(9,424,830)
Total other financing uses	(11,822,180)	(9,424,830)
Net change in fund balance	(1,847,217)	(477,914)
Fund balance - beginning of year	4,249,519	4,727,433
Fund balance - end of year	\$ 2,402,302	\$ 4,249,519







**MAJOR ENTERPRISE FUNDS**

Enterprise funds account for activities for which a fee is charged to external users for services or activities financed with debt that is secured solely by a pledge of the net revenues from fees of the activity.

**Water & Sewer Fund:**

To account for the operations of the City's water, sewer, and stormwater utility services.

**Sanitation Fund:**

To account for the operations of refuse and recycling pickup for all residences and commercial establishments located within the city limits of Boynton Beach.



# THE CITY OF BOYNTON BEACH

## Major Enterprise Funds Statements of Net Position September 30, 2018

	Water & Sewer	Sanitation
<b>ASSETS</b>		
Current assets:		
Pooled cash and investments	\$ 26,246,058	\$ -
Accounts receivable, net	5,096,006	1,277,622
Due from other governments	-	5,907
Prepaid expenses	85,533	-
	<u>31,427,597</u>	<u>1,283,529</u>
Restricted assets:		
Restricted pooled cash and investments:		
Customer deposits	1,441,762	-
Revenue bond covenants	7,331,384	-
Capital improvements	53,661,849	-
	<u>62,434,995</u>	<u>-</u>
Restricted accounts receivable - customer deposits	38,722	-
	<u>62,473,717</u>	<u>-</u>
Total current assets	<u>93,901,314</u>	<u>1,283,529</u>
Noncurrent assets:		
Investment in Regional Wastewater Joint Venture	18,810,713	-
Intangible assets	2,910,000	-
Capital assets not being depreciated	16,608,968	-
Capital assets, net of accumulated depreciation	160,193,280	3,755
Total noncurrent assets	<u>198,522,961</u>	<u>3,755</u>
Total assets	<u>292,424,275</u>	<u>1,287,284</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on debt refundings	736,521	-
Deferred amounts related to pensions	1,902,845	553,182
Total deferred outflows of resources	<u>2,639,366</u>	<u>553,182</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	2,357,504	178,200
Accrued expenses	288,836	121,648
Contracts payable	52,800	-
Refundable deposits	115,122	-
Compensated absences payable	149,714	46,478
Due to other governments	55,743	-
Due to other funds	-	1,745,031
	<u>3,019,719</u>	<u>2,091,357</u>
Current liabilities payable from restricted assets:		
Customer deposits	1,480,484	-
Revenue bonds, current maturities	3,605,000	-
Accrued revenue bond interest	1,427,000	-
Contracts payable	2,454,265	-
	<u>8,966,749</u>	<u>-</u>
Total current liabilities	<u>11,986,468</u>	<u>2,091,357</u>
Noncurrent liabilities:		
Revenue bonds payable, less current maturities, plus unamortized premium	87,005,047	-
Compensated absences payable, less current portion	1,001,930	311,042
Other postemployment benefits	2,665,578	774,919
Net pension liability	4,572,455	1,329,274
Total noncurrent liabilities	<u>95,245,010</u>	<u>2,415,235</u>
Total liabilities	<u>107,231,478</u>	<u>4,506,592</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to other postemployment benefits	83,903	24,392
Deferred amounts related to pensions	2,920,753	815,348
Total deferred inflows of resources	<u>3,004,656</u>	<u>839,740</u>
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	137,399,785	3,755
Restricted for:		
Revenue bond covenants	2,299,384	-
Unrestricted (deficit)	45,128,338	(3,509,621)
Total net position (deficit)	<u>\$ 184,827,507</u>	<u>\$ (3,505,866)</u>



# THE CITY OF BOYNTON BEACH

## Major Enterprise Funds Statements of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018

	Water & Sewer	Sanitation
<b>OPERATING REVENUES</b>		
Charges for services:		
Water sales	\$ 23,420,190	\$ -
Sewer service	19,096,323	-
Stormwater utility fees	3,880,546	-
Garbage fees	-	11,890,131
Recycling fees	-	21,855
Total operating revenues	46,397,059	11,911,986
<b>OPERATING EXPENSES</b>		
Personal services and benefits	9,603,027	3,353,426
Supplies, services and claims	12,728,677	4,947,516
Depreciation and amortization	12,540,654	1,298
Total operating expenses	34,872,358	8,302,240
Operating income	11,524,701	3,609,746
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	54,395	-
Interest expense	(3,203,498)	-
Equity in loss of Regional Wastewater Joint Venture	(748,657)	-
Miscellaneous income	97,422	-
	(3,800,338)	-
Income before contributions and transfers	7,724,363	3,609,746
Capital contributions	2,138,466	-
Transfers:		
Transfers in	-	10,000
Transfers out	(7,342,069)	(2,383,116)
Total transfers	(7,342,069)	(2,373,116)
Change in net position	2,520,760	1,236,630
Net position (deficit) - beginning of year, as originally reported	183,861,255	(4,310,198)
Restatement for implementation of GASB Statement 75	(1,554,508)	(432,298)
Net position (deficit) - beginning of year, as restated	182,306,747	(4,742,496)
Net position (deficit) - end of year	\$ 184,827,507	\$ (3,505,866)



# THE CITY OF BOYNTON BEACH

## Major Enterprise Funds Statements of Cash Flows For the Year Ended September 30, 2018

	Water & Sewer	Sanitation
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 46,429,344	\$ 12,037,926
Receipts from others	97,422	-
Payments to suppliers	(11,013,788)	(4,090,826)
Payments to employees	(10,649,564)	(3,543,487)
Payments for interfund services used	(795,092)	(2,026,151)
Net cash provided by operating activities	24,068,322	2,377,462
<b>Cash Flows From Non-Capital Financing Activities</b>		
Transfers in	-	10,000
Transfers out	(7,342,069)	(2,383,116)
Net cash used in non-capital financing activities	(7,342,069)	(2,373,116)
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisition of capital assets	(7,937,388)	(4,346)
Capital contributions	2,138,466	-
Proceeds from issuance of revenue bonds	11,065,000	-
Principal payments on revenue bonds	(3,425,000)	-
Interest payments on revenue bonds	(3,261,374)	-
Net cash used in capital and related financing activities	(1,420,296)	(4,346)
<b>Cash Flows From Investing Activity</b>		
Interest on investments	54,395	-
Net cash provided by investing activity	54,395	-
Increase in cash and cash equivalents	15,360,352	-
Cash and cash equivalents - beginning of year	73,320,701	-
Cash and cash equivalents - end of year	\$ 88,681,053	\$ -
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities:</b>		
Operating income	\$ 11,524,701	\$ 3,609,746
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	12,540,654	1,298
Provision for doubtful accounts	(327,293)	-
Miscellaneous income	97,422	-
Changes in operating assets and liabilities:		
Accounts receivable	364,208	112,532
Due from other governments	-	13,408
Prepaid expenses	(73,518)	-
Deferred amounts related to pensions	158,490	56,784
Deferred amounts related to other postemployment benefits	83,903	24,392
Accounts payable	986,648	30,378
Accrued expenses	8,492	14,818
Refundable deposits	6,431	-
Due to other governments	6,667	-
Due to other funds	-	(1,199,839)
Customer deposits	(11,061)	-
Compensated absences payable	(10,316)	10,129
Other postemployment benefits	85,087	24,736
Net pension liability	(1,372,193)	(320,920)
Total adjustments	12,543,621	(1,232,284)
Net cash provided by operating activities	\$ 24,068,322	\$ 2,377,462
<b>Noncash Investing, Capital and Related Financing Activities:</b>		
Equity in loss of Regional Wastewater Joint Venture	\$ (748,657)	\$ -
Amortization of bond premiums	305,467	-
Amortization of charges on refundings	(137,157)	-



# THE CITY OF BOYNTON BEACH

## Water & Sewer Fund Statement of Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Current assets:		
Pooled cash and investments	\$ 26,246,058	\$ 24,896,945
Accounts receivable, net	5,096,006	5,142,152
Prepaid expenses	85,533	12,015
	31,427,597	30,051,112
Restricted assets:		
Restricted pooled cash and investments:		
Customer deposits	1,441,762	1,462,054
Revenue bond covenants	7,331,384	7,009,114
Capital improvements	53,661,849	39,952,588
	62,434,995	48,423,756
Restricted accounts receivable - customer deposits	38,722	29,491
	62,473,717	48,453,247
Total current assets	93,901,314	78,504,359
Noncurrent assets:		
Investment in Regional Wastewater Joint Venture	18,810,713	19,559,370
Intangible assets	2,910,000	2,910,000
Capital assets not being depreciated	16,608,968	11,614,834
Capital assets, net of accumulated depreciation	160,193,280	169,164,701
Total noncurrent assets	198,522,961	203,248,905
Total assets	292,424,275	281,753,264
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charges on debt refundings	736,521	927,867
Deferred amounts related to pensions	1,902,845	2,532,591
Total deferred outflows of resources	2,639,366	3,460,458
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	2,357,504	1,370,856
Accrued expenses	288,836	280,344
Contracts payable	52,800	87,756
Refundable deposits	115,122	108,691
Compensated absences payable	149,714	151,055
Due to other governments	55,743	49,076
	3,019,719	2,047,778
Current liabilities payable from restricted assets:		
Customer deposits	1,480,484	1,491,545
Revenue bonds, current maturities	3,605,000	3,425,000
Accrued revenue bond interest	1,427,000	1,370,755
Contracts payable	2,454,265	1,793,330
	8,966,749	8,080,630
Total current liabilities	11,986,468	10,128,408
Noncurrent liabilities:		
Revenue bonds payable, less current maturities, plus unamortized premium	87,005,047	79,850,514
Compensated absences payable, less current portion	1,001,930	1,010,905
Other postemployment benefits	2,665,578	1,025,983
Net pension liability	4,572,455	5,944,648
Total noncurrent liabilities	95,245,010	87,832,050
Total liabilities	107,231,478	97,960,458
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to other postemployment benefits	83,903	-
Deferred amounts related to pensions	2,920,753	3,392,009
Total deferred inflows of resources	3,004,656	3,392,009
<b>NET POSITION</b>		
Net investment in capital assets	137,399,785	135,663,279
Restricted for:		
Revenue bond covenants	2,299,384	2,213,359
Unrestricted	45,128,338	45,984,617
Total net position	\$ 184,827,507	\$ 183,861,255



# THE CITY OF BOYNTON BEACH

## Water & Sewer Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>OPERATING REVENUES</b>		
Charges for services:		
Water sales	\$ 23,420,190	\$ 23,369,589
Sewer service	19,096,323	18,876,837
Stormwater utility fees	3,880,546	3,810,401
Total operating revenues	46,397,059	46,056,827
<b>OPERATING EXPENSES</b>		
Personal services and benefits	9,603,027	10,406,105
Supplies, services and claims	12,728,677	12,211,184
Depreciation and amortization	12,540,654	11,687,167
Total operating expenses	34,872,358	34,304,456
Operating income	11,524,701	11,752,371
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment earnings	54,395	314,624
Interest expense	(3,203,498)	(1,635,333)
Equity in loss of Regional Wastewater Joint Venture	(748,657)	(1,349,711)
Loss on disposal of capital assets	-	(202,978)
Miscellaneous income	97,422	40,178
	(3,800,338)	(2,833,220)
Income before contributions and transfers	7,724,363	8,919,151
Capital contributions	2,138,466	215,756
Transfers:		
Transfers out	(7,342,069)	(6,368,878)
Total transfers	(7,342,069)	(6,368,878)
Change in net position	2,520,760	2,766,029
Net position - beginning of year, as originally reported	183,861,255	181,095,226
Restatement for implementation of GASB Statement 75	(1,554,508)	-
Net position - beginning of year, as restated	182,306,747	181,095,226
Net position - end of year	\$ 184,827,507	\$ 183,861,255





# THE CITY OF BOYNTON BEACH

## Water & Sewer Fund Statement of Cash Flows For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 46,429,344	\$ 45,850,201
Receipts from others	97,422	40,178
Payments to suppliers	(11,013,788)	(11,846,544)
Payments to employees	(10,649,564)	(11,256,169)
Payments for interfund services used	(795,092)	(670,970)
Net cash provided by operating activities	24,068,322	22,116,696
<b>Cash Flows From Non-Capital Financing Activity</b>		
Transfers out	(7,342,069)	(6,368,878)
Net cash used in non-capital financing activity	(7,342,069)	(6,368,878)
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisition of capital assets	(7,937,388)	(17,520,170)
Capital contributions	2,138,466	215,756
Proceeds from issuance of revenue bonds	11,065,000	23,000,000
Bond issuance costs paid	-	(54,189)
Principal payments on revenue bonds	(3,425,000)	(3,255,000)
Interest payments on revenue bonds	(3,261,374)	(3,136,770)
Net cash used in capital and related financing activities	(1,420,296)	(750,373)
<b>Cash Flows From Investing Activity</b>		
Interest on investments	54,395	314,624
Net cash provided by investing activity	54,395	314,624
Increase in cash and cash equivalents	15,360,352	15,312,069
Cash and cash equivalents - beginning of year	73,320,701	58,008,632
Cash and cash equivalents - end of year	\$ 88,681,053	\$ 73,320,701
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities:</b>		
Operating income	\$ 11,524,701	\$ 11,752,371
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	12,540,654	11,687,167
Provision for doubtful accounts	(327,293)	13,252
Miscellaneous income	97,422	40,178
Changes in operating assets and liabilities:		
Accounts receivable	364,208	(237,408)
Prepaid expenses	(73,518)	68,294
Deferred amounts related to pensions	158,490	(16,465)
Deferred amounts related to other postemployment benefits	83,903	-
Accounts payable	986,648	(382,645)
Accrued expenses	8,492	(6,747)
Refundable deposits	6,431	(6,719)
Due to other governments	6,667	8,021
Customer deposits	(11,061)	24,249
Compensated absences payable	(10,316)	21,311
Other postemployment benefits	85,087	79,944
Net pension liability	(1,372,193)	(928,107)
Total adjustments	12,543,621	10,364,325
Net cash provided by operating activities	\$ 24,068,322	\$ 22,116,696
<b>Noncash Investing, Capital and Related Financing Activities:</b>		
Equity in loss of Regional Wastewater Joint Venture	\$ (748,657)	\$ (1,349,711)
Loss on disposal of capital assets	-	(202,978)
Amortization of bond premiums	305,467	313,067
Amortization of charges on refundings	(137,157)	(137,158)
Capitalized interest	-	(1,488,507)



# THE CITY OF BOYNTON BEACH

## Sanitation Fund Statement of Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Current assets:		
Accounts receivable, net	\$ 1,277,622	\$ 1,390,154
Due from other governments	5,907	19,315
Total current assets	1,283,529	1,409,469
Noncurrent assets:		
Capital assets, net of accumulated depreciation	3,755	707
Total noncurrent assets	3,755	707
Total assets	1,287,284	1,410,176
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	553,182	703,030
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	178,200	147,822
Accrued expenses	121,648	106,830
Compensated absences payable	46,478	45,161
Due to other funds	1,745,031	2,944,870
Total current liabilities	2,091,357	3,244,683
Noncurrent liabilities:		
Compensated absences payable, less current portion	311,042	302,230
Other postemployment benefits	774,919	317,885
Net pension liability	1,329,274	1,650,194
Total noncurrent liabilities	2,415,235	2,270,309
Total liabilities	4,506,592	5,514,992
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to other postemployment benefits	24,392	-
Deferred amounts related to pensions	815,348	908,412
Total deferred inflows of resources	839,740	908,412
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	3,755	707
Unrestricted (deficit)	(3,509,621)	(4,310,905)
Total net position (deficit)	\$ (3,505,866)	\$ (4,310,198)



# THE CITY OF BOYNTON BEACH

## Sanitation Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>OPERATING REVENUES</b>		
Charges for services:		
Garbage fees	\$ 11,890,131	\$ 11,781,261
Recycling fees	21,855	73,610
Total operating revenues	11,911,986	11,854,871
<b>OPERATING EXPENSES</b>		
Personal services and benefits	3,353,426	3,260,229
Supplies, services and claims	4,947,516	5,177,519
Depreciation and amortization	1,298	7,910
Total operating expenses	8,302,240	8,445,658
Operating income	3,609,746	3,409,213
Transfers:		
Transfers in	10,000	10,000
Transfers out	(2,383,116)	(3,537,242)
Total transfers	(2,373,116)	(3,527,242)
Change in net position	1,236,630	(118,029)
Net position (deficit) - beginning of year, as originally reported	(4,310,198)	(4,192,169)
Restatement for implementation of GASB Statement 75	(432,298)	-
Net position (deficit) - beginning of year, as restated	(4,742,496)	(4,192,169)
Net position (deficit) - end of year	\$ (3,505,866)	\$ (4,310,198)



# THE CITY OF BOYNTON BEACH

## Sanitation Fund Statement of Cash Flows For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 12,037,926	\$ 11,763,820
Payments to suppliers	(4,090,826)	(3,064,440)
Payments to employees	(3,543,487)	(3,390,606)
Payments for interfund services used	(2,026,151)	(1,781,532)
Net cash provided by operating activities	2,377,462	3,527,242
<b>Cash Flows From Non-Capital Financing Activities</b>		
Transfers in	10,000	10,000
Transfers out	(2,383,116)	(3,537,242)
Net cash used in non-capital financing activities	(2,373,116)	(3,527,242)
<b>Cash Flows From Capital and Related Financing Activity</b>		
Acquisition of capital assets	(4,346)	-
Net cash used in capital and related financing activity	(4,346)	-
Increase in cash and cash equivalents	-	-
Cash and cash equivalents - beginning of year	-	-
Cash and cash equivalents - end of year	\$ -	\$ -
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities:</b>		
Operating income	\$ 3,609,746	\$ 3,409,213
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,298	7,910
Changes in operating assets and liabilities:		
Accounts receivable	112,532	(82,200)
Due from other governments	13,408	(8,851)
Deferred amounts related to pensions	56,784	1,969
Deferred amounts related to other postemployment benefits	24,392	-
Accounts payable	30,378	(40,367)
Accrued expenses	14,818	27,054
Due to other funds	(1,199,839)	371,914
Compensated absences payable	10,129	(2,804)
Other postemployment benefits	24,736	47,060
Net pension liability	(320,920)	(203,656)
Total adjustments	(1,232,284)	118,029
Net cash provided by operating activities	\$ 2,377,462	\$ 3,527,242



## **NON-MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are funds containing certain revenue sources set aside for a specific purpose. Some funds contain legal restrictions requiring that they may only be spent for a specific purpose.

**Grants Fund:** To account for Parks Development Grants and Law Enforcement Grants received by the City.

**FEMA Hurricane Fund:** To account for hurricane related grants and expenditures.

**SHIP Grant Fund:** To account for revenues and expenditures related to the State's affordable housing initiative program.

**CDBG Grant Fund:** To account for revenues and expenditures related to the Community Development Block Grant.

**Traffic Safety Fund:** To account for revenues and expenditures related to red light traffic cameras.

**Local Option Gas Tax Fund:** To account for gas tax revenues restricted for roadway program expenditures.

**Community Improvements Fund:** To account for revenues and expenditures relative to the City's low-income home improvements program.

**Green Building Fund:** To account for revenues and expenditures related to the City's energy improvements to public buildings.

**Public Art Fund:** To account for fees collected from developers to be used by the City for establishing and enhancing public art throughout the City.

**Recreation Program Fund:** To account for revenues and expenditures relative to recreation programs in the City.

**Boynton Beach Memorial Park Fund:** To account for revenues and expenditures relative to the City's two cemeteries.

**Community Services Fund:** To account for assets that are restricted for designated purposes.

### **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.

**Public Service Tax Debt Service Fund:**

The Public Service Tax Debt Service Fund accounts for the payment of principal and interest and fiscal charges on the City's revenue bonds which are payable from non-ad valorem revenues.

**Boynton Beach CRA Debt Service Fund:** To account for the accumulation of resources for the annual payment of principal and interest on long-term obligation debt of the Boynton Beach Community Redevelopment Agency.

### **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 and trust funds.

**General Capital Improvements Fund:** To account for City construction projects, such as major improvements to general City buildings and improvements to streets and sidewalks.

**Parks & Recreational Facilities Fund:** To account for the acquisition or development of City parks and recreational lands funded by fees collected from developers.

**Boynton Beach CRA Bond Projects Fund:** To account for capital projects funded through bonds issued by the Boynton Beach Community Redevelopment Agency.

**Local Government Surtax Improvement Fund:** To account for infrastructure projects that will be funded by the one-cent sales surtax.



# THE CITY OF BOYNTON BEACH

## Non-Major Governmental Funds Combining Balance Sheet September 30, 2018

	Special Revenue Funds			
	Grants	FEMA Hurricane	SHIP Grant	CDBG Grant
<b>ASSETS</b>				
Pooled cash and investments	\$ -	\$ 900,130	\$ 1,104,448	\$ -
Receivables, net	-	-	-	-
Due from other governments	56,256	-	-	156,208
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 56,256</u>	<u>\$ 900,130</u>	<u>\$ 1,104,448</u>	<u>\$ 156,208</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
Accounts payable	\$ 11,660	\$ 74,807	\$ -	\$ 49,512
Accrued liabilities	-	-	-	-
Due to other funds	107,875	-	-	106,027
Due to other governments	-	-	-	-
Refundable deposits	-	-	-	-
Total liabilities	<u>119,535</u>	<u>74,807</u>	<u>-</u>	<u>155,539</u>
Deferred inflows of resources:				
Unavailable revenue	<u>74,175</u>	<u>-</u>	<u>622,841</u>	<u>-</u>
Fund balance (deficit):				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted for:				
Public safety	-	-	-	-
Grant programs	-	825,323	481,607	669
Debt service	-	-	-	-
Capital projects	-	-	-	-
Other purposes	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
Assigned to:				
Debt service	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Cemetery maintenance	-	-	-	-
Capital projects	-	-	-	-
Unassigned (deficit)	(137,454)	-	-	-
Total fund balance (deficit)	<u>(137,454)</u>	<u>825,323</u>	<u>481,607</u>	<u>669</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 56,256</u>	<u>\$ 900,130</u>	<u>\$ 1,104,448</u>	<u>\$ 156,208</u>



# THE CITY OF BOYNTON BEACH

## Special Revenue Funds

Traffic Safety	Local Option Gas Tax	Community Improvements	Green Building	Public Art	Recreation Program	Boynton Beach Memorial Park	Community Services	Sub Total Special Revenue Funds
\$ 1,574,654	\$ 345,322	\$ -	\$ 166,460	\$ 179,389	\$ 441,771	\$ 3,271,386	\$ 851,194	\$ 8,834,754
1,347	-	-	-	-	1,334	13,489	-	16,170
59,721	112,277	-	-	-	-	-	4,045	388,507
-	-	-	-	-	-	-	-	-
-	-	-	-	-	64	-	114	178
<u>\$ 1,635,722</u>	<u>\$ 457,599</u>	<u>\$ -</u>	<u>\$ 166,460</u>	<u>\$ 179,389</u>	<u>\$ 443,169</u>	<u>\$ 3,284,875</u>	<u>\$ 855,353</u>	<u>\$ 9,239,609</u>
\$ 137,214	\$ 350	\$ 74	\$ 1,000	\$ 1,691	\$ 16,418	\$ 4,022	\$ 608	\$ 297,356
-	-	10,325	-	5,957	3,798	7,938	-	28,018
-	-	10,526	-	-	-	-	-	224,428
152,311	-	-	-	-	-	-	-	152,311
-	-	-	-	65,072	-	-	3,306	68,378
<u>289,525</u>	<u>350</u>	<u>20,925</u>	<u>1,000</u>	<u>72,720</u>	<u>20,216</u>	<u>11,960</u>	<u>3,914</u>	<u>770,491</u>
-	-	60,872	-	-	-	-	-	757,888
-	-	-	-	-	64	-	114	178
-	-	-	-	-	-	-	293,168	293,168
-	-	-	-	-	-	-	-	1,307,599
-	-	-	-	-	-	-	-	-
-	457,249	-	-	-	-	-	-	457,249
-	-	-	-	-	-	-	558,157	558,157
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,346,197	-	-	-	-	-	-	-	1,346,197
-	-	-	-	106,669	422,889	-	-	529,558
-	-	-	-	-	-	3,272,915	-	3,272,915
-	-	-	165,460	-	-	-	-	165,460
-	-	(81,797)	-	-	-	-	-	(219,251)
<u>1,346,197</u>	<u>457,249</u>	<u>(81,797)</u>	<u>165,460</u>	<u>106,669</u>	<u>422,953</u>	<u>3,272,915</u>	<u>851,439</u>	<u>7,711,230</u>
<u>\$ 1,635,722</u>	<u>\$ 457,599</u>	<u>\$ -</u>	<u>\$ 166,460</u>	<u>\$ 179,389</u>	<u>\$ 443,169</u>	<u>\$ 3,284,875</u>	<u>\$ 855,353</u>	<u>\$ 9,239,609</u>

(Continued)





# THE CITY OF BOYNTON BEACH

## Non-Major Governmental Funds Combining Balance Sheet (Continued) September 30, 2018

	Debt Service Funds			Capital Projects Funds	
	Public Service Tax Debt Service	Boynton Beach CRA Debt Service	Sub Total Debt Service Funds	General Capital Improvements	Parks & Recreational Facilities
<b>ASSETS</b>					
Pooled cash and investments	\$ 4,223,066	\$ 91,183	\$ 4,314,249	\$ 1,302,970	\$ 356,038
Receivables, net	699,778	-	699,778	-	-
Due from other governments	189,511	-	189,511	-	-
Due from other funds	-	-	-	2,000,000	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 5,112,355</u>	<u>\$ 91,183</u>	<u>\$ 5,203,538</u>	<u>\$ 3,302,970</u>	<u>\$ 356,038</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>					
Liabilities:					
Accounts payable	\$ 1,400	\$ -	\$ 1,400	\$ 870,779	\$ 5,383
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Refundable deposits	-	-	-	-	-
Total liabilities	<u>1,400</u>	<u>-</u>	<u>1,400</u>	<u>870,779</u>	<u>5,383</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Fund balance (deficit):					
Nonspendable:					
Prepaid items	-	-	-	-	-
Restricted for:					
Public safety	-	-	-	-	-
Grant programs	-	-	-	-	-
Debt service	-	91,183	91,183	-	-
Capital projects	-	-	-	-	-
Other purposes	-	-	-	-	-
Committed for:					
Capital projects	-	-	-	-	-
Assigned to:					
Debt service	5,110,955	-	5,110,955	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Cemetery maintenance	-	-	-	-	-
Capital projects	-	-	-	2,432,191	350,655
Unassigned (deficit)	-	-	-	-	-
Total fund balance (deficit)	<u>5,110,955</u>	<u>91,183</u>	<u>5,202,138</u>	<u>2,432,191</u>	<u>350,655</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 5,112,355</u>	<u>\$ 91,183</u>	<u>\$ 5,203,538</u>	<u>\$ 3,302,970</u>	<u>\$ 356,038</u>



# THE CITY OF BOYNTON BEACH

## Capital Projects Funds

Boynton Beach CRA Bond Projects	Local Government Surtax Improvement	Sub Total Capital Projects Funds	Non-Major Governmental Funds Total
\$ 11,156,356	\$ 6,801,535	\$ 19,616,899	\$ 32,765,902
-	-	-	715,948
-	348,626	348,626	926,644
-	-	2,000,000	2,000,000
56,255	-	56,255	56,433
<u>\$ 11,212,611</u>	<u>\$ 7,150,161</u>	<u>\$ 22,021,780</u>	<u>\$ 36,464,927</u>
\$ 105,932	\$ 43,361	\$ 1,025,455	\$ 1,324,211
-	-	-	28,018
-	-	-	224,428
-	-	-	152,311
1,000	-	1,000	69,378
<u>106,932</u>	<u>43,361</u>	<u>1,026,455</u>	<u>1,798,346</u>
-	-	-	757,888
56,255	-	56,255	56,433
-	-	-	293,168
-	-	-	1,307,599
-	-	-	91,183
-	7,106,800	7,106,800	7,564,049
-	-	-	558,157
5,777,612	-	5,777,612	5,777,612
-	-	-	5,110,955
-	-	-	1,346,197
-	-	-	529,558
-	-	-	3,272,915
5,271,812	-	8,054,658	8,220,118
-	-	-	(219,251)
<u>11,105,679</u>	<u>7,106,800</u>	<u>20,995,325</u>	<u>33,908,693</u>
<u>\$ 11,212,611</u>	<u>\$ 7,150,161</u>	<u>\$ 22,021,780</u>	<u>\$ 36,464,927</u>



# THE CITY OF BOYNTON BEACH

## Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018

	Special Revenue Funds			
	Grants	FEMA Hurricane	SHIP Grant	CDBG Grant
<b>REVENUES</b>				
Taxes, net of tax increment revenue	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	254,972	10,501	459,661	472,377
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment earnings	-	-	856	-
Donations	-	-	-	-
Miscellaneous	-	-	17,877	3,659
Total revenues	<u>254,972</u>	<u>10,501</u>	<u>478,394</u>	<u>476,036</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	895,080	-	-
Public safety	92,853	-	-	-
Physical environment	-	-	-	-
Economic environment	-	-	157,070	280,254
Culture and recreation	116,789	-	-	-
Capital outlay:				
Public safety	15,811	-	-	-
Physical environment	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	29,517	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest charges	-	-	-	-
Total expenditures	<u>254,970</u>	<u>895,080</u>	<u>157,070</u>	<u>280,254</u>
Revenues over (under) expenditures	<u>2</u>	<u>(884,579)</u>	<u>321,324</u>	<u>195,782</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(31,283)	(202,987)
Proceeds from sale of capital assets	-	-	-	-
Issuance of installment debt	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(31,283)</u>	<u>(202,987)</u>
Net change in fund balance	2	(884,579)	290,041	(7,205)
Fund balance (deficit) - beginning of year	(137,456)	1,709,902	191,566	7,874
Fund balance (deficit) - end of year	<u>\$ (137,454)</u>	<u>\$ 825,323</u>	<u>\$ 481,607</u>	<u>\$ 669</u>



# THE CITY OF BOYNTON BEACH

## Special Revenue Funds

Traffic Safety	Local Option Gas Tax	Community Improvements	Green Building	Public Art	Recreation Program	Boynton Beach Memorial Park	Community Services	Sub Total Special Revenue Funds
\$ -	\$ 1,350,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350,572
-	-	-	-	287,773	-	-	-	287,773
-	-	-	-	-	-	-	-	1,197,511
1,605,711	-	-	80,883	-	474,314	132,819	11,942	699,958
1,286	575	-	118	-	363	27,380	592	1,662,053
-	-	-	-	67,653	-	-	211,528	31,170
-	-	6,354	-	-	23,818	11,615	-	279,181
1,606,997	1,351,147	6,354	81,001	355,426	498,495	171,814	280,404	63,323
-	-	-	-	-	-	-	-	-
225,982	-	-	-	-	-	311,437	-	1,432,499
793,896	-	-	-	-	-	-	202,178	1,088,927
-	1,150	-	6,875	-	-	-	-	8,025
-	-	241,997	-	-	-	-	-	679,321
-	-	-	-	184,967	431,071	-	12,103	744,930
-	-	-	-	-	-	-	18,953	34,764
-	-	-	-	-	-	-	-	-
-	-	-	-	-	11,829	-	-	41,346
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
1,019,878	1,150	241,997	6,875	184,967	442,900	311,437	233,234	4,029,812
587,119	1,349,997	(235,643)	74,126	170,459	55,595	(139,623)	47,170	1,541,729
-	-	234,270	-	20,000	-	-	-	254,270
(100,000)	(1,298,850)	-	-	-	(100,000)	(41,263)	-	(1,774,383)
-	-	-	-	-	-	-	-	-
(100,000)	(1,298,850)	234,270	-	20,000	(100,000)	(41,263)	-	(1,520,113)
-	-	-	-	-	-	-	-	-
487,119	51,147	(1,373)	74,126	190,459	(44,405)	(180,886)	47,170	21,616
859,078	406,102	(80,424)	91,334	(83,790)	467,358	3,453,801	804,269	7,689,614
\$ 1,346,197	\$ 457,249	\$ (81,797)	\$ 165,460	\$ 106,669	\$ 422,953	\$ 3,272,915	\$ 851,439	\$ 7,711,230

(Continued)



# THE CITY OF BOYNTON BEACH

## Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued) For the Year Ended September 30, 2018

	Debt Service Funds			Capital Projects Funds	
	Public Service Tax Debt Service	Boynton Beach CRA Debt Service	Sub Total Debt Service Funds	General Capital Improvements	Parks & Recreational Facilities
<b>REVENUES</b>					
Taxes, net of tax increment revenue	\$ 10,060,286	\$ -	\$ 10,060,286	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	50,000	-
Charges for services	-	-	-	-	29,250
Fines and forfeitures	-	-	-	-	-
Investment earnings	2,687	10,723	13,410	103	255
Donations	-	-	-	-	-
Miscellaneous	-	-	-	2,000,000	-
Total revenues	<u>10,062,973</u>	<u>10,723</u>	<u>10,073,696</u>	<u>2,050,103</u>	<u>29,505</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,750	-	5,750	3,250	-
Public safety	-	-	-	-	-
Physical environment	-	-	-	-	12,983
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	25,772	-
Capital outlay:					
Public safety	-	-	-	-	-
Physical environment	-	-	-	22,735	-
Economic environment	-	-	-	-	-
Culture and recreation	-	-	-	2,219,777	-
Debt service:					
Principal retirement	1,940,000	1,670,000	3,610,000	721,623	-
Interest charges	406,770	468,786	875,556	35,663	-
Total expenditures	<u>2,352,520</u>	<u>2,138,786</u>	<u>4,491,306</u>	<u>3,028,820</u>	<u>12,983</u>
Revenues over (under) expenditures	<u>7,710,453</u>	<u>(2,128,063)</u>	<u>5,582,390</u>	<u>(978,717)</u>	<u>16,522</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	2,140,955	2,140,955	1,095,370	-
Transfers out	(7,115,000)	-	(7,115,000)	-	(45,370)
Proceeds from sale of capital assets	-	-	-	-	-
Issuance of installment debt	-	-	-	925,000	-
Total other financing sources and uses	<u>(7,115,000)</u>	<u>2,140,955</u>	<u>(4,974,045)</u>	<u>2,020,370</u>	<u>(45,370)</u>
Net change in fund balance	595,453	12,892	608,345	1,041,653	(28,848)
Fund balance (deficit) - beginning of year	4,515,502	78,291	4,593,793	1,390,538	379,503
Fund balance (deficit) - end of year	<u>\$ 5,110,955</u>	<u>\$ 91,183</u>	<u>\$ 5,202,138</u>	<u>\$ 2,432,191</u>	<u>\$ 350,655</u>



# THE CITY OF BOYNTON BEACH

<b>Capital Projects Funds</b>			
<b>Boynton Beach CRA Bond Projects</b>	<b>Local Government Surtax Improvement</b>	<b>Sub Total Capital Projects Funds</b>	<b>Non-Major Governmental Funds Total</b>
\$ -	\$ -	\$ -	\$ 11,410,858
-	-	-	287,773
-	5,241,879	5,291,879	6,489,390
-	-	29,250	729,208
-	-	-	1,662,053
185,423	10,361	196,142	240,722
-	-	-	279,181
-	-	2,000,000	2,063,323
<u>185,423</u>	<u>5,252,240</u>	<u>7,517,271</u>	<u>23,162,508</u>
-	-	3,250	1,441,499
-	-	-	1,088,927
-	-	12,983	21,008
5,484,466	-	5,484,466	6,163,787
-	68,240	94,012	838,942
-	-	-	34,764
-	-	22,735	22,735
3,717,027	-	3,717,027	3,717,027
-	1,079,022	3,298,799	3,340,145
-	-	721,623	4,331,623
-	-	35,663	911,219
<u>9,201,493</u>	<u>1,147,262</u>	<u>13,390,558</u>	<u>21,911,676</u>
<u>(9,016,070)</u>	<u>4,104,978</u>	<u>(5,873,287)</u>	<u>1,250,832</u>
9,681,225	-	10,776,595	13,171,820
-	-	(45,370)	(8,934,753)
1,154,212	-	1,154,212	1,154,212
-	-	925,000	925,000
<u>10,835,437</u>	<u>-</u>	<u>12,810,437</u>	<u>6,316,279</u>
1,819,367	4,104,978	6,937,150	7,567,111
9,286,312	3,001,822	14,058,175	26,341,582
<u>\$ 11,105,679</u>	<u>\$ 7,106,800</u>	<u>\$ 20,995,325</u>	<u>\$ 33,908,693</u>



# THE CITY OF BOYNTON BEACH

## Grants Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Due from other governments	\$ 56,256	\$ 36,247
Prepaid items	-	2,100
Total assets	\$ 56,256	\$ 38,347
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>		
Liabilities:		
Accounts payable	\$ 11,660	\$ 2,259
Due to other funds	107,875	126,631
Total liabilities	119,535	128,890
Deferred inflows of resources:		
Unavailable revenue	74,175	46,913
Fund balance (deficit):		
Nonspendable:		
Prepaid items	-	2,100
Unassigned (deficit)	(137,454)	(139,556)
Total fund balance (deficit)	(137,454)	(137,456)
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ 56,256	\$ 38,347





# THE CITY OF BOYNTON BEACH

## Grants Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Intergovernmental	\$ 254,972	\$ 230,953
Total revenues	254,972	230,953
<b>EXPENDITURES</b>		
Current:		
Public safety	92,853	111,344
Culture and recreation	116,789	115,977
Capital outlay:		
Public safety	15,811	-
Culture and recreation	29,517	3,633
Total expenditures	254,970	230,954
Revenues over (under) expenditures	2	(1)
Net change in fund balance	2	(1)
Fund balance (deficit) - beginning of year	(137,456)	(137,455)
Fund balance (deficit) - end of year	\$ (137,454)	\$ (137,456)



# THE CITY OF BOYNTON BEACH

## FEMA Hurricane Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 900,130	\$ 1,737,671
Total assets	\$ 900,130	\$ 1,737,671
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 74,807	\$ 27,769
Total liabilities	74,807	27,769
Fund balance:		
Restricted for grant programs	825,323	1,709,902
Total fund balance	825,323	1,709,902
Total liabilities and fund balance	\$ 900,130	\$ 1,737,671



# THE CITY OF BOYNTON BEACH

## FEMA Hurricane Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Intergovernmental	\$ 10,501	\$ -
Total revenues	10,501	-
<b>EXPENDITURES</b>		
Current:		
General government	895,080	38,578
Total expenditures	895,080	38,578
Net change in fund balance	(884,579)	(38,578)
Fund balance - beginning of year	1,709,902	1,748,480
Fund balance - end of year	\$ 825,323	\$ 1,709,902



# THE CITY OF BOYNTON BEACH

## SHIP Grant Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 1,104,448	\$ 960,218
Total assets	\$ 1,104,448	\$ 960,218
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Deferred inflows of resources:		
Unavailable revenue	\$ 622,841	\$ 768,652
Fund balance:		
Restricted for grant programs	481,607	191,566
Total fund balance	481,607	191,566
Total deferred inflows of resources and fund balance	\$ 1,104,448	\$ 960,218



# THE CITY OF BOYNTON BEACH

## SHIP Grant Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Intergovernmental	\$ 459,661	\$ 72,568
Investment earnings	856	1,198
Miscellaneous	17,877	59,650
Total revenues	478,394	133,416
<b>EXPENDITURES</b>		
Current:		
Economic environment	157,070	82,043
Total expenditures	157,070	82,043
Revenues over expenditures	321,324	51,373
<b>OTHER FINANCING USES</b>		
Transfers out	(31,283)	(9,474)
Total other financing uses	(31,283)	(9,474)
Net change in fund balance	290,041	41,899
Fund balance - beginning of year	191,566	149,667
Fund balance - end of year	\$ 481,607	\$ 191,566



# THE CITY OF BOYNTON BEACH

## CDBG Grant Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Due from other governments	\$ 156,208	\$ 169,507
Total assets	\$ 156,208	\$ 169,507
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 49,512	\$ 62,246
Due to other funds	106,027	99,387
Total liabilities	155,539	161,633
Fund balance:		
Restricted for grant programs	669	7,874
Total fund balance	669	7,874
Total liabilities and fund balance	\$ 156,208	\$ 169,507



# THE CITY OF BOYNTON BEACH

## CDBG Grant Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Intergovernmental	\$ 472,377	\$ 492,796
Miscellaneous	3,659	-
Total revenues	476,036	492,796
<b>EXPENDITURES</b>		
Current:		
Economic environment	280,254	337,101
Total expenditures	280,254	337,101
Revenues over expenditures	195,782	155,695
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	50,000
Transfers out	(202,987)	(197,821)
Total other financing sources and uses	(202,987)	(147,821)
Net change in fund balance	(7,205)	7,874
Fund balance - beginning of year	7,874	-
Fund balance - end of year	\$ 669	\$ 7,874



# THE CITY OF BOYNTON BEACH

## Traffic Safety Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Pooled cash and investments	\$ 1,574,654	\$ 886,494
Receivables, net	1,347	8,247
Due from other governments	59,721	-
Total assets	\$ 1,635,722	\$ 894,741
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 137,214	\$ 32,291
Due to other governments	152,311	3,372
Total liabilities	289,525	35,663
Fund balance:		
Assigned to:		
Public safety	1,346,197	859,078
Total fund balance	1,346,197	859,078
Total liabilities and fund balance	\$ 1,635,722	\$ 894,741





# THE CITY OF BOYNTON BEACH

## Traffic Safety Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Fines and forfeitures	\$ 1,605,711	\$ 856,715
Investment earnings	1,286	1,378
Miscellaneous	-	2,003
Total revenues	1,606,997	860,096
<b>EXPENDITURES</b>		
Current:		
General government	225,982	126,326
Public safety	793,896	225,430
Total expenditures	1,019,878	351,756
Revenues over expenditures	587,119	508,340
<b>OTHER FINANCING USES</b>		
Transfers out	(100,000)	-
Total other financing uses	(100,000)	-
Net change in fund balance	487,119	508,340
Fund balance (deficit) - beginning of year	859,078	350,738
Fund balance - end of year	\$ 1,346,197	\$ 859,078



# THE CITY OF BOYNTON BEACH

## Local Option Gas Tax Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 345,322	\$ 294,449
Due from other governments	112,277	111,653
Total assets	\$ 457,599	\$ 406,102
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 350	\$ -
Total liabilities	350	-
Fund balance:		
Restricted for capital projects	457,249	406,102
Total fund balance	457,249	406,102
Total liabilities and fund balance	\$ 457,599	\$ 406,102



# THE CITY OF BOYNTON BEACH

## Local Option Gas Tax Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Taxes	\$ 1,350,572	\$ 1,368,662
Investment earnings	575	287
Total revenues	1,351,147	1,368,949
<b>EXPENDITURES</b>		
Current:		
Physical environment	1,150	1,067
Total expenditures	1,150	1,067
Revenues over expenditures	1,349,997	1,367,882
<b>OTHER FINANCING USES</b>		
Transfers out	(1,298,850)	(1,198,925)
Total other financing uses	(1,298,850)	(1,198,925)
Net change in fund balance	51,147	168,957
Fund balance - beginning of year	406,102	237,145
Fund balance - end of year	\$ 457,249	\$ 406,102



# THE CITY OF BOYNTON BEACH

## Local Option Gas Tax Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,350,572	\$ 50,572
Investment earnings	-	-	575	575
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,351,147</u>	<u>51,147</u>
<b>EXPENDITURES</b>				
Current:				
Physical environment	1,150	1,150	1,150	-
Total expenditures	<u>1,150</u>	<u>1,150</u>	<u>1,150</u>	<u>-</u>
Revenues over expenditures	<u>1,298,850</u>	<u>1,298,850</u>	<u>1,349,997</u>	<u>51,147</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,298,850)</u>	<u>(1,298,850)</u>	<u>(1,298,850)</u>	<u>-</u>
Total other financing uses	<u>(1,298,850)</u>	<u>(1,298,850)</u>	<u>(1,298,850)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	51,147	<u>\$ 51,147</u>
Fund balance - beginning of year			406,102	
Fund balance - end of year			<u>\$ 457,249</u>	



# THE CITY OF BOYNTON BEACH

## Community Improvements Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ -	\$ -
Total assets	\$ -	\$ -
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT)</b>		
Liabilities:		
Accounts payable	\$ 74	\$ 5
Accrued liabilities	10,325	6,427
Due to other funds	10,526	7,873
Total liabilities	20,925	14,305
Deferred inflows of resources:		
Unavailable revenue	60,872	66,119
Fund balance (deficit):		
Unassigned (deficit)	(81,797)	(80,424)
Total fund balance (deficit)	(81,797)	(80,424)
Total liabilities, deferred inflows of resources and fund balance (deficit)	\$ -	\$ -



# THE CITY OF BOYNTON BEACH

## Community Improvements Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Miscellaneous	\$ 6,354	\$ 1,178
Total revenues	6,354	1,178
<b>EXPENDITURES</b>		
Current:		
Economic environment	241,997	226,600
Total expenditures	241,997	226,600
Revenues over (under) expenditures	(235,643)	(225,422)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	234,270	207,295
Total other financing sources	234,270	207,295
Net change in fund balance	(1,373)	(18,127)
Fund balance (deficit) - beginning of year	(80,424)	(62,297)
Fund balance (deficit) - end of year	\$ (81,797)	\$ (80,424)



# THE CITY OF BOYNTON BEACH

## Community Improvements Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Miscellaneous	\$ 7,100	\$ 7,100	\$ 6,354	\$ (746)
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>6,354</u>	<u>(746)</u>
<b>EXPENDITURES</b>				
Current:				
Economic environment	238,756	238,756	241,997	(3,241)
Total expenditures	<u>238,756</u>	<u>238,756</u>	<u>241,997</u>	<u>(3,241)</u>
Revenues over (under) expenditures	<u>(231,656)</u>	<u>(231,656)</u>	<u>(235,643)</u>	<u>(3,987)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	170,000	170,000	234,270	64,270
Appropriated fund balance	<u>61,656</u>	<u>61,656</u>	<u>-</u>	<u>(61,656)</u>
Total other financing sources	<u>231,656</u>	<u>231,656</u>	<u>234,270</u>	<u>2,614</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,373)</u>	<u>\$ (1,373)</u>
Fund balance (deficit) - beginning of year			<u>(80,424)</u>	
Fund balance (deficit) - end of year			<u>\$ (81,797)</u>	



**THE CITY OF BOYNTON BEACH**

**Green Building Fund  
Balance Sheet  
September 30, 2018  
(With Comparative Figures for 2017)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Pooled cash and investments	\$ 166,460	\$ 91,334
Total assets	<u>\$ 166,460</u>	<u>\$ 91,334</u>
<b>FUND BALANCE</b>		
Fund balance:		
Assigned to:		
Capital projects	\$ 165,460	\$ 91,334
Total fund balance	<u>\$ 166,460</u>	<u>\$ 91,334</u>





# THE CITY OF BOYNTON BEACH

## Green Building Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Charges for services	\$ 80,883	\$ 32,849
Investment earnings	118	135
Total revenues	81,001	32,984
<b>EXPENDITURES</b>		
Current:		
Physical environment	6,875	12,501
Total expenditures	6,875	12,501
Revenues over expenditures	74,126	20,483
Net change in fund balance	74,126	20,483
Fund balance - beginning of year	91,334	70,851
Fund balance - end of year	\$ 165,460	\$ 91,334



# THE CITY OF BOYNTON BEACH

## Public Art Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 179,389	\$ 16,222
Total assets	\$ 179,389	\$ 16,222
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Liabilities:		
Accounts payable	\$ 1,691	\$ -
Accrued liabilities	5,957	2,906
Refundable deposits	65,072	97,106
Total liabilities	72,720	100,012
Fund balance (deficit):		
Assigned to:		
Culture and recreation	106,669	-
Unassigned (deficit)	-	(83,790)
Total fund balance (deficit)	106,669	(83,790)
Total liabilities and fund balance (deficit)	\$ 179,389	\$ 16,222



**Public Art Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended September 30, 2018  
(With Comparative Figures for 2017)**

	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>		
Licenses and permits	\$ 287,773	\$ 64,077
Donations	67,653	238,417
Total revenues	<u>355,426</u>	<u>302,494</u>
<b>EXPENDITURES</b>		
Current:		
Culture and recreation	184,967	265,183
Total expenditures	<u>184,967</u>	<u>265,183</u>
Revenues over expenditures	<u>170,459</u>	<u>37,311</u>
<b>OTHER FINANCING SOURCES</b>		
Transfers in	20,000	20,000
Total other financing sources	<u>20,000</u>	<u>20,000</u>
Net change in fund balance	190,459	57,311
Fund balance (deficit) - beginning of year	(83,790)	(141,101)
Fund balance (deficit) - end of year	<u>\$ 106,669</u>	<u>\$ (83,790)</u>



# THE CITY OF BOYNTON BEACH

## Public Art Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Licenses and permits	\$ 350,000	\$ 350,000	\$ 287,773	\$ (62,227)
Donations	58,650	58,650	67,653	9,003
Total revenues	<u>408,650</u>	<u>408,650</u>	<u>355,426</u>	<u>(53,224)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	227,397	228,497	184,967	43,530
Capital outlay:				
Culture and recreation	10,000	8,900	-	8,900
Total expenditures	<u>237,397</u>	<u>237,397</u>	<u>184,967</u>	<u>52,430</u>
Revenues over expenditures	<u>171,253</u>	<u>171,253</u>	<u>170,459</u>	<u>(794)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,000	20,000	20,000	-
Appropriated fund balance	-	-	-	-
Total other financing sources and uses	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 191,253</u>	<u>\$ 191,253</u>	190,459	<u>\$ (794)</u>
Fund balance (deficit) - beginning of year			<u>(83,790)</u>	
Fund balance - end of year			<u>\$ 106,669</u>	



# THE CITY OF BOYNTON BEACH

## Recreation Program Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 441,771	\$ 483,661
Receivables, net	1,334	140
Prepaid items	64	-
Total assets	\$ 443,169	\$ 483,801
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 16,418	\$ 8,256
Accrued liabilities	3,798	8,187
Total liabilities	20,216	16,443
Fund balance:		
Nonspendable:		
Prepaid items	64	-
Assigned to:		
Culture and recreation	422,889	467,358
Total fund balance	422,953	467,358
Total liabilities and fund balance	\$ 443,169	\$ 483,801



# THE CITY OF BOYNTON BEACH

## Recreation Program Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Charges for services	\$ 474,314	\$ 566,048
Investment earnings	363	934
Miscellaneous	23,818	22,094
Total revenues	498,495	589,076
<b>EXPENDITURES</b>		
Current:		
Culture and recreation	431,071	537,361
Capital outlay:		
Culture and recreation	11,829	101,538
Total expenditures	442,900	638,899
Revenues over (under) expenditures	55,595	(49,823)
<b>OTHER FINANCING USES</b>		
Transfers out	(100,000)	(100,000)
Total other financing uses	(100,000)	(100,000)
Net change in fund balance	(44,405)	(149,823)
Fund balance - beginning of year	467,358	617,181
Fund balance - end of year	\$ 422,953	\$ 467,358



# THE CITY OF BOYNTON BEACH

## Recreation Program Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 586,750	\$ 586,750	\$ 474,314	\$ (112,436)
Investment earnings	1,500	1,500	363	(1,137)
Miscellaneous	22,100	22,100	23,818	1,718
Total revenues	<u>610,350</u>	<u>610,350</u>	<u>498,495</u>	<u>(111,855)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	668,399	668,399	431,071	237,328
Capital outlay:				
Culture and recreation	-	11,829	11,829	-
Total expenditures	<u>668,399</u>	<u>680,228</u>	<u>442,900</u>	<u>237,328</u>
Revenues over (under) expenditures	<u>(58,049)</u>	<u>(69,878)</u>	<u>55,595</u>	<u>125,473</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(100,000)	(100,000)	(100,000)	-
Appropriated fund balance	158,049	169,878	-	(169,878)
Total other financing sources and uses	<u>58,049</u>	<u>69,878</u>	<u>(100,000)</u>	<u>(169,878)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(44,405)	<u>\$ (44,405)</u>
Fund balance - beginning of year			<u>467,358</u>	
Fund balance - end of year			<u>\$ 422,953</u>	



# THE CITY OF BOYNTON BEACH

## Boynton Beach Memorial Park Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 3,271,386	\$ 3,454,077
Receivables, net	13,489	10,565
Total assets	\$ 3,284,875	\$ 3,464,642
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 4,022	\$ 4,550
Accrued liabilities	7,938	6,291
Total liabilities	11,960	10,841
Fund balance:		
Assigned to:		
Cemetery maintenance	3,272,915	3,453,801
Total fund balance	3,272,915	3,453,801
Total liabilities and fund balance	\$ 3,284,875	\$ 3,464,642





# THE CITY OF BOYNTON BEACH

## Boynton Beach Memorial Park Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Charges for services	\$ 132,819	\$ 143,100
Investment earnings	27,380	23,822
Miscellaneous	11,615	10,525
Total revenues	171,814	177,447
<b>EXPENDITURES</b>		
Current:		
General government	311,437	316,138
Total expenditures	311,437	316,138
Revenues over (under) expenditures	(139,623)	(138,691)
<b>OTHER FINANCING USES</b>		
Transfers out	(41,263)	(43,568)
Total other financing uses	(41,263)	(43,568)
Net change in fund balance	(180,886)	(182,259)
Fund balance - beginning of year	3,453,801	3,636,060
Fund balance - end of year	\$ 3,272,915	\$ 3,453,801



# THE CITY OF BOYNTON BEACH

## Boynton Beach Memorial Park Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 103,000	\$ 118,000	\$ 132,819	\$ 14,819
Investment earnings	20,000	20,000	27,380	7,380
Miscellaneous	7,500	7,500	11,615	4,115
Total revenues	<u>130,500</u>	<u>145,500</u>	<u>171,814</u>	<u>26,314</u>
<b>EXPENDITURES</b>				
Current:				
General government	297,242	312,242	311,437	805
Total expenditures	<u>297,242</u>	<u>312,242</u>	<u>311,437</u>	<u>805</u>
Revenues over (under) expenditures	<u>(166,742)</u>	<u>(166,742)</u>	<u>(139,623)</u>	<u>27,119</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(41,263)	(41,263)	(41,263)	-
Appropriated fund balance	208,005	208,005	-	(208,005)
Total other financing sources and uses	<u>166,742</u>	<u>166,742</u>	<u>(41,263)</u>	<u>(208,005)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(180,886)	<u>\$ (180,886)</u>
Fund balance - beginning of year			3,453,801	
Fund balance - end of year			<u>\$ 3,272,915</u>	



# THE CITY OF BOYNTON BEACH

## Community Services Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 851,194	\$ 805,883
Receivables, net	-	1,352
Due from other governments	4,045	1,394
Prepaid items	114	144
Total assets	\$ 855,353	\$ 808,773
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 608	\$ 1,169
Refundable deposits	3,306	3,335
Total liabilities	3,914	4,504
Fund balance:		
Nonspendable:		
Prepaid items	114	144
Restricted for:		
Public safety	293,168	325,021
Other purposes	558,157	479,104
Total fund balance	851,439	804,269
Total liabilities and fund balance	\$ 855,353	\$ 808,773



# THE CITY OF BOYNTON BEACH

## Community Services Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Charges for services	\$ 11,942	\$ 16,746
Fines and forfeitures	56,342	54,591
Investment earnings	592	-
Donations	211,528	166,544
Total revenues	280,404	237,881
<b>EXPENDITURES</b>		
Current:		
General government	-	3,297
Public safety	202,178	260,502
Culture and recreation	12,103	60,154
Capital outlay:		
Public safety	18,953	10,250
Total expenditures	233,234	334,203
Revenues over (under) expenditures	47,170	(96,322)
Net change in fund balance	47,170	(96,322)
Fund balance - beginning of year	804,269	900,591
Fund balance - end of year	\$ 851,439	\$ 804,269



# THE CITY OF BOYNTON BEACH

## Public Service Tax Debt Service Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 4,223,066	\$ 3,576,409
Taxes receivable	699,778	700,302
Due from other governments	189,511	238,791
Total assets	\$ 5,112,355	\$ 4,515,502
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 1,400	\$ -
Total liabilities	1,400	-
Fund balance:		
Assigned to debt service	5,110,955	4,515,502
Total fund balance	5,110,955	4,515,502
Total liabilities and fund balance	\$ 5,112,355	\$ 4,515,502



# THE CITY OF BOYNTON BEACH

## Public Service Tax Debt Service Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Taxes	\$ 10,060,286	\$ 10,134,492
Investment earnings	2,687	4,279
Total revenues	10,062,973	10,138,771
<b>EXPENDITURES</b>		
Current:		
General government	5,750	5,409
Debt service:		
Principal retirement	1,940,000	1,900,000
Interest charges	406,770	446,273
Total expenditures	2,352,520	2,351,682
Revenues over expenditures	7,710,453	7,787,089
<b>OTHER FINANCING USES</b>		
Transfers out	(7,115,000)	(6,920,000)
Total other financing uses	(7,115,000)	(6,920,000)
Net change in fund balance	595,453	867,089
Fund balance - beginning of year	4,515,502	3,648,413
Fund balance - end of year	\$ 5,110,955	\$ 4,515,502



# THE CITY OF BOYNTON BEACH

## Public Service Tax Debt Service Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 9,498,500	\$ 9,498,500	\$ 10,060,286	\$ 561,786
Investment earnings	1,500	1,500	2,687	1,187
Total revenues	<u>9,500,000</u>	<u>9,500,000</u>	<u>10,062,973</u>	<u>562,973</u>
<b>EXPENDITURES</b>				
Current:				
General government	35,000	35,000	5,750	29,250
Debt service:				
Principal retirement	1,940,000	1,940,000	1,940,000	-
Interest charges	410,000	410,000	406,770	3,230
Total expenditures	<u>2,385,000</u>	<u>2,385,000</u>	<u>2,352,520</u>	<u>32,480</u>
Revenues over expenditures	<u>7,115,000</u>	<u>7,115,000</u>	<u>7,710,453</u>	<u>595,453</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(7,115,000)	(7,115,000)	(7,115,000)	-
Total other financing uses	<u>(7,115,000)</u>	<u>(7,115,000)</u>	<u>(7,115,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	595,453	<u>\$ 595,453</u>
Fund balance - beginning of year			<u>4,515,502</u>	
Fund balance - end of year			<u>\$ 5,110,955</u>	



# THE CITY OF BOYNTON BEACH

## Boynton Beach CRA Debt Service Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Pooled cash and investments	\$ 91,183	\$ 78,291
Total assets	<u>\$ 91,183</u>	<u>\$ 78,291</u>
<b>FUND BALANCE</b>		
Fund balance:		
Restricted for debt service	\$ 91,183	\$ 78,291
Total fund balance	<u>\$ 91,183</u>	<u>\$ 78,291</u>





# THE CITY OF BOYNTON BEACH

## Boynton Beach CRA Debt Service Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Investment earnings	\$ 10,723	\$ 4,421
Total revenues	10,723	4,421
<b>EXPENDITURES</b>		
Debt service:		
Principal retirement	1,670,000	1,625,000
Interest charges	468,786	513,555
Total expenditures	2,138,786	2,138,555
Revenues over (under) expenditures	(2,128,063)	(2,134,134)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	2,140,955	2,140,220
Total other financing sources	2,140,955	2,140,220
Net change in fund balance	12,892	6,086
Fund balance - beginning of year	78,291	72,205
Fund balance - end of year	\$ 91,183	\$ 78,291



# THE CITY OF BOYNTON BEACH

## General Capital Improvements Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 1,302,970	\$ 1,425,096
Due from other funds	2,000,000	-
Total assets	\$ 3,302,970	\$ 1,425,096
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 870,779	\$ 34,558
Total liabilities	870,779	34,558
Fund balance:		
Assigned to:		
Capital projects	2,432,191	1,390,538
Total fund balance	2,432,191	1,390,538
Total liabilities and fund balance	\$ 3,302,970	\$ 1,425,096



# THE CITY OF BOYNTON BEACH

## General Capital Improvements Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Intergovernmental	\$ 50,000	\$ -
Investment earnings	103	2,272
Miscellaneous	2,000,000	-
Total revenues	2,050,103	2,272
<b>EXPENDITURES</b>		
Current:		
General government	3,250	3,200
Culture and recreation	25,772	-
Capital outlay:		
General government	-	39,295
Physical environment	22,735	129,047
Culture and recreation	2,219,777	939,789
Debt service:		
Principal retirement	721,623	-
Interest charges	35,663	-
Total expenditures	3,028,820	1,111,331
Revenues over (under) expenditures	(978,717)	(1,109,059)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	1,095,370	1,153,925
Issuance of installment debt	925,000	-
Total other financing sources	2,020,370	1,153,925
Net change in fund balance	1,041,653	44,866
Fund balance - beginning of year	1,390,538	1,345,672
Fund balance - end of year	\$ 2,432,191	\$ 1,390,538



# THE CITY OF BOYNTON BEACH

## General Capital Improvements Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 28,500	\$ 50,000	\$ 21,500
Investment earnings	7,452	7,452	103	(7,349)
Miscellaneous	-	1,600,000	2,000,000	400,000
Total revenues	<u>7,452</u>	<u>1,635,952</u>	<u>2,050,103</u>	<u>414,151</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,250	3,250	3,250	-
Culture and recreation	100,000	98,175	25,772	72,403
Capital outlay:				
General government	90,000	90,000	-	90,000
Physical environment	-	23,790	22,735	1,055
Culture and recreation	1,191,640	3,375,112	2,219,777	1,155,335
Debt service:				
Principal retirement	-	-	721,623	(721,623)
Interest charges	-	-	35,663	(35,663)
Total expenditures	<u>1,384,890</u>	<u>3,590,327</u>	<u>3,028,820</u>	<u>561,507</u>
Revenues over (under) expenditures	<u>(1,377,438)</u>	<u>(1,954,375)</u>	<u>(978,717)</u>	<u>975,658</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,075,000	1,105,370	1,095,370	(10,000)
Issuance of installment debt	-	-	925,000	925,000
Appropriated fund balance	302,438	849,005	-	(849,005)
Total other financing sources	<u>1,377,438</u>	<u>1,954,375</u>	<u>2,020,370</u>	<u>65,995</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,041,653</u>	<u>\$ 1,041,653</u>
Fund balance - beginning of year			<u>1,390,538</u>	
Fund balance - end of year			<u>\$ 2,432,191</u>	



# THE CITY OF BOYNTON BEACH

## Parks & Recreational Facilities Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 356,038	\$ 379,503
Total assets	\$ 356,038	\$ 379,503
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 5,383	\$ -
Total liabilities	5,383	-
Fund balance:		
Assigned to:		
Capital projects	350,655	379,503
Total fund balance	\$ 356,038	\$ 379,503



# THE CITY OF BOYNTON BEACH

## Parks & Recreational Facilities Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Charges for services	\$ 29,250	\$ 87,024
Investment earnings	255	642
Total revenues	29,505	87,666
<b>EXPENDITURES</b>		
Current:		
Physical environment	12,983	6,883
Capital outlay:		
General government	-	75,983
Total expenditures	12,983	82,866
Revenues over expenditures	16,522	4,800
<b>OTHER FINANCING USES</b>		
Transfers out	(45,370)	(200,000)
Total other financing uses	(45,370)	(200,000)
Net change in fund balance	(28,848)	(195,200)
Fund balance - beginning of year	379,503	574,703
Fund balance - end of year	\$ 350,655	\$ 379,503



# THE CITY OF BOYNTON BEACH

## Boynton Beach CRA Bond Projects Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 11,156,356	\$ 9,803,445
Prepaid items	56,255	66,274
Total assets	\$ 11,212,611	\$ 9,869,719
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 105,932	\$ 575,236
Refundable deposits	1,000	8,171
Total liabilities	106,932	583,407
Fund balance:		
Nonspendable:		
Prepaid items	56,255	66,274
Committed for:		
Capital projects	5,777,612	4,231,375
Assigned to:		
Capital projects	5,271,812	4,988,663
Total fund balance	11,105,679	9,286,312
Total liabilities and fund balance	\$ 11,212,611	\$ 9,869,719



# THE CITY OF BOYNTON BEACH

## Boynton Beach CRA Bond Projects Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Investment earnings	\$ 185,423	\$ 88,570
Total revenues	185,423	88,570
<b>EXPENDITURES</b>		
Current:		
Economic environment	5,484,466	3,233,455
Capital outlay:		
Economic environment	3,717,027	1,629,663
Total expenditures	9,201,493	4,863,118
Revenues over (under) expenditures	(9,016,070)	(4,774,548)
<b>OTHER FINANCING SOURCES</b>		
Proceeds from the sale of capital assets	1,154,212	-
Transfers in	9,681,225	7,284,610
Total other financing sources	10,835,437	7,284,610
Net change in fund balance	1,819,367	2,510,062
Fund balance - beginning of year	9,286,312	6,776,250
Fund balance - end of year	\$ 11,105,679	\$ 9,286,312





# THE CITY OF BOYNTON BEACH

## Local Government Surtax Improvement Fund Balance Sheet September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Pooled cash and investments	\$ 6,801,535	2,841,635
Due from other governments	348,626	335,873
Total assets	\$ 7,150,161	\$ 3,177,508
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 43,361	\$ 175,686
Total liabilities	43,361	175,686
Fund balance:		
Restricted for:		
Capital projects	7,106,800	3,001,822
Total fund balance	7,106,800	3,001,822
Total liabilities and fund balance	\$ 7,150,161	\$ 3,177,508



# THE CITY OF BOYNTON BEACH

## Local Government Surtax Improvement Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>REVENUES</b>		
Intergovernmental	\$ 5,241,879	3,177,508
Investment earnings	10,361	-
Total revenues	5,252,240	3,177,508
<b>EXPENDITURES</b>		
Current:		
Culture and recreation	68,240	-
Capital outlay:		
Culture and recreation	1,079,022	175,686
Total expenditures	1,147,262	175,686
Revenues over expenditures	4,104,978	3,001,822
Net change in fund balance	4,104,978	3,001,822
Fund balance - beginning of year	3,001,822	-
Fund balance - end of year	\$ 7,106,800	\$ 3,001,822



**NON-MAJOR ENTERPRISE FUND**

Enterprise funds account for activities for which a fee is charged to external users for services or activities financed with debt that is secured solely by a pledge of the net revenues from fees of the activity.

**Golf Course Fund**: To account for operations of the City's municipal golf course.



# THE CITY OF BOYNTON BEACH

## Golf Course Fund Statement of Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Current assets:		
Accounts receivable, net	\$ 3,525	\$ 3,382
Inventories	-	19,097
Total current assets	3,525	22,479
Noncurrent assets:		
Capital assets not being depreciated	1,356,467	1,356,467
Capital assets, net of accumulated depreciation	533,670	617,681
Total noncurrent assets	1,890,137	1,974,148
Total assets	1,893,662	1,996,627
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	121,649	204,594
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	18,659	13,168
Accrued expenses	37,139	32,276
Due to other funds	974,160	898,113
Unearned revenues	29,651	27,317
Compensated absences payable, current portion	21,574	22,419
Total current liabilities	1,081,183	993,293
Noncurrent liabilities:		
Compensated absences payable, less current portion	144,378	150,036
Other postemployment benefits	170,410	97,682
Net pension liability	292,317	480,236
Total noncurrent liabilities	607,105	727,954
Total liabilities	1,688,288	1,721,247
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to other postemployment benefits	5,364	-
Deferred amounts related to pensions	190,741	277,311
Total deferred inflows of resources	196,105	277,311
<b>NET POSITION</b>		
Net investment in capital assets	1,890,137	1,974,148
Unrestricted (deficit)	(1,759,219)	(1,771,485)
Total net position	\$ 130,918	\$ 202,663



# THE CITY OF BOYNTON BEACH

## Golf Course Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>OPERATING REVENUES</b>		
Charges for services:		
Cart and green fees	\$ 1,249,244	\$ 990,472
Dues	64,291	49,550
Other services	256,147	244,432
Total operating revenues	1,569,682	1,284,454
<b>OPERATING EXPENSES</b>		
Personal services and benefits	837,607	817,780
Supplies, services and claims	584,506	579,818
Depreciation and amortization	128,383	111,585
Total operating expenses	1,550,496	1,509,183
Operating income (loss)	19,186	(224,729)
<b>NONOPERATING REVENUES</b>		
Gain on disposal of capital assets	1,960	-
Income (loss) before transfers	21,146	(224,729)
Transfers:		
Transfers in	-	300,000
Transfers out	(25,602)	(11,924)
Total transfers	(25,602)	288,076
Change in net position	(4,456)	63,347
Net position - beginning of year	202,663	139,316
Restatement for implementation of GASB Statement 75	(67,289)	-
Net position - beginning of year, as restated	135,374	139,316
Net position - end of year	\$ 130,918	\$ 202,663



# THE CITY OF BOYNTON BEACH

## Golf Course Fund Statement of Cash Flows For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 1,571,873	\$ 1,234,195
Payments to suppliers	(432,251)	(472,245)
Payments to employees	(1,019,988)	(1,039,196)
Payments for interfund services used	(127,667)	(115,268)
Net cash used in operating activities	(8,033)	(392,514)
<b>Cash Flows From Non-Capital Financing Activities</b>		
Loans from other funds	76,047	413,090
Transfers in	-	300,000
Transfers out	(25,602)	(11,924)
Net cash provided by non-capital financing activities	50,445	701,166
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisition of capital assets	(44,372)	(308,652)
Proceeds from sale of capital assets	1,960	-
Net cash used in capital and related financing activities	(42,412)	(308,652)
Increase in cash and cash equivalents	-	-
Cash and cash equivalents - beginning of year	-	-
Cash and cash equivalents - end of year	\$ -	\$ -
<b>Reconciliation of Operating Income (Loss) to Net Cash Used In Operating Activities:</b>		
Operating income (loss)	\$ 19,186	\$ (224,729)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation and amortization	128,383	111,585
Changes in operating assets and liabilities:		
Accounts receivable	(143)	(49)
Inventories	19,097	(11,081)
Deferred amounts related to pensions	(3,625)	(17,301)
Deferred amounts related to other postemployment benefits	5,364	-
Accounts payable	5,491	3,386
Accrued expenses	4,863	(2,915)
Unearned revenues	2,334	(50,210)
Compensated absences payable	(6,503)	8,378
Other postemployment benefits	5,439	(2,771)
Net pension liability	(187,919)	(206,807)
Total adjustments	(27,219)	(167,785)
Net cash used in operating activities	\$ (8,033)	\$ (392,514)
<b>Noncash Capital and Related Financing Activity:</b>		
Gain on disposal of capital assets	\$ 1,960	\$ -



### **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.

**Vehicle Service Fund:** To account for the cost of operating a maintenance facility for automotive equipment used by City departments and administration of the City's fleet.

**Warehouse Fund:** To account for inventory and disbursement of commodities purchased in bulk.

**Self Insurance Fund:** To account for worker's compensation insurance coverage of all City employees and the City's general and auto liability self-insurance program.



# THE CITY OF BOYNTON BEACH

## Internal Service Funds Combining Statement of Net Position September 30, 2018 (With Comparative Figures for 2017)

	Vehicle Service	Warehouse	Self Insurance	Total 2018	Total 2017
<b>ASSETS</b>					
Current assets:					
Pooled cash and investments	\$ 1,792,784	\$ -	\$ 2,484,216	\$ 4,277,000	\$ 3,751,299
Prepaid expenses	-	-	11,380	11,380	-
Inventories	169,723	710,865	-	880,588	957,153
Total current assets	<u>1,962,507</u>	<u>710,865</u>	<u>2,495,596</u>	<u>5,168,968</u>	<u>4,708,452</u>
Noncurrent assets:					
Capital assets not being depreciated	33,166	-	-	33,166	33,166
Capital assets, net of accumulated depreciation	9,210,718	2,486	-	9,213,204	9,332,589
Total noncurrent assets	<u>9,243,884</u>	<u>2,486</u>	<u>-</u>	<u>9,246,370</u>	<u>9,365,755</u>
Total assets	<u>11,206,391</u>	<u>713,351</u>	<u>2,495,596</u>	<u>14,415,338</u>	<u>14,074,207</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts related to pensions	<u>131,253</u>	<u>40,336</u>	<u>59,544</u>	<u>231,133</u>	<u>310,680</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	583,057	149,753	307,670	1,040,480	1,280,269
Accrued expenses	26,009	9,257	12,754	48,020	41,825
Provision for insurance losses, current portion	-	-	1,777,545	1,777,545	1,899,009
Compensated absences payable, current portion	7,358	5,587	2,160	15,105	12,238
Due to other funds	-	462,079	-	462,079	652,442
Total current liabilities	<u>616,424</u>	<u>626,676</u>	<u>2,100,129</u>	<u>3,343,229</u>	<u>3,885,783</u>
Noncurrent liabilities:					
Provision for insurance losses, less current portion	-	-	3,077,150	3,077,150	2,878,480
Compensated absences payable, less current portion	49,245	37,393	14,455	101,093	81,904
Other postemployment benefits	183,864	56,505	83,411	323,780	-
Net pension liability	315,395	96,926	143,082	555,403	729,248
Total noncurrent liabilities	<u>548,504</u>	<u>190,824</u>	<u>3,318,098</u>	<u>4,057,426</u>	<u>3,689,632</u>
Total liabilities	<u>1,164,928</u>	<u>817,500</u>	<u>5,418,227</u>	<u>7,400,655</u>	<u>7,575,415</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred amounts related to other postemployment benefits	5,787	1,779	2,625	10,191	-
Deferred amounts related to pensions	184,076	69,472	112,080	365,628	426,909
Total deferred inflows of resources	<u>189,863</u>	<u>71,251</u>	<u>114,705</u>	<u>375,819</u>	<u>426,909</u>
<b>NET POSITION (DEFICIT)</b>					
Investment in capital assets	9,243,884	2,486	-	9,246,370	9,365,755
Unrestricted (deficit)	738,969	(137,550)	(2,977,792)	(2,376,373)	(2,983,192)
Total net position (deficit)	<u>\$ 9,982,853</u>	<u>\$ (135,064)</u>	<u>\$ (2,977,792)</u>	<u>\$ 6,869,997</u>	<u>\$ 6,382,563</u>





# THE CITY OF BOYNTON BEACH

## Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	Vehicle Service	Warehouse	Self Insurance	Total 2018	Total 2017
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,807,797	\$ 361,787	\$ 4,900,003	\$ 9,069,587	\$ 8,191,952
Total operating revenues	<u>3,807,797</u>	<u>361,787</u>	<u>4,900,003</u>	<u>9,069,587</u>	<u>8,191,952</u>
<b>OPERATING EXPENSES</b>					
Personal services and benefits	840,946	264,633	355,709	1,461,288	\$ 1,327,963
Supplies, services and claims	2,833,021	31,259	5,168,153	8,032,433	7,829,734
Depreciation and amortization	3,782,208	989	183	3,783,380	3,770,610
Total operating expenses	<u>7,456,175</u>	<u>296,881</u>	<u>5,524,045</u>	<u>13,277,101</u>	<u>12,928,307</u>
Operating income (loss)	<u>(3,648,378)</u>	<u>64,906</u>	<u>(624,042)</u>	<u>(4,207,514)</u>	<u>(4,736,355)</u>
<b>NONOPERATING REVENUES</b>					
Investment earnings	1,662	-	2,528	4,190	3,127
Gain on disposal of capital assets	122,097	-	-	122,097	229,017
Miscellaneous income	522	-	206,348	206,870	730,003
	<u>124,281</u>	<u>-</u>	<u>208,876</u>	<u>333,157</u>	<u>962,147</u>
Income (loss) before transfers	<u>(3,524,097)</u>	<u>64,906</u>	<u>(415,166)</u>	<u>(3,874,357)</u>	<u>(3,774,208)</u>
Transfers:					
Transfers in	4,061,512	-	618,600	4,680,112	4,498,657
Transfers out	-	(4,876)	-	(4,876)	(2,184)
Total transfers	<u>4,061,512</u>	<u>(4,876)</u>	<u>618,600</u>	<u>4,675,236</u>	<u>4,496,473</u>
Change in net position	537,415	60,030	203,434	800,879	722,265
Net position (deficit) - beginning of year, as originally reported					
	9,623,433	(140,393)	(3,100,477)	6,382,563	5,660,298
Restatement for implementation of GASB Statement 75					
	<u>(177,995)</u>	<u>(54,701)</u>	<u>(80,749)</u>	<u>(313,445)</u>	<u>-</u>
Net position (deficit) - beginning of year, as restated					
	<u>9,445,438</u>	<u>(195,094)</u>	<u>(3,181,226)</u>	<u>6,069,118</u>	<u>5,660,298</u>
Net position (deficit) - end of year					
	<u>\$ 9,982,853</u>	<u>\$ (135,064)</u>	<u>\$ (2,977,792)</u>	<u>\$ 6,869,997</u>	<u>\$ 6,382,563</u>



# THE CITY OF BOYNTON BEACH

## Internal Service Funds Combining Statement of Cash Flows For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	Vehicle Service	Warehouse	Self Insurance	Total 2018	Total 2017
<b>Cash Flows From Operating Activities</b>					
Receipts from interfund services provided	\$ 3,807,797	\$ 361,787	\$ 4,900,003	\$ 9,069,587	\$ 8,191,952
Receipts from others	522	-	206,348	206,870	730,003
Payments to suppliers	(3,032,124)	(69,886)	(5,061,540)	(8,163,550)	(6,170,702)
Payments to employees	(909,066)	(283,273)	(375,751)	(1,568,090)	(1,537,478)
Payments for interfund services used	(154,445)	(2,035)	(164)	(156,644)	(131,695)
Net cash provided by (used in) operating activities	<u>(287,316)</u>	<u>6,593</u>	<u>(331,104)</u>	<u>(611,827)</u>	<u>1,082,080</u>
<b>Cash Flows From Non-Capital Financing Activities</b>					
Loans from other funds	-	-	-	-	(1,336,853)
Transfers in	4,061,512	-	618,600	4,680,112	4,498,657
Transfers out	-	(4,876)	-	(4,876)	(2,184)
Net cash provided by (used in) non-capital financing activities	<u>4,061,512</u>	<u>(4,876)</u>	<u>618,600</u>	<u>4,675,236</u>	<u>3,159,620</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition of capital assets	(3,662,278)	(1,717)	-	(3,663,995)	(2,114,334)
Proceeds from sale of capital assets	122,097	-	-	122,097	229,017
Net cash used in capital and related financing activities	<u>(3,540,181)</u>	<u>(1,717)</u>	<u>-</u>	<u>(3,541,898)</u>	<u>(1,885,317)</u>
<b>Cash Flows From Investing Activity</b>					
Investment income	1,662	-	2,528	4,190	3,127
Net cash provided by investing activity	<u>1,662</u>	<u>-</u>	<u>2,528</u>	<u>4,190</u>	<u>3,127</u>
Increase in cash and cash equivalents	235,677	-	290,024	525,701	2,359,510
Cash and cash equivalents - beginning of year	1,557,107	-	2,194,192	3,751,299	1,391,789
Cash and cash equivalents - end of year	<u>\$ 1,792,784</u>	<u>\$ -</u>	<u>\$ 2,484,216</u>	<u>\$ 4,277,000</u>	<u>\$ 3,751,299</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:</b>					
Operating income (loss)	\$ (3,648,378)	\$ 64,906	\$ (624,042)	\$ (4,207,514)	\$ (4,736,355)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,782,208	989	183	3,783,380	3,770,610
Miscellaneous income	522	-	206,348	206,870	730,003
Changes in operating assets and liabilities:					
Prepaid expenses	-	-	(11,380)	(11,380)	150
Inventories	21,482	55,083	-	76,565	(136,867)
Deferred amounts related to pensions	10,249	3,295	4,722	18,266	(13,021)
Deferred amounts related to other postemployment benefits	5,787	1,779	2,625	10,191	-
Accounts payable	(375,030)	94,618	40,623	(239,789)	872,851
Accrued expenses	1,889	1,359	2,947	6,195	1,943
Due to other funds	-	(190,363)	-	(190,363)	9,838
Provision for insurance losses	-	-	77,206	77,206	781,365
Compensated absences payable	7,710	2,679	11,667	22,056	6,226
Other postemployment benefits	5,869	1,804	2,662	10,335	-
Net pension liability	(99,624)	(29,556)	(44,665)	(173,845)	(204,663)
Total adjustments	<u>3,361,062</u>	<u>(58,313)</u>	<u>292,938</u>	<u>3,595,687</u>	<u>5,808,597</u>
Net cash provided by (used in) operating activities	<u>\$ (287,316)</u>	<u>\$ 6,593</u>	<u>\$ (331,104)</u>	<u>\$ (611,827)</u>	<u>\$ 1,072,242</u>
<b>Noncash Capital and Related Financing Activity:</b>					
Gain on disposal of capital assets	\$ 122,097	\$ -	\$ -	\$ 122,097	\$ 229,017



# THE CITY OF BOYNTON BEACH

## Vehicle Service Fund Statement of Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Current assets:		
Pooled cash and investments	\$ 1,792,784	\$ 1,557,107
Inventories	169,723	191,205
Total current assets	1,962,507	1,748,312
Noncurrent assets:		
Capital assets not being depreciated	33,166	33,166
Capital assets, net of accumulated depreciation	9,210,718	9,330,648
Total noncurrent assets	9,243,884	9,363,814
Total assets	11,206,391	11,112,126
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	131,253	176,810
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	583,057	958,087
Accrued expenses	26,009	24,120
Compensated absences payable, current portion	7,358	6,356
Total current liabilities	616,424	988,563
Noncurrent liabilities:		
Compensated absences payable, less current portion	49,245	42,537
Other postemployment benefits	183,864	-
Net pension liability	315,395	415,019
Total noncurrent liabilities	548,504	457,556
Total liabilities	1,164,928	1,446,119
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to other postemployment benefits	5,787	-
Deferred amounts related to pensions	184,076	219,384
Total deferred inflows of resources	189,863	219,384
<b>NET POSITION</b>		
Investment in capital assets	9,243,884	9,363,814
Unrestricted	738,969	259,619
Total net position	\$ 9,982,853	\$ 9,623,433



# THE CITY OF BOYNTON BEACH

## Vehicle Service Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>OPERATING REVENUES</b>		
Charges for services	\$ 3,807,797	\$ 3,247,763
Total operating revenues	3,807,797	3,247,763
<b>OPERATING EXPENSES</b>		
Personal services and benefits	840,946	695,846
Supplies, services and claims	2,833,021	2,534,995
Depreciation and amortization	3,782,208	3,769,540
Total operating expenses	7,456,175	7,000,381
Operating loss	(3,648,378)	(3,752,618)
<b>NONOPERATING REVENUES</b>		
Investment earnings	1,662	693
Gain on disposal of capital assets	122,097	229,017
Miscellaneous income	522	-
	124,281	229,710
Loss before transfers	(3,524,097)	(3,522,908)
Transfers:		
Transfers in	4,061,512	4,227,203
Total transfers	4,061,512	4,227,203
Change in net position	537,415	704,295
Net position - beginning of year, as originally reported	9,623,433	8,919,138
Restatement for implementation of GASB Statement 75	(177,995)	-
Net position - beginning of year, as restated	9,445,438	8,919,138
Net position - end of year	\$ 9,982,853	\$ 9,623,433



# THE CITY OF BOYNTON BEACH

## Vehicle Service Fund Statement of Cash Flows For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>Cash Flows From Operating Activities</b>		
Receipts from interfund services provided	\$ 3,807,797	\$ 3,247,763
Receipts from others	522	-
Payments to suppliers	(3,032,124)	(1,695,757)
Payments to employees	(909,066)	(870,937)
Payments for interfund services used	(154,445)	(129,688)
Net cash provided by (used in) operating activities	(287,316)	551,381
<b>Cash Flows From Non-Capital Financing Activities</b>		
Loans from other funds	-	(1,336,853)
Transfers in	4,061,512	4,227,203
Net cash provided by non-capital financing activities	4,061,512	2,890,350
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisition of capital assets	(3,662,278)	(2,114,334)
Proceeds from sale of capital assets	122,097	229,017
Net cash used in capital and related financing activities	(3,540,181)	(1,885,317)
<b>Cash Flows From Investing Activity</b>		
Investment income	1,662	693
Net cash provided by investing activity	1,662	693
Increase in cash and cash equivalents	235,677	1,557,107
Cash and cash equivalents - beginning of year	1,557,107	-
Cash and cash equivalents - end of year	\$ 1,792,784	\$ 1,557,107
<b>Reconciliation of Operating Loss to Net Cash Provided By (Used In) Operating Activities:</b>		
Operating loss	\$ (3,648,378)	\$ (3,752,618)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,782,208	3,769,540
Miscellaneous income	522	-
Changes in operating assets and liabilities:		
Inventories	21,482	(104,746)
Deferred amounts related to pensions	10,249	(13,841)
Deferred amounts related to other postemployment benefits	5,787	-
Accounts payable	(375,030)	814,296
Accrued expenses	1,889	4,469
Compensated absences payable	7,710	3,830
Other postemployment benefits	5,869	-
Net pension liability	(99,624)	(169,549)
Total adjustments	3,361,062	4,303,999
Net cash provided by (used in) operating activities	\$ (287,316)	\$ 551,381
<b>Noncash Capital and Related Financing Activity:</b>		
Gain on disposal of capital assets	\$ 122,097	\$ 229,017



# THE CITY OF BOYNTON BEACH

## Warehouse Fund Statement of Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Current assets:		
Inventories	\$ 710,865	\$ 765,948
Total current assets	710,865	765,948
Noncurrent assets:		
Capital assets, net of accumulated depreciation	2,486	1,758
Total noncurrent assets	2,486	1,758
Total assets	713,351	767,706
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	40,336	53,885
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	149,753	55,135
Accrued expenses	9,257	7,898
Compensated absences payable, current portion	5,587	5,239
Due to other funds	462,079	652,442
Total current liabilities	626,676	720,714
Noncurrent liabilities:		
Compensated absences payable, less current portion	37,393	35,062
Other postemployment benefits	56,505	-
Net pension liability	96,926	126,482
Total noncurrent liabilities	190,824	161,544
Total liabilities	817,500	882,258
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to other postemployment benefits	1,779	-
Deferred amounts related to pensions	69,472	79,726
Total deferred inflows of resources	71,251	79,726
<b>NET POSITION (DEFICIT)</b>		
Investment in capital assets	2,486	1,758
Unrestricted (deficit)	(137,550)	(142,151)
Total net position (deficit)	\$ (135,064)	\$ (140,393)



# THE CITY OF BOYNTON BEACH

## Warehouse Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>OPERATING REVENUES</b>		
Charges for services	\$ 361,787	\$ 308,894
Total operating revenues	361,787	308,894
<b>OPERATING EXPENSES</b>		
Personal services and benefits	264,633	276,016
Supplies, services and claims	31,259	19,358
Depreciation and amortization	989	703
Total operating expenses	296,881	296,077
Operating income	64,906	12,817
Transfers:		
Transfers out	(4,876)	(2,184)
Total transfers	(4,876)	(2,184)
Change in net position	60,030	10,633
Net position (deficit) - beginning of year, as originally reported	(140,393)	(151,026)
Restatement for implementation of GASB Statement 75	(54,701)	-
Net position (deficit) - beginning of year, as restated	(195,094)	(151,026)
Net position (deficit) - end of year	\$ (135,064)	\$ (140,393)



# THE CITY OF BOYNTON BEACH

## Warehouse Fund Statement of Cash Flows For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>Cash Flows From Operating Activities</b>		
Receipts from interfund services provided	\$ 361,787	\$ 308,894
Payments to suppliers	(69,886)	(10,613)
Payments to employees	(283,273)	(294,257)
Payments for interfund services used	(2,035)	(1,840)
Net cash provided by operating activities	6,593	2,184
<b>Cash Flows From Non-Capital Financing Activity</b>		
Transfers out	(4,876)	(2,184)
Net cash used in non-capital financing activity	(4,876)	(2,184)
<b>Cash Flows From Capital and Related Financing Activity</b>		
Acquisition of capital assets	(1,717)	-
Net cash used in capital and related financing activity	(1,717)	-
Increase in cash and cash equivalents	-	-
Cash and cash equivalents - beginning of year	-	-
Cash and cash equivalents - end of year	\$ -	\$ -
<b>Reconciliation of Operating Income to Net Cash Provided By Operating Activities:</b>		
Operating income	\$ 64,906	\$ 12,817
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	989	703
Changes in operating assets and liabilities:		
Inventories	55,083	(32,121)
Deferred amounts related to pensions	3,295	(410)
Deferred amounts related to other postemployment benefits	1,779	-
Accounts payable	94,618	29,188
Accrued expenses	1,359	(1,153)
Due to other funds	(190,363)	9,838
Compensated absences payable	2,679	3,564
Other postemployment benefits	1,804	-
Net pension liability	(29,556)	(20,242)
Total adjustments	(58,313)	(10,633)
Net cash provided by operating activities	\$ 6,593	\$ 2,184





# THE CITY OF BOYNTON BEACH

## Self Insurance Fund Statement of Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Current assets:		
Pooled cash and investments	\$ 2,484,216	\$ 2,194,192
Prepaid expenses	11,380	-
Total current assets	2,495,596	2,194,192
Noncurrent assets:		
Capital assets, net of accumulated depreciation	-	183
Total noncurrent assets	-	183
Total assets	2,495,596	2,194,375
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	59,544	79,985
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	307,670	267,047
Accrued expenses	12,754	9,807
Provision for insurance losses, current portion	1,777,545	1,899,009
Compensated absences payable, current portion	2,160	643
Total current liabilities	2,100,129	2,176,506
Noncurrent liabilities:		
Provision for insurance losses, less current portion	3,077,150	2,878,480
Compensated absences payable, less current portion	14,455	4,305
Other postemployment benefits	83,411	-
Net pension liability	143,082	187,747
Total noncurrent liabilities	3,318,098	3,070,532
Total liabilities	5,418,227	5,247,038
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to other postemployment benefits	2,625	-
Deferred amounts related to pensions	112,080	127,799
Total deferred inflows of resources	114,705	127,799
<b>NET POSITION (DEFICIT)</b>		
Investment in capital assets	-	183
Unrestricted (deficit)	(2,977,792)	(3,100,660)
Total net position (deficit)	\$ (2,977,792)	\$ (3,100,477)



# THE CITY OF BOYNTON BEACH

## Self Insurance Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>OPERATING REVENUES</b>		
Charges for services	\$ 4,900,003	\$ 4,635,295
Total operating revenues	4,900,003	4,635,295
<b>OPERATING EXPENSES</b>		
Personal services and benefits	355,709	356,101
Supplies, services and claims	5,168,153	5,275,381
Depreciation and amortization	183	367
Total operating expenses	5,524,045	5,631,849
Operating loss	(624,042)	(996,554)
<b>NONOPERATING REVENUES</b>		
Investment earnings	2,528	2,434
Miscellaneous income	206,348	730,003
	208,876	732,437
Loss before transfers	(415,166)	(264,117)
Transfers:		
Transfers in	618,600	271,454
Total transfers	618,600	271,454
Change in net position	203,434	7,337
Net position (deficit) - beginning of year, as originally reported	(3,100,477)	(3,107,814)
Restatement for implementation of GASB Statement 75	(80,749)	-
Net position (deficit) - beginning of year, as restated	(3,181,226)	(3,107,814)
Net position (deficit) - end of year	\$ (2,977,792)	\$ (3,100,477)



# THE CITY OF BOYNTON BEACH

## Self Insurance Fund Statement of Cash Flows For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>Cash Flows From Operating Activities</b>		
Receipts from interfund services provided	\$ 4,900,003	\$ 4,635,295
Receipts from others	206,348	730,003
Payments to suppliers	(5,061,540)	(4,464,332)
Payments to employees	(375,751)	(372,284)
Payments for interfund services used	(164)	(167)
Net cash provided by (used in) operating activities	(331,104)	528,515
<b>Cash Flows From Non-Capital Financing Activity</b>		
Transfers in	618,600	271,454
Net cash provided by non-capital financing activity	618,600	271,454
<b>Cash Flows From Investing Activity</b>		
Investment income	2,528	2,434
Net cash provided by investing activity	2,528	2,434
Increase in cash and cash equivalents	290,024	802,403
Cash and cash equivalents - beginning of year	2,194,192	1,391,789
Cash and cash equivalents - end of year	\$ 2,484,216	\$ 2,194,192
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used In) Operating Activities:</b>		
Operating loss	\$ (624,042)	\$ (996,554)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	183	367
Miscellaneous income	206,348	730,003
Changes in operating assets and liabilities:		
Prepaid expenses	(11,380)	150
Deferred amounts related to pensions	4,722	1,230
Deferred amounts related to other postemployment benefits	2,625	-
Accounts payable	40,623	29,367
Accrued expenses	2,947	(1,373)
Provision for insurance losses	77,206	781,365
Compensated absences payable	11,667	(1,168)
Other postemployment benefits	2,662	-
Net pension liability	(44,665)	(14,872)
Total adjustments	292,938	1,525,069
Net cash provided by (used in) operating activities	\$ (331,104)	\$ 528,515





## **PENSION TRUST FUNDS**

Pension Trust Funds account for the net position restricted for pension benefits and the changes in net position restricted for pension benefits of the City's three pension plans. Since these assets are not funds of the City of Boynton Beach, but those held in trust for employees and retirees, they are not included in the Government-Wide Financial Statements. Instead, they are reported in the following pages as part of the City's fiduciary responsibility.

**General Employees' Pension Fund:** To account for the accumulation of resources to be used for the retirement benefit payments to the City's general employees.

**Police Officers' Pension Fund:** To account for the accumulation of resources to be used for the retirement benefit payments to the City's sworn police personnel.

**Firefighters' Pension Fund:** To account for the accumulation of resources to be used for the retirement benefit payments to the City's certified fire personnel.



# THE CITY OF BOYNTON BEACH

## Pension Trust Funds Combining Statement of Fiduciary Net Position September 30, 2018 (With Comparative Figures for 2017)

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total 2018	Total 2017
<b>ASSETS</b>					
Cash	\$ 1,187,353	\$ 2,176	\$ -	\$ 1,189,529	\$ 1,271,897
Investments:					
Money market mutual funds	2,632,734	-	2,621,179	5,253,913	7,476,759
U.S. Government and Agency obligations	11,582,223	-	11,697,937	23,280,160	33,623,369
Municipal obligations	-	-	-	-	246,792
Mortgage-backed securities	3,819,593	-	-	3,819,593	2,922,295
Corporate obligations	6,856,977	-	4,747,654	11,604,631	13,729,361
Equity securities	62,984,099	-	32,003,933	94,988,032	86,067,366
Equity mutual funds	47,536,140	-	-	47,536,140	30,883,971
Equity investment funds	14,641,778	65,545,141	22,669,642	102,856,561	96,189,462
International equity investment funds	-	-	18,061,651	18,061,651	15,104,332
Fixed income investment funds	-	29,173,271	12,527,623	41,700,894	37,433,589
Real estate investment funds	28,821,492	6,740,412	10,229,669	45,791,573	38,496,332
Contributions receivable	-	-	789,121	789,121	-
Interest and dividends receivable	206,357	-	136,055	342,412	339,044
Pending trades receivable	192,749	439,048	12,179	643,976	1,593,484
DROP loans	-	254,315	111,751	366,066	475,318
Prepaid expenses	8,793	8,716	8,235	25,744	629,201
Total assets	<u>180,470,288</u>	<u>102,163,079</u>	<u>115,616,629</u>	<u>398,249,996</u>	<u>366,482,572</u>
<b>LIABILITIES</b>					
Accounts payable	269,605	180,363	58,008	507,976	444,163
Pending trades payable	479,918	-	155,235	635,153	525,058
Total liabilities	<u>749,523</u>	<u>180,363</u>	<u>213,243</u>	<u>1,143,129</u>	<u>969,221</u>
<b>NET POSITION</b>					
Net position restricted for pension benefits	<u>\$ 179,720,765</u>	<u>\$ 101,982,716</u>	<u>\$ 115,403,386</u>	<u>\$ 397,106,867</u>	<u>\$ 365,513,351</u>



# THE CITY OF BOYNTON BEACH

## Pension Trust Funds Combining Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	General Employees' Pension Fund	Police Officers' Pension Fund	Firefighters' Pension Fund	Total 2018	Total 2017
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 7,110,298	\$ 5,355,058	\$ 5,444,061	\$ 17,909,417	\$ 16,036,784
Plan members	1,532,846	1,316,764	1,796,988	4,646,598	4,142,890
State	-	825,507	789,121	1,614,628	1,664,621
Total contributions	<u>8,643,144</u>	<u>7,497,329</u>	<u>8,030,170</u>	<u>24,170,643</u>	<u>21,844,295</u>
Investment earnings:					
Net appreciation in fair value of investments	12,502,459	7,090,035	7,776,462	27,368,956	35,369,469
Interest and dividends	3,570,016	1,660	1,780,893	5,352,569	5,021,315
Miscellaneous	5,568	1,750	32,015	39,333	14,100
	<u>16,078,043</u>	<u>7,093,445</u>	<u>9,589,370</u>	<u>32,760,858</u>	<u>40,404,884</u>
Less investment expenses:					
Investment expenses	827,688	714,381	367,634	1,909,703	1,711,778
Net investment earnings	<u>15,250,355</u>	<u>6,379,064</u>	<u>9,221,736</u>	<u>30,851,155</u>	<u>38,693,106</u>
Total additions	<u>23,893,499</u>	<u>13,876,393</u>	<u>17,251,906</u>	<u>55,021,798</u>	<u>60,537,401</u>
<b>DEDUCTIONS</b>					
Benefits paid	9,810,800	6,817,205	5,970,713	22,598,718	21,325,511
Refunds of contributions	158,309	122,701	105,981	386,991	204,543
Administrative expenses	137,738	163,266	141,569	442,573	462,887
Total deductions	<u>10,106,847</u>	<u>7,103,172</u>	<u>6,218,263</u>	<u>23,428,282</u>	<u>21,992,941</u>
Change in plan net position	13,786,652	6,773,221	11,033,643	31,593,516	38,544,460
Net position restricted for pension benefits					
Beginning of year	<u>165,934,113</u>	<u>95,209,495</u>	<u>104,369,743</u>	<u>365,513,351</u>	<u>326,968,891</u>
End of year	<u>\$ 179,720,765</u>	<u>\$ 101,982,716</u>	<u>\$ 115,403,386</u>	<u>\$ 397,106,867</u>	<u>\$ 365,513,351</u>



# THE CITY OF BOYNTON BEACH

## General Employees' Pension Fund Statement of Fiduciary Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Cash	\$ 1,187,353	\$ 583,496
Investments:		
Money market mutual funds	2,632,734	4,268,610
U.S. Government and Agency obligations	11,582,223	22,316,541
Mortgage-backed securities	3,819,593	2,922,295
Corporate obligations	6,856,977	8,869,663
Equity securities	62,984,099	61,223,453
Equity mutual funds	47,536,140	30,883,971
Equity investment funds	14,641,778	11,772,882
Real estate investment funds	28,821,492	22,858,187
Interest and dividends receivable	206,357	208,112
Pending trades receivable	192,749	118,924
Prepaid expenses	8,793	616,496
Total assets	180,470,288	166,642,630
<b>LIABILITIES</b>		
Accounts payable	269,605	230,451
Pending trades payable	479,918	478,066
Total liabilities	749,523	708,517
<b>NET POSITION</b>		
Net position restricted for pension benefits	\$ 179,720,765	\$ 165,934,113





# THE CITY OF BOYNTON BEACH

## General Employees' Pension Fund Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 7,110,298	\$ 6,951,693
Plan members	1,532,846	1,520,068
Total contributions	8,643,144	8,471,761
Investment earnings:		
Net appreciation in fair value of investments	12,502,459	15,259,096
Interest and dividends	3,570,016	3,230,123
Miscellaneous	5,568	6,849
	16,078,043	18,496,068
Less investment expenses:		
Investment expenses	827,688	765,795
Net investment earnings	15,250,355	17,730,273
Total additions	23,893,499	26,202,034
<b>DEDUCTIONS</b>		
Benefits paid	9,810,800	9,609,277
Refunds of contributions	158,309	139,840
Administrative expenses	137,738	144,179
Total deductions	10,106,847	9,893,296
Change in plan net position	13,786,652	16,308,738
Net position restricted for pension benefits - beginning of year	165,934,113	149,625,375
Net position restricted for pension benefits - end of year	\$ 179,720,765	\$ 165,934,113



**Police Officers' Pension Fund  
Statement of Fiduciary Net Position  
September 30, 2018  
(With Comparative Figures for 2017)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash	\$ 2,176	\$ 2,445
Investments:		
Equity investment funds	65,545,141	61,098,467
Fixed income investment fund	29,173,271	26,219,476
Real estate investment fund	6,740,412	6,279,311
Pending trades receivable	439,048	1,423,292
DROP loans	254,315	335,309
Prepaid expenses	8,716	9,083
Total assets	<u>102,163,079</u>	<u>95,367,383</u>
<b>LIABILITIES</b>		
Accounts payable	180,363	157,888
Total liabilities	<u>180,363</u>	<u>157,888</u>
<b>NET POSITION</b>		
Net position restricted for pension benefits	<u>\$ 101,982,716</u>	<u>\$ 95,209,495</u>



# THE CITY OF BOYNTON BEACH

## Police Officers' Pension Fund Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 5,355,058	\$ 4,791,528
Plan members	1,316,764	1,075,428
State	825,507	781,307
Total contributions	7,497,329	6,648,263
Investment earnings:		
Net appreciation in fair value of investments	7,090,035	9,429,604
Interest and dividends	1,660	1,151
Miscellaneous	1,750	450
	7,093,445	9,431,205
Less investment expenses:		
Investment expenses	714,381	633,478
Net investment earnings	6,379,064	8,797,727
Total additions	13,876,393	15,445,990
<b>DEDUCTIONS</b>		
Benefits paid	6,817,205	6,259,474
Refunds of contributions	122,701	11,413
Administrative expenses	163,266	167,698
Total deductions	7,103,172	6,438,585
Change in plan net position	6,773,221	9,007,405
Net position restricted for pension benefits - beginning of year	95,209,495	86,202,090
Net position restricted for pension benefits - end of year	\$ 101,982,716	\$ 95,209,495



# THE CITY OF BOYNTON BEACH

## Firefighters' Pension Fund Statement of Fiduciary Net Position September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ASSETS</b>		
Cash	\$ -	\$ 685,956
Investments:		
Money market mutual funds	2,621,179	3,208,149
U.S. Government and Agency obligations	11,697,937	11,306,828
Municipal obligations	-	246,792
Corporate obligations	4,747,654	4,859,698
Equity securities	32,003,933	24,843,913
Equity investment funds	22,669,642	23,318,113
International equity investment funds	18,061,651	15,104,332
Fixed income investment funds	12,527,623	11,214,113
Real estate investment funds	10,229,669	9,358,834
Contributions receivable	789,121	-
Interest and dividends receivable	136,055	130,932
Pending trades receivable	12,179	51,268
DROP loans	111,751	140,009
Prepaid expenses	8,235	3,622
Total assets	115,616,629	104,472,559
<b>LIABILITIES</b>		
Accounts payable	58,008	55,824
Pending trades payable	155,235	46,992
Total liabilities	213,243	102,816
<b>NET ASSETS</b>		
Net position restricted for pension benefits	\$ 115,403,386	\$ 104,369,743



# THE CITY OF BOYNTON BEACH

## Firefighters' Pension Fund Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2018 (With Comparative Figures for 2017)

	2018	2017
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 5,444,061	\$ 4,293,563
Plan members	1,796,988	1,547,394
State	789,121	883,314
Total contributions	8,030,170	6,724,271
Investment earnings:		
Net appreciation in fair value of investments	7,776,462	10,680,769
Interest and dividends	1,780,893	1,790,041
Miscellaneous	32,015	6,801
	9,589,370	12,477,611
Less investment expenses:		
Investment expenses	367,634	312,505
Net investment earnings	9,221,736	12,165,106
Total additions	17,251,906	18,889,377
<b>DEDUCTIONS</b>		
Benefits paid	5,970,713	5,456,760
Refunds of contributions	105,981	53,290
Administrative expenses	141,569	151,010
Total deductions	6,218,263	5,661,060
Change in plan net position	11,033,643	13,228,317
Net position restricted for pension benefits - beginning of year	104,369,743	91,141,426
Net position restricted for pension benefits - end of year	\$ 115,403,386	\$ 104,369,743





# ***STATISTICAL SECTION***

**STATISTICAL SECTION**

This part of the City of Boynton Beach’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

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*Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.*





# THE CITY OF BOYNTON BEACH

## Government-wide Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 45,594,063	\$ 47,320,741	\$ 45,331,243	\$ 43,154,695
Restricted	35,625,330	29,793,106	3,289,038	6,184,429
Unrestricted (deficit)	20,476,623	14,751,944	38,199,258	38,808,332
Total governmental activities net position	<u>\$ 101,696,016</u>	<u>\$ 91,865,791</u>	<u>\$ 86,819,539</u>	<u>\$ 88,147,456</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 111,840,715	\$ 109,551,549	\$ 113,343,953	\$ 134,502,795
Restricted	36,197,782	33,486,024	27,526,325	1,961,504
Unrestricted	29,529,178	31,932,723	31,595,279	30,656,355
Total business-type activities net position	<u>\$ 177,567,675</u>	<u>\$ 174,970,296</u>	<u>\$ 172,465,557</u>	<u>\$ 167,120,654</u>
<b>TOTAL PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 157,434,778	\$ 156,872,290	\$ 158,675,196	\$ 177,657,490
Restricted	71,823,112	63,279,130	30,815,363	8,145,933
Unrestricted (deficit)	50,005,801	46,684,667	69,794,537	69,464,687
Total primary government net position	<u>\$ 279,263,691</u>	<u>\$ 266,836,087</u>	<u>\$ 259,285,096</u>	<u>\$ 255,268,110</u>

Note: GASB Statement No. 68 was adopted in fiscal year 2015 resulting in the reduction of net position for the net pension liability incurred in prior years.



# THE CITY OF BOYNTON BEACH

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 43,915,691	\$ 48,517,011	\$ 49,878,248	\$ 51,190,967	\$ 51,655,230	\$ 52,390,429
4,772,382	3,817,815	3,334,645	3,035,739	6,209,514	9,814,156
37,408,798	36,496,158	(51,459,872)	(47,642,113)	(40,423,781)	(34,845,281)
<u>\$ 86,096,871</u>	<u>\$ 88,830,984</u>	<u>\$ 1,753,021</u>	<u>\$ 6,584,593</u>	<u>\$ 17,440,963</u>	<u>\$ 27,359,304</u>
\$ 135,724,154	\$ 134,958,037	\$ 135,846,516	\$ 138,521,160	\$ 137,638,134	\$ 139,293,677
1,654,178	1,846,079	2,042,671	2,239,433	2,213,359	2,299,384
27,799,397	25,930,440	14,643,361	14,525,497	15,690,560	13,419,107
<u>\$ 165,177,729</u>	<u>\$ 162,734,556</u>	<u>\$ 152,532,548</u>	<u>\$ 155,286,090</u>	<u>\$ 155,542,053</u>	<u>\$ 155,012,168</u>
\$ 179,639,845	\$ 183,475,048	\$ 185,724,764	\$ 189,712,127	\$ 189,293,364	\$ 191,684,106
6,426,560	5,663,894	5,377,316	5,275,172	8,422,873	12,113,540
65,208,195	62,426,598	(36,816,511)	(33,116,616)	(24,733,221)	(21,426,174)
<u>\$ 251,274,600</u>	<u>\$ 251,565,540</u>	<u>\$ 154,285,569</u>	<u>\$ 161,870,683</u>	<u>\$ 172,983,016</u>	<u>\$ 182,371,472</u>



# THE CITY OF BOYNTON BEACH

## Government-wide Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 18,780,141	\$ 18,737,298	\$ 16,580,084	\$ 16,628,649
Public safety	51,759,110	51,742,281	49,820,122	48,264,463
Physical environment	1,911,558	2,049,821	1,922,230	1,883,613
Economic environment	3,921,017	5,742,630	4,612,914	1,768,934
Culture and recreation	12,302,209	10,958,549	10,424,628	9,624,728
Interest on long-term debt	2,836,920	2,722,629	2,663,153	2,534,797
Total governmental activities expenses	<u>91,510,955</u>	<u>91,953,208</u>	<u>86,023,131</u>	<u>80,705,184</u>
Business-type activities:				
Water and sewer	33,860,369	35,340,105	35,460,168	36,182,879
Sanitation	7,599,393	7,384,218	7,470,324	7,333,593
Golf course	2,827,484	2,482,366	2,392,419	2,127,791
Total business-type activities expenses	<u>44,287,246</u>	<u>45,206,689</u>	<u>45,322,911</u>	<u>45,644,263</u>
Total primary government expenses	<u>\$ 135,798,201</u>	<u>\$ 137,159,897</u>	<u>\$ 131,346,042</u>	<u>\$ 126,349,447</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services:				
General government	\$ 3,922,962	\$ 4,545,268	\$ 5,391,847	\$ 5,968,670
Public safety	9,249,132	8,918,145	9,317,546	10,924,447
Physical environment	213,106	150,423	104,047	193,742
Economic environment	563,631	54,599	122,296	10,472
Culture and recreation	968,180	985,278	1,110,191	1,149,664
Operating grants and contributions:				
General government	137,336	176,136	-	23,704
Public safety	782,716	1,337,611	627,789	622,669
Physical environment	-	75,396	55,108	80,800
Economic environment	1,152,759	2,505,730	1,698,526	1,036,594
Culture and recreation	353,280	237,483	1,592,726	340,025
Capital grants and contributions:				
General government	-	-	-	-
Public safety	1,069,459	35,002	256,307	56,986
Physical environment	-	125,755	839,224	68,710
Economic environment	-	250,039	340,151	17,864
Culture and recreation	-	200,000	15,831	50,700
Total governmental activities program revenues	<u>18,412,561</u>	<u>19,596,865</u>	<u>21,471,589</u>	<u>20,545,047</u>
Business-type activities:				
Charges for services:				
Water and sewer	33,324,003	35,944,991	38,186,059	38,025,492
Sanitation	9,538,269	9,298,463	10,080,888	10,245,462
Golf course	2,130,930	2,036,328	1,967,363	1,816,629
Operating grants and contributions:				
Sanitation	11,628	117,171	125,719	-
Capital grants and contributions:				
Water and sewer	778,890	1,218,819	183,462	226,811
Total business-type activities program revenues	<u>45,783,720</u>	<u>48,615,772</u>	<u>50,543,491</u>	<u>50,314,394</u>
Total primary government program revenues	<u>\$ 64,196,281</u>	<u>\$ 68,212,637</u>	<u>\$ 72,015,080</u>	<u>\$ 70,859,441</u>
<b>NET (EXPENSE)/REVENUE</b>				
Governmental activities	\$ (73,098,394)	\$ (72,356,343)	\$ (64,551,542)	\$ (60,160,137)
Business-type activities	1,496,474	3,409,083	5,220,580	4,670,131
Total primary government net expense	<u>\$ (71,601,920)</u>	<u>\$ (68,947,260)</u>	<u>\$ (59,330,962)</u>	<u>\$ (55,490,006)</u>



# THE CITY OF BOYNTON BEACH

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 17,367,632	\$ 16,991,337	\$ 16,756,253	\$ 17,446,178	\$ 17,248,803	\$ 21,534,502
49,943,737	50,392,153	58,570,187	56,226,627	59,269,809	61,127,252
1,985,677	2,141,055	2,192,587	2,090,605	2,184,200	2,188,823
2,856,423	2,151,592	2,995,977	4,102,240	4,040,011	11,450,205
9,972,236	10,924,060	11,127,163	10,947,954	10,786,599	10,900,242
2,183,781	2,027,810	1,165,259	1,238,456	1,149,442	1,122,852
<u>84,309,486</u>	<u>84,628,007</u>	<u>92,807,426</u>	<u>92,052,060</u>	<u>94,678,864</u>	<u>108,323,876</u>
34,194,478	36,748,098	37,343,155	36,764,285	38,299,935	39,448,905
7,591,901	8,070,015	8,276,973	8,699,222	10,067,260	9,893,397
1,989,641	2,035,884	2,007,293	1,859,179	1,535,230	1,563,671
<u>43,776,020</u>	<u>46,853,997</u>	<u>47,627,421</u>	<u>47,322,686</u>	<u>49,902,425</u>	<u>50,905,973</u>
<u>\$ 128,085,506</u>	<u>\$ 131,482,004</u>	<u>\$ 140,434,847</u>	<u>\$ 139,374,746</u>	<u>\$ 144,581,289</u>	<u>\$ 159,229,849</u>
\$ 6,263,060	\$ 6,219,554	\$ 7,371,307	\$ 7,045,867	\$ 7,065,570	\$ 10,313,177
5,786,137	6,101,902	7,242,279	7,853,220	8,173,541	7,915,513
221,175	178,455	138,400	86,225	143,100	158,158
-	-	-	-	1,128	5,247
1,203,181	1,242,486	1,355,498	1,237,221	1,104,571	1,176,531
42,685	59,166	73,128	164,095	3,233,477	211,528
529,019	715,856	719,927	109,325	213,308	92,854
-	-	-	-	-	-
1,509,293	924,141	705,285	714,658	565,364	935,697
290,026	170,623	399,106	282,510	450,029	213,693
-	-	-	-	-	-
59,101	56,159	78,967	-	-	22,997
-	-	-	-	-	-
-	-	-	-	-	-
58,092	50,651	37,779	27,256	3,632	72,331
<u>15,961,769</u>	<u>15,718,993</u>	<u>18,121,676</u>	<u>17,520,377</u>	<u>20,953,720</u>	<u>21,117,726</u>
38,814,428	41,544,004	43,589,493	45,095,405	46,056,827	46,397,059
10,361,241	10,615,183	10,881,915	11,322,781	11,854,871	11,911,986
1,721,776	1,677,960	1,744,974	1,451,977	1,284,176	1,569,682
-	-	-	-	-	-
2,503,790	302,801	2,651,490	1,911,050	215,756	2,138,466
<u>53,401,235</u>	<u>54,139,948</u>	<u>58,867,872</u>	<u>59,781,213</u>	<u>59,411,630</u>	<u>62,017,193</u>
<u>\$ 69,363,004</u>	<u>\$ 69,858,941</u>	<u>\$ 76,989,548</u>	<u>\$ 77,301,590</u>	<u>\$ 80,365,350</u>	<u>\$ 83,134,919</u>
\$ (68,347,717)	\$ (68,909,014)	\$ (74,685,750)	\$ (74,531,683)	\$ (73,725,144)	\$ (87,206,150)
9,625,215	7,285,951	11,240,451	12,458,527	9,509,205	11,111,220
<u>\$ (58,722,502)</u>	<u>\$ (61,623,063)</u>	<u>\$ (63,445,299)</u>	<u>\$ (62,073,156)</u>	<u>\$ (64,215,939)</u>	<u>\$ (76,094,930)</u>



# THE CITY OF BOYNTON BEACH

## Government-wide Changes in Net Position (Continued) Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 29,444,565	\$ 25,838,049	\$ 21,941,677	\$ 22,600,580
Tax increment	8,315,313	6,760,869	5,660,118	5,730,453
Franchise taxes	4,846,785	4,410,217	4,546,878	4,287,510
Public service taxes	5,421,664	5,882,533	5,899,255	5,928,449
Communications services tax	3,422,671	3,006,923	2,838,133	2,583,369
Sales taxes	4,126,846	4,094,172	4,294,745	4,462,768
Gas taxes	1,145,884	1,139,595	1,124,405	1,159,641
Intergovernmental, unrestricted	1,959,227	1,953,049	2,037,246	2,109,974
Special assessments	-	-	-	-
Investment earnings (loss)	1,980,741	1,608,128	990,738	614,233
Miscellaneous	1,106,625	788,886	1,284,954	855,739
Special item	-	(254,300)	-	-
Transfers	6,034,422	7,841,596	8,887,141	11,155,338
Total governmental activities	<u>67,804,743</u>	<u>63,069,717</u>	<u>59,505,290</u>	<u>61,488,054</u>
Business-type activities:				
Investment earnings (loss)	1,250,112	1,359,887	1,106,732	1,104,858
Miscellaneous	(1,143,100)	475,247	55,090	35,446
Transfers	(6,034,422)	(7,841,596)	(8,887,141)	(11,155,338)
Total business-type activities	<u>(5,927,410)</u>	<u>(6,006,462)</u>	<u>(7,725,319)</u>	<u>(10,015,034)</u>
Total primary government	<u>\$ 61,877,333</u>	<u>\$ 57,063,255</u>	<u>\$ 51,779,971</u>	<u>\$ 51,473,020</u>
<b>CHANGE IN NET POSITION (DEFICIT)</b>				
Governmental activities	\$ (5,293,651)	\$ (9,286,626)	\$ (5,046,252)	\$ 1,327,917
Business-type activities	(4,430,936)	(2,597,379)	(2,504,739)	(5,344,903)
Total primary government	<u>\$ (9,724,587)</u>	<u>\$ (11,884,005)</u>	<u>\$ (7,550,991)</u>	<u>\$ (4,016,986)</u>



# THE CITY OF BOYNTON BEACH

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 23,480,334	\$ 25,080,586	\$ 26,891,091	\$ 29,642,316	\$ 31,704,673	\$ 33,819,753
5,614,228	7,022,119	8,317,868	9,585,902	10,579,150	11,776,329
4,296,681	4,636,483	4,688,568	4,669,059	4,784,734	4,715,685
6,395,124	6,987,760	7,156,246	7,352,212	7,576,223	7,735,274
2,775,603	2,494,978	2,509,197	2,383,974	2,558,269	2,325,012
4,702,203	5,033,943	5,434,292	4,760,885	5,738,662	11,162,782
1,152,519	1,199,533	1,279,010	1,313,329	1,368,662	1,401,786
2,226,865	2,400,103	2,378,947	2,484,312	2,638,921	2,938,720
4,935,223	4,933,830	5,607,447	5,680,335	5,692,928	6,859,492
(47,898)	188,876	215,569	248,905	308,926	491,696
927,210	1,273,177	972,829	759,197	2,022,322	3,525,293
-	-	-	-	-	-
<u>10,286,077</u>	<u>10,391,739</u>	<u>11,030,255</u>	<u>10,482,829</u>	<u>9,608,044</u>	<u>9,740,787</u>
<u>66,744,169</u>	<u>71,643,127</u>	<u>76,481,319</u>	<u>79,363,255</u>	<u>84,581,514</u>	<u>96,492,609</u>
(331,102)	614,598	715,946	697,288	314,624	54,395
48,300	48,017	51,846	80,556	40,178	99,382
<u>(10,286,077)</u>	<u>(10,391,739)</u>	<u>(11,030,255)</u>	<u>(10,482,829)</u>	<u>(9,608,044)</u>	<u>(9,740,787)</u>
<u>(10,568,879)</u>	<u>(9,729,124)</u>	<u>(10,262,463)</u>	<u>(9,704,985)</u>	<u>(9,253,242)</u>	<u>(9,587,010)</u>
<u>\$ 56,175,290</u>	<u>\$ 61,914,003</u>	<u>\$ 66,218,856</u>	<u>\$ 69,658,270</u>	<u>\$ 75,328,272</u>	<u>\$ 86,905,599</u>
\$ (1,603,548)	\$ 2,734,113	\$ 1,795,569	\$ 4,831,572	\$ 10,856,370	\$ 9,286,459
<u>(943,664)</u>	<u>(2,443,173)</u>	<u>977,988</u>	<u>2,753,542</u>	<u>255,963</u>	<u>1,524,210</u>
<u>\$ (2,547,212)</u>	<u>\$ 290,940</u>	<u>\$ 2,773,557</u>	<u>\$ 7,585,114</u>	<u>\$ 11,112,333</u>	<u>\$ 10,810,669</u>





# THE CITY OF BOYNTON BEACH

## Governmental Activities Tax Revenues by Source Last Ten Fiscal Years

Fiscal Year	Property Taxes	Franchise Taxes	Public Service Taxes	Communications Services Taxes	Sales Taxes <sup>(1)</sup>	Gas Taxes	Total
2009	\$ 37,759,878	\$ 4,846,785	\$ 5,421,664	\$ 3,422,671	\$ 4,126,846	\$ 1,145,884	\$ 56,723,728
2010	32,598,918	4,410,217	5,882,533	3,006,923	4,094,172	1,139,595	51,132,358
2011	27,601,795	4,546,878	5,899,255	2,838,133	4,294,745	1,124,405	46,305,211
2012	28,331,033	4,287,510	5,928,449	2,583,369	4,462,768	1,159,641	46,752,770
2013	29,094,562	4,296,681	6,395,124	2,775,603	4,702,203	1,152,519	48,416,692
2014	32,102,705	4,636,483	6,987,760	2,494,978	5,033,943	1,199,533	52,455,402
2015	35,208,959	4,688,568	7,156,246	2,509,197	5,434,292	1,279,010	56,276,272
2016	39,228,218	4,669,059	7,352,212	2,383,974	4,760,885	1,313,329	59,707,677
2017	42,283,823	4,784,734	7,576,223	2,558,269	5,738,662	1,368,662	64,310,373
2018	45,596,082	4,715,685	7,735,274	2,325,012	11,162,782	1,401,786	72,936,621

(1) In 2017 the City began receiving the proceeds of a local option sales tax approved by the voters for a 10 year period to finance local infrastructure capital projects.





# THE CITY OF BOYNTON BEACH

## Fund Balance of Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
<b>GENERAL FUND</b>				
Reserved	\$ 98,722	\$ 835,107	\$ -	\$ -
Unreserved	10,637,169	7,586,374	-	-
Nonspendable				
Prepaid items	-	-	208,867	143,862
Committed to:				
Emergency purposes	-	-	6,514,230	6,882,152
Assigned to:				
Subsequent year's budget	-	-	110,000	2,897,849
Unassigned	-	-	3,875,447	2,906,439
Total general fund	<u>\$ 10,735,891</u>	<u>\$ 8,421,481</u>	<u>\$ 10,708,544</u>	<u>\$ 12,830,302</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 13,964	\$ 26,975	\$ -	\$ -
Unreserved, reported in:				
Capital projects funds	24,836,476	11,007,273	-	-
Special revenue funds	11,986,443	15,858,536	-	-
Debt service funds	4,976,027	5,133,488	-	-
Nonspendable:				
Prepaid items	-	-	32,890	25,353
Restricted for:				
Economic development	-	-	-	-
Public safety	-	-	915,644	888,052
Grant programs	-	-	1,565,960	1,569,109
Debt service	-	-	3,110,319	3,118,504
Capital projects	-	-	178,719	237,690
Other purposes	-	-	293,078	371,074
Committed for:				
Economic development	-	-	835,299	467,783
Debt service	-	-	-	-
Capital projects	-	-	1,639,799	513,176
Assigned to:				
Economic development	-	-	3,294,361	3,117,712
Debt service	-	-	2,021,514	1,832,634
Public safety	-	-	1,833	66,557
Culture and recreation	-	-	786,324	919,538
Cemetery maintenance	-	-	4,193,552	4,117,895
Capital projects	-	-	4,448,899	5,750,493
Unassigned (deficit)	-	-	(473,938)	(431,343)
Total all other governmental funds	<u>\$ 41,812,910</u>	<u>\$ 32,026,272</u>	<u>\$ 22,844,253</u>	<u>\$ 22,564,227</u>

Note: GASB Statement No. 54 was adopted in fiscal year 2011 resulting in the reclassification of the Governmental Funds fund balances.



# THE CITY OF BOYNTON BEACH

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106,222	98,886	124,236	162,954	469,156	490,897
7,126,713	7,254,011	7,651,856	7,940,131	8,324,107	8,324,107
2,420,738	461,356	450,645	1,006,726	118,100	-
1,541,293	3,463,775	6,852,818	6,895,157	7,439,695	7,118,719
<u>\$ 11,194,966</u>	<u>\$ 11,278,028</u>	<u>\$ 15,079,555</u>	<u>\$ 16,004,968</u>	<u>\$ 16,351,058</u>	<u>\$ 15,933,723</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
106,626	69,514	67,517	96,965	193,714	201,469
-	-	-	-	88,123	-
652,154	590,369	787,731	482,594	325,021	293,168
1,652,063	1,692,416	1,920,891	1,898,147	1,909,342	1,307,599
1,607,500	827,500	-	-	-	91,183
288,138	316,121	423,693	237,145	3,407,924	7,564,049
572,527	391,409	202,330	417,853	479,104	558,157
336,446	707,515	160,412	1,022,417	1,196,851	658,307
57,187	60,511	66,231	72,205	78,291	-
136,254	663,585	804,049	2,397,914	4,231,375	5,777,612
2,563,918	2,496,123	2,825,016	2,843,502	2,839,349	1,598,959
2,018,843	2,814,438	2,313,596	3,648,413	4,515,502	5,110,955
110,462	45,348	-	350,738	859,078	1,346,197
825,207	731,849	616,944	612,470	467,358	529,558
4,056,731	3,989,764	3,857,723	3,636,060	3,453,801	3,272,915
6,329,544	5,341,477	6,490,977	6,307,610	6,850,038	8,220,118
187,983	(367,163)	284,207	490,503	(303,770)	(219,251)
<u>\$ 21,501,583</u>	<u>\$ 20,370,776</u>	<u>\$ 20,821,317</u>	<u>\$ 24,514,536</u>	<u>\$ 30,591,101</u>	<u>\$ 36,310,995</u>



# THE CITY OF BOYNTON BEACH

## Changes in Fund Balance of Governmental Funds Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2009	2010	2011	2012
<b>REVENUES</b>				
Taxes	\$ 49,152,673	\$ 43,964,625	\$ 38,855,159	\$ 39,365,949
Licenses and permits	5,617,035	5,683,270	6,089,525	6,415,141
Intergovernmental	11,217,201	13,058,225	14,250,887	10,905,362
Charges for services	6,904,712	7,107,236	7,408,143	7,120,281
Special assessments	3,787,127	3,740,170	3,703,024	4,904,844
Fines and forfeitures	614,624	394,888	1,074,116	1,904,061
Rents and royalties	215,668	231,853	344,189	331,689
Investment earnings (loss)	1,790,545	1,457,025	862,490	537,604
Donations	58,497	94,909	63,130	183,587
Miscellaneous	664,320	499,170	751,004	278,182
Total revenues	<u>80,022,402</u>	<u>76,231,371</u>	<u>73,401,667</u>	<u>71,946,700</u>
<b>EXPENDITURES</b>				
Current:				
General government	16,005,431	15,472,894	14,530,115	13,376,103
Public safety	49,673,851	50,006,789	49,338,788	47,143,279
Physical environment	1,217,842	1,351,332	1,101,867	1,029,639
Economic environment	3,837,226	5,728,592	4,604,398	1,756,329
Culture and recreation	9,690,494	9,030,334	8,398,393	7,612,261
Capital outlay	9,024,022	7,531,836	5,088,656	3,007,837
Debt service:				
Principal	2,983,649	2,990,151	2,623,120	2,527,960
Interest and other fiscal charges	2,940,694	2,825,933	2,716,951	2,614,668
Debt issuance costs	-	-	-	-
Total expenditures	<u>95,373,209</u>	<u>94,937,861</u>	<u>88,402,288</u>	<u>79,068,076</u>
Revenues over (under) expenditures	<u>(15,350,807)</u>	<u>(18,706,490)</u>	<u>(15,000,621)</u>	<u>(7,121,376)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	26,032,894	31,349,899	31,519,453	27,695,921
Transfers out	(22,906,479)	(24,490,157)	(22,870,189)	(18,732,813)
Proceeds from the sale of capital assets	-	-	-	-
Debt proceeds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>3,126,415</u>	<u>6,859,742</u>	<u>8,649,264</u>	<u>8,963,108</u>
<b>SPECIAL ITEM</b>				
Refund of permit fee	-	(254,300)	-	-
Net change in fund balance	<u>\$ (12,224,392)</u>	<u>\$ (12,101,048)</u>	<u>\$ (6,351,357)</u>	<u>\$ 1,841,732</u>
Debt service as a percentage of non-capital expenditures	<u>7.37%</u>	<u>7.13%</u>	<u>6.85%</u>	<u>7.25%</u>



# THE CITY OF BOYNTON BEACH

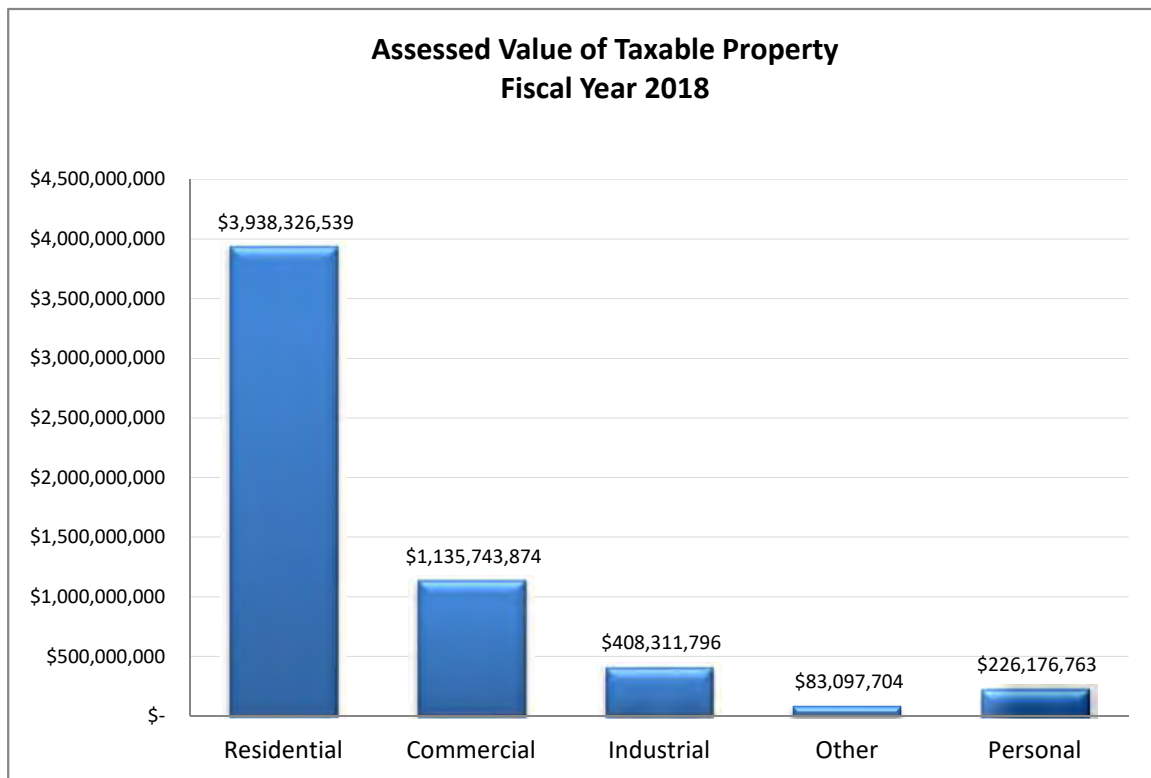
Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 40,767,941	\$ 44,217,234	\$ 47,748,292	\$ 51,917,489	\$ 55,449,182	\$ 58,760,618
6,712,501	6,848,006	7,445,570	7,580,666	7,614,649	8,665,143
10,924,332	11,373,452	11,824,905	10,464,412	14,616,730	17,480,482
7,334,438	7,484,480	8,810,314	8,428,918	9,559,547	9,267,679
4,935,223	4,933,831	5,607,447	5,680,334	5,692,928	6,859,493
1,727,138	1,834,271	1,985,878	2,384,364	1,512,195	1,928,363
336,908	345,242	364,343	404,255	413,386	437,947
(20,813)	177,599	206,789	243,507	305,799	487,506
339,365	192,767	236,393	189,328	404,961	279,181
447,344	517,270	519,937	435,592	1,060,287	4,984,607
<u>73,504,377</u>	<u>77,924,152</u>	<u>84,749,868</u>	<u>87,728,865</u>	<u>96,629,664</u>	<u>109,151,019</u>
14,555,256	15,142,282	12,906,141	13,437,110	14,398,273	20,335,069
48,947,953	49,594,033	53,227,085	56,329,759	58,359,234	60,736,128
1,156,818	1,303,407	1,320,137	1,292,729	1,347,505	1,324,885
2,838,375	2,164,536	2,973,379	4,114,899	4,025,651	6,477,579
7,997,433	8,968,951	8,905,292	8,956,644	8,823,549	8,886,654
2,462,094	4,530,865	2,729,896	3,206,652	3,879,540	8,494,644
2,790,006	2,888,390	2,675,595	2,697,762	3,525,000	4,477,617
3,252,592	2,039,375	1,650,092	1,027,118	959,828	930,787
-	-	117,758	-	-	-
<u>84,000,527</u>	<u>86,631,839</u>	<u>86,505,375</u>	<u>91,062,673</u>	<u>95,318,580</u>	<u>111,663,363</u>
<u>(10,496,150)</u>	<u>(8,707,687)</u>	<u>(1,755,507)</u>	<u>(3,333,808)</u>	<u>1,311,084</u>	<u>(2,512,344)</u>
22,002,164	23,653,669	24,565,411	25,344,133	25,698,050	28,239,670
(14,248,994)	(15,993,727)	(16,655,675)	(17,947,694)	(20,586,479)	(23,174,119)
-	-	-	556,001	-	1,154,212
16,185,000	-	29,720,947	-	-	1,595,140
<u>(16,140,000)</u>	<u>-</u>	<u>(31,623,108)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,798,170</u>	<u>7,659,942</u>	<u>6,007,575</u>	<u>7,952,440</u>	<u>5,111,571</u>	<u>7,814,903</u>
-	-	-	-	-	-
<u>\$ (2,697,980)</u>	<u>\$ (1,047,745)</u>	<u>\$ 4,252,068</u>	<u>\$ 4,618,632</u>	<u>\$ 6,422,655</u>	<u>\$ 5,302,559</u>
<u>8.00%</u>	<u>6.39%</u>	<u>5.45%</u>	<u>4.43%</u>	<u>5.16%</u>	<u>5.53%</u>



# THE CITY OF BOYNTON BEACH

## Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Property Types				
	Residential	Commercial	Industrial	Other	Personal
2009	\$ 3,828,426,828	\$ 1,034,836,419	\$ 366,505,515	\$ 66,655,045	\$ 271,582,088
2010	2,873,401,905	942,488,812	403,538,771	74,638,431	277,848,816
2011	2,385,181,626	825,539,209	347,592,426	57,732,386	273,434,050
2012	2,372,668,214	746,944,112	348,003,702	55,371,557	240,255,636
2013	2,320,445,333	729,017,453	339,651,613	54,042,639	234,489,500
2014	2,436,467,599	810,364,696	342,148,867	53,926,467	241,430,308
2015	2,923,761,118	972,437,635	410,578,640	73,888,557	265,510,848
2016	3,159,914,754	1,085,753,914	439,319,144	79,060,755	257,206,056
2017	3,654,470,712	1,075,226,494	386,020,388	74,713,623	223,599,467
2018	3,938,326,539	1,135,743,874	408,311,796	83,097,704	226,176,763



Source: Palm Beach County Property Appraiser



# THE CITY OF BOYNTON BEACH

Fiscal Year	Total Taxable Value <sup>(1)</sup>	Total Direct Tax Rate <sup>(2)</sup>	Total Actual Value <sup>(3)</sup>	Taxable Value as a % of Actual Value
2009	\$ 5,568,005,895	6.4553	\$ 7,980,262,576	69.77 %
2010	4,571,916,735	6.7626	6,392,264,269	71.52
2011	3,889,479,697	6.7626	5,380,721,213	72.29
2012	3,763,243,221	7.1941	5,195,441,429	72.43
2013	3,677,646,538	7.6000	5,037,982,238	73.00
2014	3,884,337,937	7.9000	5,353,496,813	72.56
2015	4,646,176,798	7.9000	6,786,463,694	68.46
2016	5,021,254,623	7.9000	7,389,490,524	67.95
2017	5,414,030,684	7.9000	7,952,133,115	68.08
2018	5,791,656,676	7.9000	8,411,325,671	68.86

<sup>(1)</sup> Actual value less all exemptions (governmental, institutional, widow's/widower's, disability/blind, and homestead) and homestead assessment differential (just value minus capped value)

<sup>(2)</sup> Includes debt service

<sup>(3)</sup> Actual Value = Just Value

Source: Palm Beach County Property Appraiser



# THE CITY OF BOYNTON BEACH

## Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years (Per \$1,000 of Assessed Value)

Fiscal Year	City of Boynton Beach			Palm Beach County			Schools			Other <sup>(1)</sup>	Total
	Operating Millage	Debt Service	Total City	Operating Millage	Debt Service	Total County	Operating Millage	Debt Service	Total Schools		
2009	6.4553	0.0000	6.4553	3.7810	0.1850	3.9660	7.2510	0.0000	7.2510	2.2570	19.9293
2010	6.7626	0.0000	6.7626	4.7500	0.2460	4.9960	7.9830	0.0000	7.9830	2.5550	22.2966
2011	6.7626	0.0000	6.7626	4.7500	0.2460	4.9960	8.1540	0.0000	8.1540	2.5549	22.4675
2012	7.1941	0.0000	7.1941	4.7815	0.2110	4.9925	8.1800	0.0000	8.1800	2.3088	22.6754
2013	7.6000	0.0000	7.6000	4.7815	0.2087	4.9902	7.7780	0.0000	7.7780	2.3154	22.6836
2014	7.9000	0.0000	7.9000	4.7815	0.2037	4.9852	7.5860	0.0000	7.5860	2.2800	22.7512
2015	7.9000	0.0000	7.9000	4.7815	0.1914	4.9729	7.5940	0.0000	7.5940	2.1732	22.6401
2016	7.9000	0.0000	7.9000	4.7815	0.1327	4.9142	7.5120	0.0000	7.5120	2.0974	22.4236
2017	7.9000	0.0000	7.9000	4.7815	0.1210	4.9025	7.0700	0.0000	7.0700	1.8518	21.7243
2018	7.9000	0.0000	7.9000	4.7815	0.1208	4.9023	6.7690	0.0000	6.7690	1.7818	21.3531

Source: Palm Beach County Property Appraiser

- Tax rate limits - Ten mills per Florida Statute 200.081
- Scope of tax rate limit - No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.
- Taxes due - March 31
- Taxes delinquent - April 1
- Discounts allowed - 4% November, 3% December, 2% January, 1% February
- Penalties for delinquency - 2.5% after April 1, increasing .5% each ten days to maximum of 5.0%
- Tax collector - Palm Beach County
- Tax collector's commission - None

<sup>(1)</sup> Other rates include the South Florida Water Management District, Florida Inland Navigation District, Palm Beach County Health Care District, and the Children's Services Council.



# THE CITY OF BOYNTON BEACH

## Ten Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2018				2009		
	City Tax	Taxable Value			Taxable Value		
	Amount	Value	Rank	%	Value	Rank	%
Florida Power & Light Co.	\$ 782,943	\$ 99,106,690	1	1.71%	\$ -	-	-
Hart Seabourn Cove LLC	749,121	94,825,450	2	1.64%	-	-	-
CH Realty VII PSREG Boynton Beach	687,300	87,000,000	3	1.50%	-	-	-
GSG Residential Savannah Lakes LLC	456,811	57,824,170	4	1.00%	-	-	-
Duke PGC at Quantum 19 LLC	441,820	55,926,612	5	0.97%	-	-	-
Morguard Boynton Town Center Inc.	354,267	44,843,913	6	0.77%	-	-	-
Villas at Quantum Lakes, Inc.	304,091	38,492,552	7	0.66%	-	-	-
Compson Place Apartments LLC	296,048	37,474,382	8	0.65%	-	-	-
Boynton Beach Mall LLC	264,786	33,517,168	9	0.58%	-	-	-
Publix Super Markets, Inc.	222,682	28,187,594	10	0.49%	33,324,833	5	0.60%
Boynton JCP Associates	-	-	-	-	93,933,730	1	1.69%
Tarragon Lugano LLC	-	-	-	-	57,134,500	2	1.03%
City National Bank of Florida	-	-	-	-	49,289,377	3	0.89%
South Florida Devco Inc.	-	-	-	-	41,040,000	4	0.74%
ERP Operating LTD Partnership	-	-	-	-	32,180,422	6	0.58%
Premier Gateway Center @ Quantum	-	-	-	-	31,100,000	7	0.56%
Villas at Quantum Park	-	-	-	-	28,333,734	8	0.51%
Gateway Business Park	-	-	-	-	22,200,000	9	0.40%
Hovstone Properties Florida LLC	-	-	-	-	18,020,190	10	0.32%
	<u>4,559,869</u>	<u>577,198,531</u>		<u>9.97%</u>	<u>406,556,786</u>		<u>7.32%</u>
Other	<u>36,615,851</u>	<u>5,214,458,145</u>		<u>90.03%</u>	<u>5,161,449,109</u>		<u>92.68%</u>
Total tax and final taxable value	<u><u>\$ 41,175,720</u></u>	<u><u>\$ 5,791,656,676</u></u>		<u><u>100.00%</u></u>	<u><u>\$ 5,568,005,895</u></u>		<u><u>100.00%</u></u>





# THE CITY OF BOYNTON BEACH

## Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended September 30,	Total General Fund Property Tax Levied for Fiscal Year	General Fund Property Tax Collections					
		Current Property Taxes Collected		Delinquent Taxes (Refunds)	Total Property Taxes Collected		
		Amount	% of Levy		Amount	% of Levy	
2009	\$ 35,982,450	\$ 35,691,823	99.2%	\$ 17,093	\$ 35,708,916	99.2%	
2010	30,918,044	30,717,161	99.4%	169,968	30,887,129	99.9%	
2011	26,302,982	26,086,339	99.2%	74,349	26,160,688	99.5%	
2012	27,109,849	26,858,653	99.1%	132,961	26,991,614	99.6%	
2013	27,950,114	27,720,517	99.2%	176,046	27,896,563	99.8%	
2014	29,736,500	29,372,243	98.8%	82,805	29,455,048	99.1%	
2015	33,372,261	31,930,094	95.7%	142,652	32,072,746	96.1%	
2016	36,619,390	35,249,544	96.3%	364,353	35,613,897	97.3%	
2017	39,712,237	38,100,867	95.9%	266,011	38,366,878	96.6%	
2018	41,458,358	41,175,720	99.3%	12,632	41,188,352	99.3%	

Sources: City of Boynton Beach Financial Services Department and Palm Beach County Tax Collector

Note: General Fund tax levy and collections do not include tax increment revenues and are not reduced for early payment discounts.



# THE CITY OF BOYNTON BEACH

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended September 30,	Governmental Activities				Business-type	Total Primary Government	Per Capita
	City General Obligation Bonds	CRA Promissory Notes*	CRA Tax Increment Revenue Bonds/Note*	Public Service Tax Bonds	Activities Water & Sewer Revenue Bonds		
2009	\$ -	\$ 2,446,190	\$ 26,700,000	\$ 32,330,000	\$ 62,815,000	\$ 124,291,190	\$ 1,856
2010	-	1,711,833	25,775,000	31,110,000	60,315,000	118,911,833	1,743
2011	-	1,308,713	24,815,000	29,850,000	57,725,000	113,698,713	1,662
2012	-	1,075,753	23,820,000	28,550,000	71,345,000	124,790,753	1,780
2013	-	828,747	23,162,000	27,185,000	69,175,000	120,350,747	1,717
2014	-	567,357	21,965,000	25,755,000	66,365,000	114,652,357	1,619
2015	-	290,762	20,031,000	24,850,000	63,420,000	108,591,762	1,516
2016	-	-	18,744,000	23,730,000	60,325,000	102,799,000	1,412
2017	-	-	17,119,000	21,830,000	80,070,000	119,019,000	1,575
2018	-	-	15,449,000	19,890,000	87,710,000	123,049,000	1,602

Note: Details about the City's outstanding debt can be found in the notes to the financial statements. The debt for the business-type activities represents debt for our water treatment plants and wastewater collection and transmission system. These facilities serve our residents as well as non-residents on our water and sewer utility system.

\* Governmental Activities includes outstanding debt for the Community Redevelopment Agency, consisting of the tax increment revenue bonds and a portion of the promissory notes



# THE CITY OF BOYNTON BEACH

## Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended September 30,	Population	Taxable Value of Property	General Obligation Debt (including CRA Debt)	Less: Amounts Available in Debt Service Funds	Net General Obligation Debt	Percentage of Actual Taxable Value of Property	Per Capita
2009	66,978	\$ 5,568,005,895	\$ 2,446,190	\$ 110,192	\$ 2,335,998	0.042%	\$ 34.88
2010	68,217	4,571,916,735	1,711,833	-	1,711,833	0.037%	25.09
2011	68,409	3,889,479,697	1,308,713	-	1,308,713	0.034%	19.13
2012	70,101	3,763,243,221	1,075,753	-	1,075,753	0.029%	15.35
2013	70,101	3,677,646,538	828,747	-	828,747	0.023%	11.82
2014	70,800	3,884,337,937	567,357	-	567,357	0.015%	8.01
2015	71,608	4,646,176,798	290,762	-	290,762	0.006%	4.06
2016	72,784	5,021,254,623	-	-	-	-	-
2017	75,569	5,414,030,684	-	-	-	-	-
2018	76,800	5,791,656,676	-	-	-	-	-

Source: City of Boynton Beach Financial Services Department



# THE CITY OF BOYNTON BEACH

## Direct and Overlapping Governmental Activities Debt As of September 30, 2018

	<u>Net General Obligation Debt</u>	<u>Estimated Percent Applicable</u>	<u>Direct and Overlapping Net General Obligation Debt</u>
Direct:			
City of Boynton Beach:	\$ -	100.00%	\$ -
Overlapping:			
Palm Beach County:			
General obligation bonds	\$ 82,850,000	3.09%	2,556,877
Palm Beach County School District:			
General obligation bonds	11,396,000	3.09%	351,698
Certificates of Participation	<u>1,273,887,122</u>	3.09%	<u>39,314,091</u>
Total direct and overlapping bonded debt payable from taxes	<u>\$ 1,368,133,122</u>		<u>\$ 42,222,666</u>
Boynton Beach estimated population			<u>76,800</u>
Direct and overlapping net debt per capita			<u>\$ 549.77</u>

Sources: Assessed value data used to estimate applicable percentages provided by Palm Beach County.  
 Debt outstanding data provided by Palm Beach County and Palm Beach County School Board.  
 Palm Beach County 2018 Taxable Value   \$187,665,967,000



# THE CITY OF BOYNTON BEACH

## Legal Debt Margin Information Last Ten Fiscal Years

Fiscal Year Ended September 30,	Debt Limit (A)	Total Net Debt Applicable to Debt Limit (B)	Legal Debt Margin (A) - (B)	% of Total Net Debt Applicable to Debt Limit (B) / (A)
2009	\$ 695,946,795	\$ 2,335,998	\$ 693,610,797	0.34%
2010	597,513,785	1,711,833	595,801,952	0.29%
2011	538,072,121	1,308,713	536,763,408	0.24%
2012	519,544,143	1,075,753	518,468,390	0.21%
2013	503,798,224	828,747	502,969,477	0.16%
2014	535,349,681	567,357	534,782,324	0.11%
2015	678,646,369	290,762	678,355,607	0.04%
2016	738,949,052	-	738,949,052	0.00%
2017	795,213,312	-	738,949,052	0.00%
2018	841,132,567	-	841,132,567	0.00%

### Legal Debt Margin Calculation for Fiscal Year 2018

Assessed valuations:		
Taxable value		\$ 5,791,656,676
Add back exempt property		<u>2,619,668,995</u>
Total assessed value for debt limit		<u><u>\$ 8,411,325,671</u></u>
Legal debt margin:		
Debt limitation - 10% of total assessed value for debt limit		<u>\$ 841,132,567</u>
Debt applicable to limitation:		
Total general obligation debt		-
Less: Amount available for repayment of general obligation debt		<u>-</u>
Total net debt applicable to limitation		<u>-</u>
Legal debt margin		<u><u>\$ 841,132,567</u></u>

The City has established a maximum cap for long-term general obligation debt as 10% of the total assessed value of both real and personal property within the City limits. This cap shall be adjusted annually to reflect the annual changes in the assessed value.

Governmental Activities includes outstanding debt for the Community Redevelopment Agency, consisting of the tax increment revenue bonds and a portion of the promissory notes.



# THE CITY OF BOYNTON BEACH

## Pledged Revenue Coverage - Water & Sewer Bonds Last Ten Fiscal Years

Fiscal Year Ended September 30,	Water and Sewer Revenue Bonds						Coverage <sup>(2)</sup>
	Revenues <sup>(1)</sup>	Current Expenses <sup>(1)</sup>	Net Available Revenues	Current Debt Service			
				Principal	Interest		
2009	\$ 33,794,004	\$ 23,615,312	\$ 10,178,692	\$ 2,325,000	\$ 2,927,665	1.94	
2010	37,292,275	22,675,570	14,616,705	2,500,000	2,843,885	2.74	
2011	39,492,570	24,584,473	14,908,097	2,590,000	2,752,234	2.79	
2012	39,219,086	22,145,529	17,073,557	2,685,000	2,397,740	3.36	
2013	38,639,303	21,862,965	16,776,338	2,170,000	3,382,123	3.02	
2014	42,291,880	22,397,705	19,894,175	2,810,000	3,289,266	3.26	
2015	44,453,262	22,479,193	21,974,069	2,945,000	3,129,086	3.62	
2016	45,867,901	21,809,615	24,058,286	3,095,000	2,976,734	3.96	
2017	46,411,629	22,617,289	23,794,340	3,255,000	3,136,770	3.72	
2018	46,548,876	22,331,704	24,217,172	3,425,000	3,261,374	3.62	

The following definitions are in accordance with the bond resolutions:

- (1) Revenues include operating and certain non-operating revenues and transfers. Current expenses include operating and non-operating expenses (excludes depreciation, amortization, and transfers for administrative expenses).
- (2) Coverage requirement is 110% of current debt service.

Source: City of Boynton Beach Financial Services Department



# THE CITY OF BOYNTON BEACH

## Pledged Revenue Coverage - Public Service Tax Bonds Last Ten Fiscal Years

Fiscal Year Ended September 30,	Public Service Tax Revenues	Debt Service		Coverage <sup>(1)</sup>
		Principal	Interest	
2009	\$ 8,844,335	\$ 1,185,000	\$ 1,451,009	3.36
2010	8,889,456	1,220,000	1,416,415	3.37
2011	8,737,388	1,260,000	1,379,215	3.31
2012	8,511,818	1,300,000	1,329,165	3.24
2013	9,170,727	1,365,000	1,265,315	3.49
2014	9,482,738	1,430,000	1,198,709	3.61
2015	9,665,443	1,500,000	1,128,828	3.68
2016	9,736,186	1,120,000	466,455	6.14
2017	10,134,492	1,900,000	446,273	4.32
2018	10,060,286	1,940,000	406,770	4.29

(1) Coverage requirement is 110% of current debt service.

Source: City of Boynton Beach Financial Services Department



# THE CITY OF BOYNTON BEACH

## Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population <sup>(1)</sup>	Per Capita Personal Income <sup>(1)</sup>	Total Average School Enrollment <sup>(2)</sup>	Unemployment Rate <sup>(3)</sup>
2009	66,978	\$ 51,910	171,570	11.7%
2010	68,217	52,526	174,341	12.4%
2011	68,409	53,871	174,818	10.9%
2012	70,101	55,628	174,594	9.2%
2013	70,101	57,985	177,797	7.1%
2014	70,800	58,565	180,285	6.0%
2015	71,608	66,914	183,447	5.3%
2016	72,784	68,714	186,291	4.8%
2017	75,569	55,322	189,320	4.2%
2018	76,800	50,561	195,289	3.5%

(1) Source: University of Florida, Bureau of Business and Economic Research Population for 2009, and 2011 to 2018; 2010 represents U.S. Census population. Personal Income represents Palm Beach County (Revised)

(2) Source: School District of Palm Beach County – Student Information File Comprehensive Annual Financial Report

(3) Source: Florida Department of Commerce, Division of Employment Security Data is for Palm Beach County





# THE CITY OF BOYNTON BEACH

## Principal Employers Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Bethesda Memorial Hospital	2,500	1	N/A	2,300	1	N/A
City of Boynton Beach	805	2	N/A	939	2	N/A
Totals	<u>3,305</u>		<u>N/A</u>	<u>3,239</u>		<u>N/A</u>

Sources: InfoUSA (ReferenceUSA Database) and the Greater Boynton Beach Chamber of Commerce  
 Only partial information for 2018 and 2009 was available.  
 N/A - Not available.



# THE CITY OF BOYNTON BEACH

## Full-Time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees as of September 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Government</b>										
Management Services	22	22	22	19	19	17	17	19	18	18
Financial Services	17	16	15	13	13	13	13	14	14	15
Information Technology	17	17	14	15	15	15	15	14	14	15
Human Resources	9	9	9	7	7	7	6	6	6	6
Planning and Zoning	11	10	8	6	6	6	6	6	6	6
Facilities Management	17	14	12	10	11	11	11	11	11	12
<b>Public Safety</b>										
Police	199	196	188	177	185	191	222	211	211	214
Communications	24	23	23	23	23	23	-	-	-	-
Fire	148	153	152	143	142	142	149	147	147	147
Community Standards	-	-	-	-	-	-	-	22	22	23
Code Compliance	14	14	13	11	11	11	-	-	-	-
Animal Control	3	3	2	-	-	-	-	-	-	-
Building/Engineering/Licenses	47	42	36	28	31	31	30	34	30	32
<b>Physical Environment</b>										
Forestry & Grounds	10	9	8	9	-	-	-	-	-	20
Roads & Streets	6	4	4	4	4	5	5	5	5	5
<b>Economic Environment</b>										
Community Improvement	5	5	5	4	4	3	2	2	2	2
Grants	-	10	10	10	2	8	1	1	1	1
<b>Culture/Recreation</b>										
Library	34	34	30	28	28	28	27	27	27	27
Recreation and Parks	80	79	72	65	70	70	70	68	72	53
Public Art	1	1	1	1	1	1	1	1	1	1
<b>Internal Service Funds</b>										
Vehicle Service	13	13	11	11	11	11	11	12	12	12
Warehouse	5	5	5	4	4	4	4	4	4	5
Self Insurance	4	4	4	4	4	3	4	4	4	5
<b>Enterprise Funds</b>										
Water & Sewer Utility	148	140	134	129	128	130	133	133	133	134
Sanitation	50	50	41	38	38	40	40	44	44	44
Golf Course	33	30	29	26	26	26	24	21	21	21
Transportation	5	5	5	-	-	-	-	-	-	-
<b>Total</b>	<b>920</b>	<b>905</b>	<b>849</b>	<b>785</b>	<b>783</b>	<b>796</b>	<b>791</b>	<b>806</b>	<b>805</b>	<b>818</b>

Source: City of Boynton Beach Financial Services Department



# THE CITY OF BOYNTON BEACH

## Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2009	2010	2011	2012	2013
<b>General Government</b>					
Planning and Zoning					
Number of inspections	20,855	18,388	11,790	22,405	15,079
Building permits issued	5,915	5,547	4,973	6,074	4,353
<b>Public Safety</b>					
Police					
Physical arrests	4,175	3,742	3,001	3,082	3,001
Parking violations	1,075	1,234	1,184	1,199	1,184
Traffic violations	13,244	13,775	12,316	12,491	12,316
Fire					
Number of calls	11,579	11,558	11,762	11,933	12,000
Inspections	7,352	6,950	6,603	8,123	8,126
Code Compliance					
Code enforcement violations	3,640	3,802	3,332	3,200	3,000
<b>Public Works</b>					
Street resurfacing (miles)	5.6	7.3	7.0	-	-
<b>Culture/Recreation</b>					
Library					
Circulation	361,585	374,277	357,416	356,454	374,287
Cardholders	43,201	43,964	48,008	44,030	44,910
Leisure Services					
Camp program participants	292	303	304	304	304
Class participants	5,940	5,855	5,647	5,647	5,600
<b>Water System</b>					
Total meters	34,863	34,918	34,965	34,990	34,918
Total living units served	55,212	55,859	56,370	56,385	55,859
Avg. daily water consumption (thousand of gallons)	13,519	13,864	13,171	13,184	13,000
<b>Sewer System</b>					
Total connections	32,464	32,677	32,712	32,699	32,677
Total living units served	53,066	53,664	54,550	54,450	53,664
<b>Sanitation</b>					
Refuse collected (tons)	70,651	63,975	60,443	62,312	67,384
Recyclables collected (tons)	5,360	5,476	4,972	5,097	5,765
<b>Golf Course</b>					
Rounds played (Starts-9 or 18 hole)	72,035	71,296	67,306	63,546	61,420

Sources: City Departments



# THE CITY OF BOYNTON BEACH

Fiscal Year				
2014	2015	2016	2017	2018
16,077	17,000	17,143	19,125	20,361
5,058	5,700	5,760	6,137	7,081
4,500	3,500	3,946	2,168	2,427
1,684	1,920	2,016	1,186	1,027
13,325	11,500	13,142	4,694	5,050
12,175	12,250	12,374	15,468	13,892
8,373	8,350	8,421	9,240	10,502
2,858	2,082	2,219	2,150	2,818
-	-	-	-	1.3
267,381	269,688	271,152	214,142	201,415
43,888	38,936	39,121	30,298	24,143
269	280	289	313	271
4,531	4,800	4,864	3,216	2,981
34,918	35,259	35,746	36,210	35,848
57,176	58,000	58,873	59,415	60,783
13,210	13,500	13,520	14,280	14,520
33,083	33,300	33,542	34,170	34,265
55,489	55,500	55,712	56,814	57,476
67,500	68,000	68,214	85,418	68,957
6,000	6,300	6,376	5,097	4,139
60,185	65,000	62,142	45,230	58,233



# THE CITY OF BOYNTON BEACH

## Capital Asset Statistics by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Public Safety</b>					
Police					
Stations	1	1	1	1	1
Patrol Units	99	99	99	99	99
Fire					
Stations	5	5	5	5	5
Trucks	9	7	7	7	7
ALS rescue vehicles	7	7	7	7	7
<b>Sanitation</b>					
Garbage trucks	25	25	23	23	23
Trash trucks	12	10	7	7	7
<b>Public Works</b>					
Street lights	178	198	209	209	209
Lane miles	252	252	252	252	252
<b>Culture/Recreation</b>					
Library					
Books	123,012	138,217	139,830	143,888	151,081
Leisure Services					
Ballfields - lighted	6	6	6	6	6
Basketball courts	14	14	14	14	14
Shuffleboard courts	16	16	16	16	16
Racketball courts	8	8	8	8	8
Tennis courts	31	31	31	31	31
Parks	29	29	29	29	29
Activity Centers	8	8	8	8	8
<b>Water/Sewer Utility</b>					
Water mains (miles)	335	400	400	400	410
Sanitary sewers (miles)	320	325	325	325	325
Storm sewers (miles)	65	65	65	73	73
Fire hydrants	3,850	3,850	3,900	3,900	3,915
Lift Stations	160	160	160	162	162

Sources: City Departments  
N/A - Information not available.



# THE CITY OF BOYNTON BEACH

Fiscal Year				
2014	2015	2016	2017	2018
1 99	1 99	1 99	1 99	1 99
5 7 7	5 7 7	5 7 7	5 7 7	5 7 7
23 7	23 7	23 7	23 7	22 9
209 252	209 252	209 252	209 252	209 252
141,832	138,473	141,214	135,552	128,977
6 14 16 8 31 29 8	6 14 16 8 29 29 8	6 14 16 8 29 29 8	6 14 16 8 29 29 8	6 14 16 8 29 29 6
410 325 73 3,915 162	410 325 73 3,920 162	410 325 73 3,920 162	410 325 73 3,920 162	449 346 73 4,045 162





# ***COMPLIANCE SECTION***





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COHEN, PORTER & VEIL, P.A.

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Independent Auditor's 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 and  
City Commission  
City of Boynton Beach, Florida

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Boynton Beach, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Boynton Beach, Florida, and have issued our report thereon dated April 26, 2019. Our report includes a reference to other auditors who audited the financial statements of the Boynton Beach Community Redevelopment Agency, a major governmental fund of the City, and the City of Boynton Beach General Employees' Pension Fund, the City of Boynton Beach Police Officers' Pension Fund, and the City of Boynton Beach Firefighters' Pension Fund, fiduciary funds of the City, as described in our report on the financial statements of the City of Boynton Beach, Florida. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the City of Boynton Beach Police Officers' Pension Fund, and the City of Boynton Beach Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) of the City of Boynton Beach, Florida, 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 internal control of the City of Boynton Beach, Florida. Accordingly, we do not express an opinion on the effectiveness of the internal control of the City of Boynton Beach, Florida.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements of the City of Boynton Beach, Florida, 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*.

We noted certain additional matters that we reported to the City’s management in a separate management letter dated April 26, 2019.

**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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Caleb, Dauter, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
April 26, 2019





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## Management Letter

To the Honorable Mayor and  
City Commission  
City of Boynton Beach, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the City of Boynton Beach, Florida, as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated April 26, 2019. Our report was modified to include references to other auditors who audited the financial statements of the Boynton Beach Community Redevelopment Agency (“CRA”), a major governmental fund of the City, and the City of Boynton Beach General Employees’ Pension Fund, the City of Boynton Beach Police Officers’ Pension Fund, and the City of Boynton Beach Firefighters’ Pension Fund, which are fiduciary funds of the City.

### **Auditor’s Responsibility**

We conducted our audit in accordance with U.S. generally accepted auditing standards; 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. This management letter does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Police Officers’ Pension Fund and Firefighters’ Pension Fund, audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

### **Other Reporting Requirements**

We have issued our Independent Auditor’s 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* and Independent Accountant’s Report on Investment Compliance on our 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, which are dated April 26, 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. The following recommendation made in the prior year Schedule of Findings and Questioned Costs dated July 31, 2018 was addressed by the City in the current year or no longer applies: 2017-001 *Annual Financial Report*.



At September 30, 2018 there were no uncorrected audit findings from the preceding annual financial audit reports.

**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. This information is disclosed in Note 1 to the financial statements. Also, as discussed in Note 1, the City included the Boynton Beach Community Redevelopment Agency as a blended component unit of the City.

**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 met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2018.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures to the City as of September 30, 2018. 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. The results of our procedures disclosed no matters that are required to be reported.

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 2018 audit, we have the following recommendations:

**2018-001 IT System Improvements**

*Criteria:* City IT systems should be secure from unauthorized access.

*Conditions:* We noted the following opportunities to improve security controls over the City’s IT systems:

1. The City’s senior finance personnel should regularly review the access to finance applications for authorized users to ensure that all personnel have the appropriate level of access and that only current employees are authorized users.
2. Currently the City does not require complex passwords for all IT systems.
3. The City’s IT Department currently provides password resets based on verbal requests from users. Due to the size of the City and remote locations, a more formalized system than verbal requests should be put in place to verify all requests for password resets.

*Cause:* Additional steps to enhance IT security could be taken.

*Effect:* Security vulnerabilities could be exploited to gain unauthorized access to the City’s IT systems.

*Recommendations:* We recommend the following:

1. A list of authorized users should be reviewed by the City’s senior finance personnel on at least an annual basis to determine that only authorized users are allowed access to finance applications and that the level of access is appropriate for each user. The list of authorized users should be signed and dated to document who performed the review and retained for subsequent reference.



2. Password complexity should be enforced through all City applications by requiring a minimum password length of at least 12 characters, including appropriate complexity of numbers, letters and symbols. In addition, password resets for authorized users should be based on a formal authorization system rather than verbal requests from users.

**Special District Component Units**

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**City Management’s Response to Finding**

The response by the City’s management to the matter identified in our audit and reported in this management letter is described in the accompanying City Response to Management Letter. Management’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and the City Commission and management of the City of Boynton Beach, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*Caleb, Dauter, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
April 26, 2019







# City of Boynton Beach, Florida

100 East Boynton Beach Boulevard, Boynton Beach, FL 33435  
Phone: (561) 742-6310 Internet: [www.boynton-beach.org](http://www.boynton-beach.org)

April 26, 2019

Auditor General's Office  
Local Government Audits/342  
Claude Pepper Building, Room 401  
111 West Madison Street  
Tallahassee, FL 32399-1450

Subject: Response to Audit Finding  
Comprehensive Annual Financial Report – September 30, 2018

Our response to the comment and recommendation reported in the management letter for the current year is as follows:

**2018-001 IT System Improvements** - The City is aware of some of the IT system improvements needed and have already taken steps in FY 2019 to address the concerns as follows:

1. The City's finance personnel have been working regularly with IT to review access to all City Staff and set up specific user groups for different departments. We have already begun reviewing a few departments' access and will continue to work towards reviewing all departments more regularly.
2. In February of 2019 the City's IT department implemented a more complex password requirement as listed below.
  - a) The password now requires at least 10 characters in length
  - b) The password must NOT contain the user's account name or parts of the user's full name that exceed two consecutive characters
  - c) The password must contain characters from three of the following four categories:
    - \* English uppercase characters (A through Z)
    - \* English lowercase characters (a through z)
    - \* Base 10 digits (0 through 9)
    - \* Non-alphabetic characters (for example, \$, #, %)
3. With reference to the password resets based on verbal requests, our IT department does have a protocol to handle password resets. We are a small organization, and our IT Help Desk staff has a very good working relationship with most of our users, even to the point that they know them by voice. If Help Desk staff are unable to verify the user by voice, or by the extension they are calling from, or if they were suspicious of the password reset call, the password reset request would be escalated to a manager for verification and approval.

Sincerely,

*Mara Frederiksen*

Mara Frederiksen  
Director of Financial Services











CALER, DONTEN, LEVINE,  
COHEN, PORTER & VEIL, P.A.

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Independent Accountant's Report on Investment Compliance

To the Honorable Mayor and  
City Commission  
City of Boynton Beach, Florida

We have examined the City of Boynton Beach's compliance with Section 218.415, Florida Statutes for the year ended September 30, 2018. Management of the City of Boynton Beach, Florida (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 with the specified requirements 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 specified requirements.

In our opinion, the City of Boynton Beach, Florida, complied, in all material respects, with Section 218.415, Florida Statutes, during the year ended September 30, 2018.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

*Caler, Donten, Levine,  
Cohen, Porter & Veil, P.A.*

West Palm Beach, Florida  
April 26, 2019







*America's Gateway to the Gulfstream*



## CITY OF BOYNTON BEACH

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