

Comprehensive Annual Financial Report



America's Gateway to the Gulfstream

CITY OF BOYNTON BEACH, FLORIDA
FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2019

CITY OF BOYNTON BEACH, FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

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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March 18, 2020

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, 2019. 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, 2019. 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 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 and the Combining and Individual Fund Statements, that focus on each individual fund and include 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 give an overall view of fiscal capacity 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 Single Audit reporting on grants, 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 guest 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 taxes and fees and appoints the City Attorney and members of the various boards.



The City operates 8 recreation centers, 29 parks, a swimming pool, a municipal beach, and many youth, teen, adult and senior programs. Various facilities offer over 200 recreational programs, classes and events for all ages – from toddlers to seniors. Supplementing its recreational indoor facilities are tennis and basketball courts, playgrounds, fitness centers and a pool. Additionally, one of the four Boynton Beach ocean inlet parks provides public boat ramps, paddle boating and kayak rentals. In addition, the City operates a municipal golf course, which features both an 18-hole Championship Course and a 9-hole Family Course (pictured to the left). It also operates a state-of-the-art library.

Boynton Beach has one of two working full-service marinas in Palm Beach County. Owned and operated by the Community Redevelopment Agency (CRA), the Boynton Harbor Marina offers fishing and scuba diving charters, jet ski and boat rentals and an eclectic collection of waterfront restaurants.

Art and culture are embraced by the City, which houses more than 48 works of art in public places. Boynton Beach produces the world-famous International Kinetic Art Exhibit and Symposium (art sample pictured to the right) on a biennial basis and supports the Boynton Beach Art District's (BBAD) many events, including monthly art walks. In addition, the City is home to popular annual and ongoing events, including Pirate Fest, Movies in the Park, Music on the Rocks, St. Patrick's Day Celebration, Earth Day, Holiday Parade, Boat Parade and 4th of July Fireworks over the Intracoastal Waterway.



THE CITY OF BOYNTON BEACH

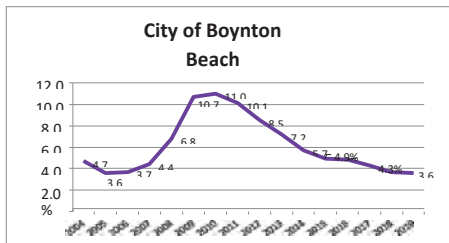
There are four public elementary schools in Boynton Beach, including a gifted center; a S.T.E.M. curriculum-based school that has been awarded Best Elementary School in the nation for the past two years; and an International Baccalaureate (IB) school. Its middle school is a Math, Science and Technology Magnet that provides aerospace science, dance, theatre, vocal, culinary arts, early childhood and I.T.S. academies, as well as an aviation maintenance technician school. Supplementing the public schools are five private schools, five charter schools and several pre-schools. There are 12 post-secondary institutions within 67 miles of Boynton Beach, including Florida Atlantic University, Florida International University, Palm Beach Atlantic University, Palm Beach State College and the University of Miami.

The City is addressing the biggest challenges of this century – sustainability, energy and climate change. Being sustainable means meeting the needs of the present residents without compromising the ability of future citizenry to meet its needs while balancing environmental stewardship, social responsibility, and economic growth. The pursuit of sustainability has governed the direction of Boynton Beach since 2008 when the City Commission involved employees, citizens and local businesses in creating policies and programs to promote sustainability. Through the work of the Green Task Force, Green Community Alliance, and Sustainability Team and the award of the City's Energy Efficiency and Conservation Block Grant (EECBG) by the Department of Energy, the City has made great strides towards achieving a sustainable future. The efforts culminated in creation of the City's Climate Action Plan.

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



The decline in the City of Boynton Beach's unemployment rate has contributed to a decline in crime, which is down 20% since 2008. The unemployment rate dropped considerably, from 11% in 2010 to an estimated 3.6% as of November 2019.

Between November 2018 and November 2019, the median price (\$244,000) for a single-family home increased by 8.7%, and townhomes and condominiums by 4.3%.

Major Employers and Taxpayers

Within the City, the top 5 employers are: Bethesda Memorial Hospital, the City of Boynton Beach, Publix Supermarket, Palm Beach County School District and Walmart. The chart to the right provides a complete listing of the "Top Ten Employers".

| Top Ten Employers |
|--------------------------------------|
| Bethesda Memorial Hospital |
| City of Boynton Beach |
| Publix Supermarket |
| School District of Palm Beach County |
| Walmart |
| Waste Management Corporation |
| Home Depot |
| Lowe's |
| Hunters Run Golf & Racquet Club |
| Quail Ridge Country Club |

| Top Taxpayers | Appraised Value | Total Taxes |
|------------------------------------|-----------------|-------------|
| Florida Power & Light Co. | \$ 108,771,607 | \$2,282,198 |
| Hart Seabourn Cove LLC | \$ 97,590,148 | \$2,159,606 |
| CH Realty VII PSREG Boynton Beach | \$ 87,000,000 | \$1,974,763 |
| Duke PGC at Quantum 19 LLC | \$ 58,677,045 | \$1,557,562 |
| GSG Residential Savannah Lakes LLC | \$ 58,811,497 | \$1,343,456 |
| Morguard Boynton Town Center Inc. | \$ 46,203,127 | \$1,272,427 |
| RRPIV Cortina LLC | \$ 54,000,000 | \$1,271,682 |
| Compson Place Apartments LLC | \$ 41,101,352 | \$1,187,712 |
| Villas at Quantum Park | \$ 37,426,059 | \$ 905,581 |
| Boynton Beach Mall LLC | \$ 33,200,811 | \$ 879,325 |

The City's top 5 Taxpayers are Florida Power & Light Co., Hart Seabourn Cove LLC, CH Realty VII PSREG Boynton Beach Las VE, Duke PGC at Quantum, and GSG Residential Savannah Lakes LLC. The tax revenues associated with these five taxpayers range from a low of \$1,343,456 to a high of \$2,282,198. The chart to the left highlights the ten "Top Taxpayers" in the City of Boynton Beach for the current year.



Growing Taxable Values

It has taken twelve years for the City's current taxable value of \$6,215,203,426 to surpass the 2008 value of \$6,131,757,196. The upward trend began in FY 2013-14 when the taxable value was \$3,884,337,937. The Palm Beach Property Appraiser is forecasting higher taxable values going forward. The increase in taxable value supported the City's decision to keep the adopted millage rate for FY 2019-2020 at 7.9000 per \$1,000, unchanged from the current year. Historically, the tax rate ranged from a low of 6.4553 mills in FY 2008-2009 to a high of 8.2270 mills in FY 2001-2002 (not shown). The City of Boynton Beach will benefit from this positive trend of increased taxable values and a stable millage rate.

| <u>Fiscal Year</u> | <u>Taxable Value</u> | <u>% Change</u> | <u>Tax Rate</u> |
|--------------------|----------------------|-----------------|-----------------|
| 2006-07 | 5 545 920 863 | 0.00% | 7.1400 |
| 2007-08 | 6 131 757 196 | 10.56% | 6.4803 |
| 2008-09 | 5 568 005 895 | -9.19% | 6.4553 |
| 2009-10 | 4 571 916 735 | -17.89% | 6.7626 |
| 2010-11 | 3 889 479 697 | -14.93% | 6.7626 |
| 2011-12 | 3 763 243 221 | -3.25% | 7.1941 |
| 2012-13 | 3 677 646 538 | -1.99% | 7.6000 |
| 2013-14 | 3 884 337 937 | 5.62% | 7.9000 |
| 2014-15 | 4 646 176 798 | 19.61% | 7.9000 |
| 2015-16 | 5 021 254 623 | 8.07% | 7.9000 |
| 2016-17 | 5 414 030 684 | 7.82% | 7.9000 |
| 2017-18 | 5 791 656 676 | 6.97% | 7.9000 |
| 2018-19 | 6 208 473 339 | 7.20% | 7.9000 |
| 2019-20 | 6 215 203 426 | 0.11% | 7.9000 |

Permit values are the key measurement for development activity. In FY 2017-18, total permit value was at \$172 million, up from the previous year amount of \$80 million, due to the Town Square project. For FY 2018-19, building activities related to the Town Square, The Club - assisted living, Cortina - residential housing, yielded permit values of \$224 million. For FY 2019-2020, the values are projected to be \$175 million, similar to FY 2017-18.

The City's approved large development projects include both ongoing and completed projects, including:

- High Ridge Country Clubhouse, on High Ridge Road, completed November 2019;
- Quantum Lake Villas North, with 80 apartments;
- Casa Del Mar, with 69 townhomes and 3 single-family homes, on north Federal Highway;
- Cortina Apartments, in Boynton Village;
- Riverwalk, with 358 apartments and 12,000 sq. ft. of commercial space, on the SE corner of Woolbright Road and Federal Highway; and
- Villages at East Ocean Avenue, with 336 apartments and 12,000 sq. ft. of commercial space (north section) and 35 apartments and 3,500 sq. ft. of commercial space (south section).



The largest of the projects is the City's Town Square, which will be built in three phases on the land currently occupied by the Civic Campus (the city hall, the police station, the library and several other cultural and civic buildings). The project is a partnership between the City of Boynton Beach, the City of Boynton Beach Community Redevelopment Agency (CRA), and the private development team. It will include 705 residential units in three buildings, a 120-room hotel, and some 84,000 square feet of commercial space. It will also house a new 110,000 square foot city hall and public library, while 29,000 square feet has been allocated for a civic center and multipurpose space in the renovated Historic High School (the plan incorporates the existing 8,288 square foot Children's Schoolhouse Museum and plaza).

With assistance from the CRA and the City, and in cooperation with Habitat for Humanity and the Boynton Beach Faith-Based Community Development Corporation, development activities continue in the Heart of Boynton District. Development for the 123 apartment project of Ocean Breeze East, to be located on the east side of Seacrest Boulevard is under construction.

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 since 2008 and has experienced nearly 13% growth bringing our numbers from 66,872 in 2008 to 77,696 residents in 2019. The unemployment rate is at its lowest in 10 years, dropping from a considerable 12.4% rate in 2010 to 3.6% in 2019. Even with population growth and unemployment concerns, the City has continued to fund public safety programs which have resulted in a decline in crime of 20% since 2008.

The City's residential and commercial base is growing and has generated a mix of development and redevelopment activities, which is an indicator that the economic outlook remains bright. The City continues to see an increase in taxable values that recently surpassed the peak rate of \$6,131,757,196 in 2008. The Palm Beach County Property Appraiser is forecasting higher taxable values going forward. Having maintained a stable millage rate over the last few years and with property values on the rise, the City anticipates an increase in taxes for the year to come.

The City approved a number of major projects during the last several years. The most significant long-term initiative was the approval by the City Commission on June 12, 2017 to move forward with Phase 1 of the Town Square Project in the City of Boynton Beach. The Town Square Project is a 16-acre project that includes the renovation of a historic High School into a cultural center, residential and retail spaces, a hotel, public spaces, a garage, fire station and a new city hall. The proposed budget to complete this project is \$94.5 million. Phase 1 of the project will cost \$4.2 million and entails developing a master site plan, developing the building plans, developing the financing structure and developing plans to start the rehabilitation of the Old Boynton Beach High School. The projected completion year for this project is 2021 and will replace a 60 year old building, increase the City's tax base, provide green space, and reuse of the historic high school. The Town Square Project will preserve, renovate and relocate civic infrastructure, yield economic expansion and lower maintenance cost. The Town Square Project is located in the downtown area of Boynton Beach, just east of the I-95 Boynton Beach Boulevard exit. The boundaries 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.

We are also seeing continued increases in private development. During FY 2017-18, the City saw growth in the commerce area as new businesses continued to employ people and add to the City's revenue base. A new Economic Development department was established in March of 2017 with the goal of increasing wealth in the community. 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 condominiums, apartments and single-family homes to the City. Many new restaurants opened in FY 2016-17, such as Troy's Bar-Be-Que, Burgerfi, Lucille's Bad to the Bone BBQ, Hungry Howie's Pizza, Baciarni Restaurant, and Carvel Ice Cream. All these projects are transforming Boynton Beach and positively affecting the City's economy.

MAJOR CITY INITIATIVES

Recent and continuing projects include the following:

- Continuing upgrades to our water and wastewater system.
- Model Block in the Heart of Boynton Neighborhood.
- Boynton Beach Town Square Project.
- Targeted Procurement towards Local Businesses.
- City of Boynton 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).



AWARDS

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boynton Beach, Florida, for its CAFR for the fiscal year ended September 30, 2018. To be awarded a Certificate of Achievement, a government must publish a comprehensive annual financial report which meets or exceeds current requirements and best practices. The City’s report is reviewed by a team of industry experts to ensure that generally accepted accounting principles, best practices and applicable legal requirements are satisfied. We believe our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it for GFOA evaluation and potential award of a Certificate.

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, 2019

Elected Officials



Mayor
Steven B. Grant



District 1
Vice-Mayor
Justin Katz



District 2
Commissioner
Mack McCray



District 3
Commissioner
Christina
Romelus

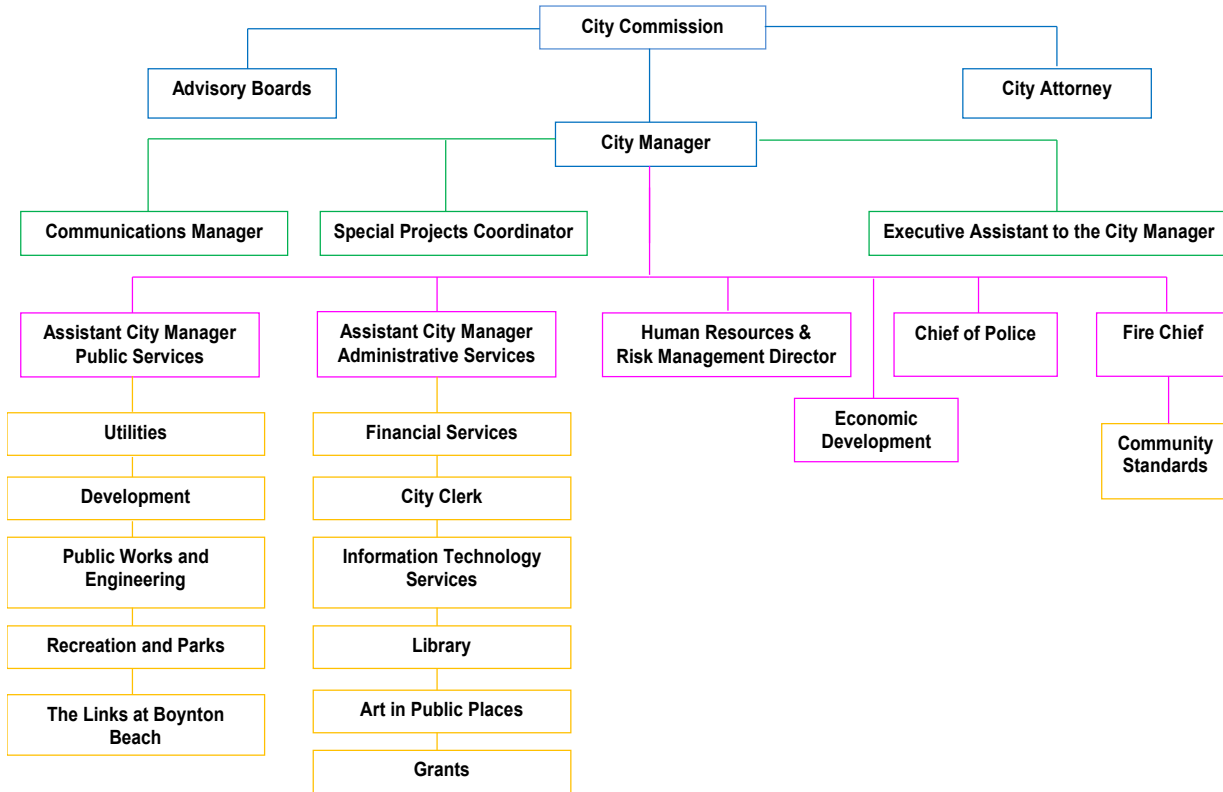


District 4
Commissioner
Ty Penserga

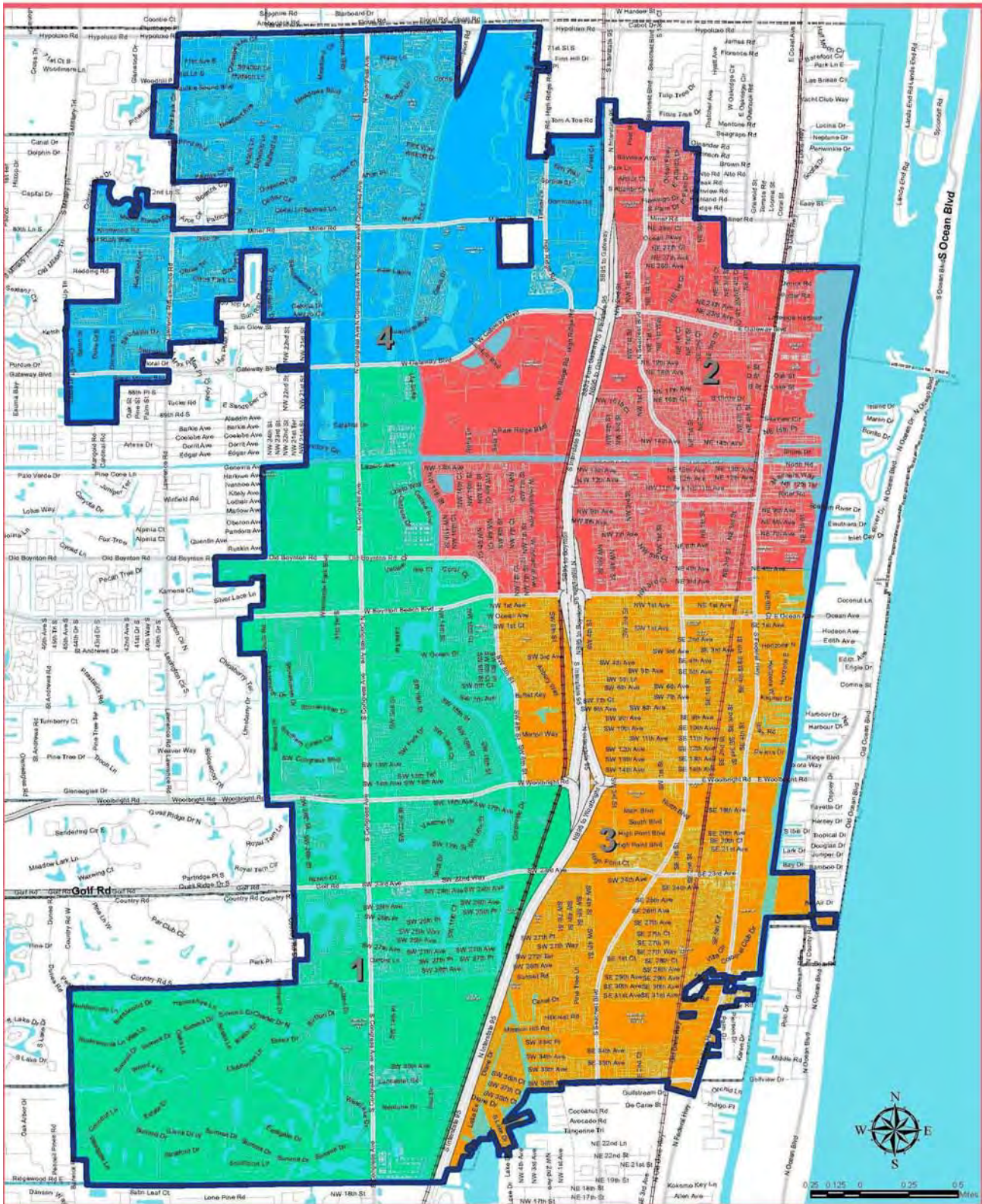
Appointed Officials

| | |
|------------------|--|
| 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





Government Finance Officers Association

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

Presented to

**City of Boynton Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



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LOUIS M. COHEN, CPA
JOHN C. COURTNEY, CPA, JD
DAVID S. DONTEN, CPA
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MICHAEL J. NALEZYTY, CPA
THOMAS A. PENCE, JR., CPA
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MARTIN R. WOODS, CPA

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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, 2019, 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 18%, 58%, 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 63%, 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, 2019, 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.

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-79 through II-89, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards 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 and the schedule of expenditures of federal awards 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, 2018, which are not presented with the accompanying financial statements. In our report dated April 26, 2019, 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 2018 individual major and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the 2019 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 2018 basic financial statements. The 2018 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 2018 information has been subjected to the auditing procedures applied in the audit of the 2018 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 2018 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 March 12, 2020, 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.

West Palm Beach, Florida
March 12, 2020

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





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, 2019 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 to II-12),
- 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, 2019 totals \$199,238,129 representing a \$16,866,657 increase from the net position at September 30, 2018. For 2019, approximately 80% of the net position is attributable to business-type activities (primarily our Water and Sewer System). For 2018, approximately 85% of the net position was attributable to our business-type activities. The City's 2019 net position is summarized as follows:
 - \$203,947,059 is the net investment in capital assets,
 - \$14,542,942 is restricted for public safety, grant programs, debt service, capital projects and other purposes,
 - \$19,251,872 is an unrestricted net deficit.
- The City's total fund balances (available financial resources) of all governmental funds at September 30, 2019 were \$56,851,806 in comparison with \$52,244,718 in the prior year. The 2019 fund balances of individual governmental fund types are:
 - \$17,475,097 - General Fund
 - \$11,788,463 - Special Revenue Funds (restricted, committed, assigned or unassigned for specific purposes)
 - \$ 5,495,107 - Debt Service Funds (accumulated to repay principal and interest on outstanding debt)
 - \$22,093,139 - 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 \$82,095 representing nonspendable prepaid items and \$1,286,655 assigned to the 2019/2020 budget, the remaining \$7,782,240 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 8.8% of total General Fund 2019 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
- General Capital Improvements 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-78 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-79 to II-89 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-90.

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 \$199,238,129 at the close of the most recent fiscal year.

Net Position
(Amounts in Thousands)

| | Governmental | | Business-Type | | Total | |
|-----------------------------------|---------------------|------------------|----------------------|-------------------|-------------------|-------------------|
| | Activities | | Activities | | | |
| | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> | <u>2019</u> | <u>2018</u> |
| Current and other assets | \$ 96,025 | \$ 91,950 | \$ 73,045 | \$ 84,840 | \$ 169,070 | \$ 176,790 |
| Capital assets | <u>98,712</u> | <u>88,457</u> | <u>191,418</u> | <u>181,606</u> | <u>290,130</u> | <u>270,063</u> |
| Total assets | 194,737 | 180,407 | 264,463 | 266,446 | 459,200 | 446,853 |
| Deferred outflows of resources | <u>13,185</u> | <u>20,230</u> | <u>2,670</u> | <u>3,314</u> | <u>15,855</u> | <u>23,544</u> |
| Long-term liabilities outstanding | 155,235 | 148,915 | 100,764 | 102,090 | 255,999 | 251,005 |
| Other liabilities | <u>8,158</u> | <u>9,808</u> | <u>7,855</u> | <u>8,617</u> | <u>16,013</u> | <u>18,425</u> |
| Total liabilities | 163,393 | 158,723 | 108,619 | 110,707 | 272,012 | 269,430 |
| Deferred inflows of resources | 3,603 | 14,555 | 202 | 4,041 | 3,805 | 18,596 |
| Net position: | | | | | | |
| Net investment in capital assets | 61,899 | 52,390 | 142,048 | 139,294 | 203,947 | 191,684 |
| Restricted | 12,041 | 9,814 | 2,502 | 2,299 | 14,543 | 12,113 |
| Unrestricted (deficit) | <u>(33,014)</u> | <u>(34,845)</u> | <u>13,762</u> | <u>13,419</u> | <u>(19,252)</u> | <u>(21,426)</u> |
| Total net position | <u>\$ 40,926</u> | <u>\$ 27,359</u> | <u>\$ 158,312</u> | <u>\$ 155,012</u> | <u>\$ 199,238</u> | <u>\$ 182,371</u> |

A significant portion of the City’s net position (\$203,947) 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 (\$14,543 or 7.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is an unrestricted net deficit of \$19,252 or 9.7%.

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 2019 by \$16,866,657 with governmental activities increasing the City's net position by \$13,566,972 and business-type activities increasing the City's net position by \$3,299,685. Key elements of these changes are summarized as follows:

Change in Net Position (Amounts in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|----------------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 28,871 | \$ 26,427 | \$ 62,665 | \$ 59,879 | \$ 91,536 | \$ 86,306 |
| Operating grants and contributions | 1,169 | 1,454 | - | - | 1,169 | 1,454 |
| Capital grants and contributions | 87 | 95 | 1,733 | 2,139 | 1,820 | 2,234 |
| General revenues: | | | | | | |
| Property taxes | 36,274 | 33,820 | - | - | 36,274 | 33,820 |
| Property tax increment | 12,549 | 11,776 | - | - | 12,549 | 11,776 |
| Franchise taxes | 4,582 | 4,716 | - | - | 4,582 | 4,716 |
| Communications & public service taxes | 10,426 | 10,060 | - | - | 10,426 | 10,060 |
| Sales taxes | 12,059 | 11,163 | - | - | 12,059 | 11,163 |
| Gas taxes | 1,415 | 1,402 | - | - | 1,415 | 1,402 |
| State revenue sharing | 3,049 | 2,939 | - | - | 3,049 | 2,939 |
| Investment income | 1,188 | 492 | 1,435 | 54 | 2,623 | 546 |
| Other revenues | 3,672 | 3,525 | 130 | 99 | 3,802 | 3,624 |
| Total revenues | <u>115,341</u> | <u>107,869</u> | <u>65,963</u> | <u>62,171</u> | <u>181,304</u> | <u>170,040</u> |
| Expenses: | | | | | | |
| General government | 23,485 | 21,535 | - | - | 23,485 | 21,535 |
| Public safety | 63,272 | 61,127 | - | - | 63,272 | 61,127 |
| Physical environment | 2,126 | 2,189 | - | - | 2,126 | 2,189 |
| Economic environment | 10,205 | 11,450 | - | - | 10,205 | 11,450 |
| Culture and recreation | 11,432 | 10,900 | - | - | 11,432 | 10,900 |
| Interest on long-term debt | 1,362 | 1,123 | - | - | 1,362 | 1,123 |
| Water and sewer | - | - | 40,145 | 39,449 | 40,145 | 39,449 |
| Sanitation | - | - | 10,678 | 9,893 | 10,678 | 9,893 |
| Golf course | - | - | 1,732 | 1,564 | 1,732 | 1,564 |
| Total expenses | <u>111,882</u> | <u>108,324</u> | <u>52,555</u> | <u>50,906</u> | <u>164,437</u> | <u>159,230</u> |
| Change in net position before transfers | 3,459 | (455) | 13,408 | 11,265 | 16,867 | 10,810 |
| Transfers | <u>10,108</u> | <u>9,741</u> | <u>(10,108)</u> | <u>(9,741)</u> | - | - |
| Change in net position | 13,567 | 9,286 | 3,300 | 1,524 | 16,867 | 10,810 |
| Net position - beginning of year | 27,359 | 17,441 | 155,012 | 155,542 | 182,371 | 172,983 |
| Restatement for implementation of GASB Statement No. 75 | - | 632 | - | (2,054) | - | (1,422) |
| Net position - beginning of year, as restated | <u>27,359</u> | <u>18,073</u> | <u>155,012</u> | <u>155,488</u> | <u>182,371</u> | <u>171,561</u> |
| Net position - end of year | <u>\$ 40,926</u> | <u>\$ 27,359</u> | <u>\$ 158,312</u> | <u>\$ 155,012</u> | <u>\$ 199,238</u> | <u>\$ 182,371</u> |

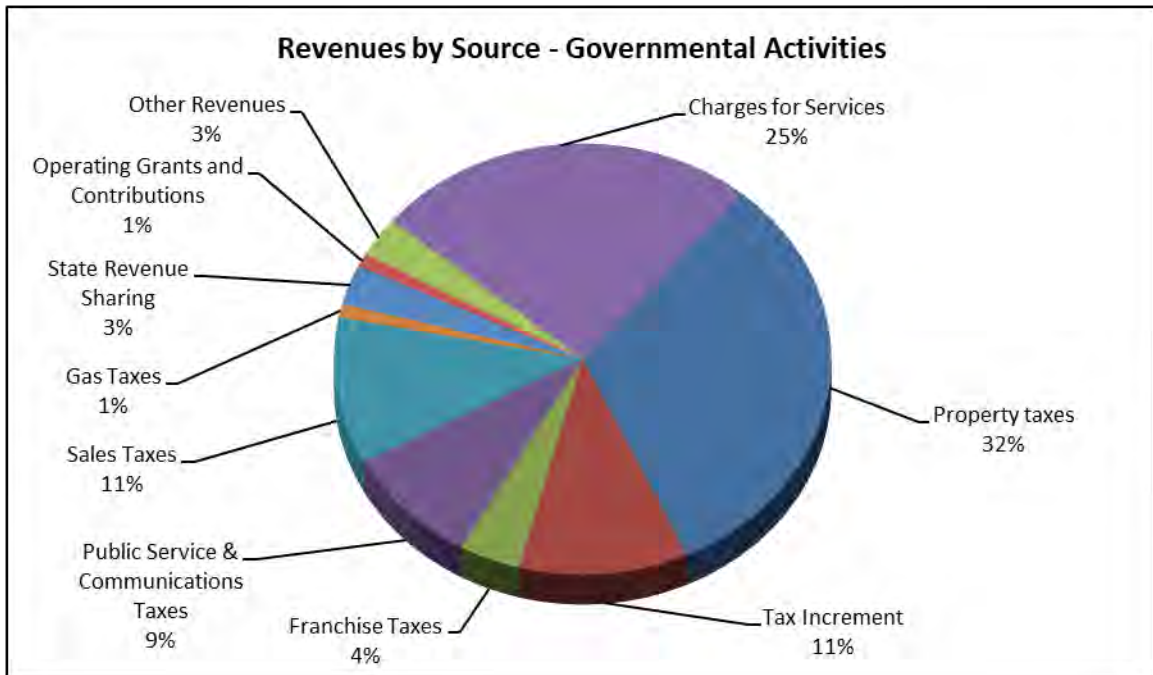
- Tax increment revenues received from both the City and the County have been included as a result of the Community Redevelopment Agency being a blended component unit of the City; all of its financial information is reported within governmental activities.
- Increases in water and sewer charges for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



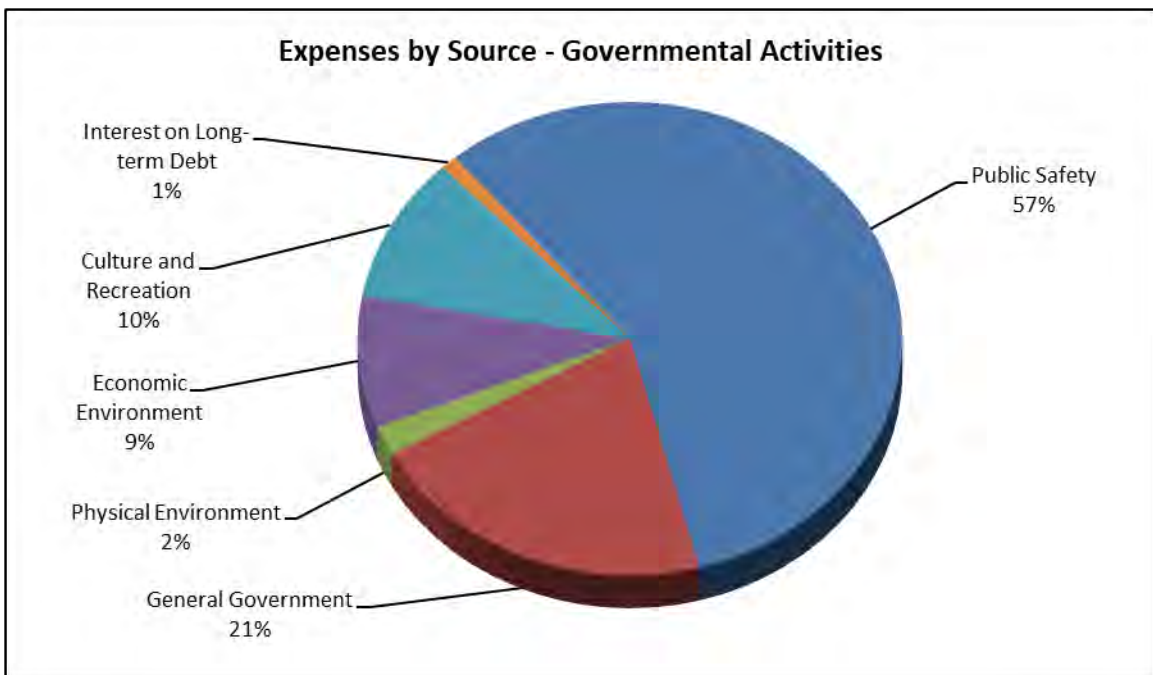
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Governmental Activities

Taxes (property taxes, tax increment, franchise taxes, public service and communications taxes, sales taxes and gas taxes) continue as the major revenue source for the City’s governmental activities representing 68% of revenues in FY 2018-2019, compared to 67% in FY 2017-2018.



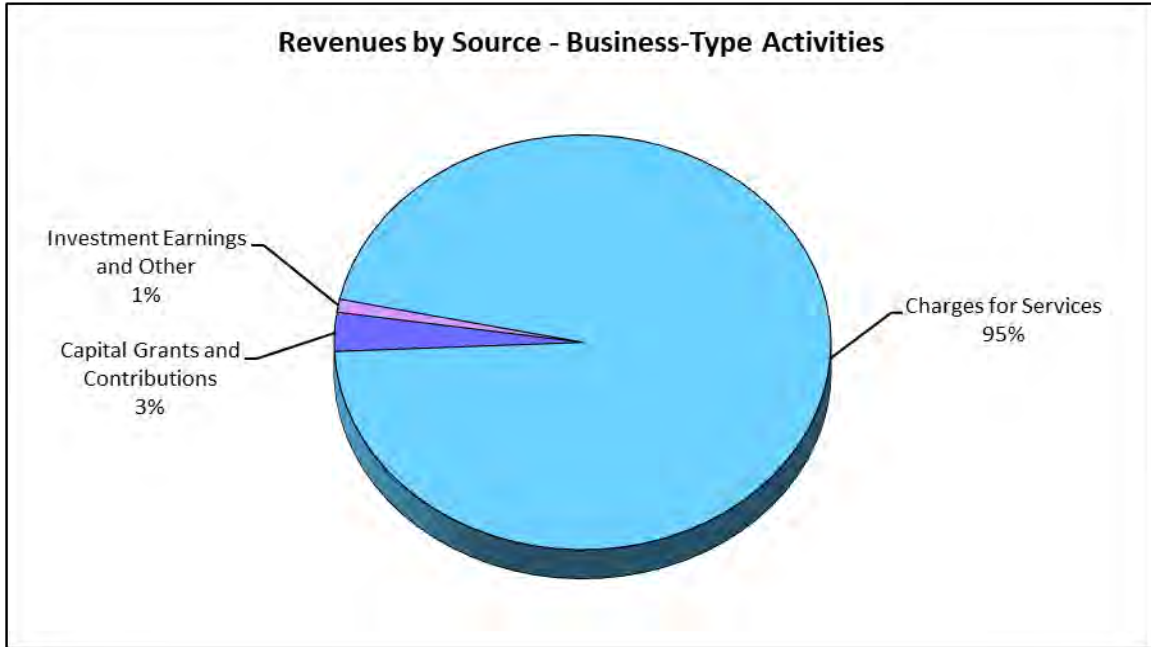
Public safety (Police, Fire, and 911 Communications) expenses aggregate 57% of total expenses of governmental activities in FY 2018-2019 compared to 56% in FY 2017-2018.



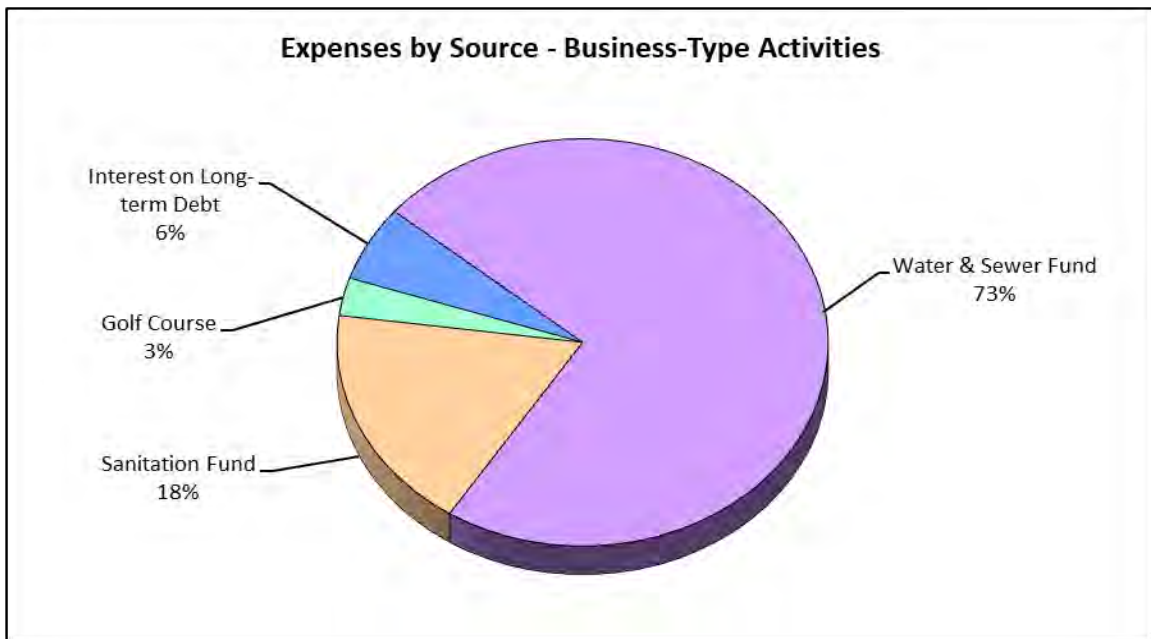
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Business-Type Activities

Charges for services represent 95% of all revenues in FY 2018-2019 compared to 96% in FY 2017-2018. 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 73% of the expenses of the City’s business-type activities in FY 2018-2019 compared to 72% in FY 2017-2018. The Sanitation Fund accounted for 18% of the expenses in FY 2018-2019 compared to 19% in FY 2017-2018. The Golf Course Fund remained unchanged at 3% and interest on long-term debt remained unchanged at 6%.



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
- General Capital Improvements 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 \$92.9 million while expenditures plus net transfers to other funds totaled \$91.4 million resulting in a \$1.5 million increase in fund balance for the year. The increase in fund balance for 2019 was primarily attributable to increased property taxes due to higher property valuations and increases in taxes such as sales taxes attributable to increased economic activity and tourism. The ending fund balance of \$17.5 million includes \$8.3 million committed by City Ordinance for emergencies, \$1.3 million assigned for the FY 2019-2020 budget and \$82,095 for prepaid items that is nonspendable. The remaining \$7.8 million, representing approximately 8.8% 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 2019 and 2018 are on pages II-93 to II-94.

- 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 \$12.5 million and charges for services of \$1.3 million. Expenditures included \$3.4 million for general government operations, and transfers to other governmental funds of \$10.2 million for redevelopment projects. Fund balance increased by approximately \$500,000 due to an increase in tax increment revenue attributable to higher property valuations in 2019. At the end of 2019, \$2.7 million of fund balance was committed and assigned for future economic development, primarily redevelopment projects, and \$184,000 was nonspendable.

The CRA Special Revenue Fund comparative financial statements for 2019 and 2018 are on pages II-95 to II-96.

- The **General Capital Improvements Fund** is the City's primary fund for the financing of major capital projects, including the Town Square project. The financing for these projects is primarily from debt proceeds and the City issued approximately \$8.7 million of new financing for capital projects during 2019. In addition, the CRA provided funding of \$1.6 million and \$1.1 million was transferred in from other funds. Capital outlay expenditures totaled approximately \$8.1 million and debt service payments were \$3.1 million for 2019. Fund balance decreased by approximately \$1.4 million due to spending down current funds for capital projects.

Proprietary Funds - The City's major proprietary funds are:

- Water and Sewer Fund
- Sanitation Fund



MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

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, 2019 is summarized as follows:

\$46,604,850 – Water and Sewer Fund
 \$(2,068,974) – Sanitation Fund

The above total unrestricted net position (deficit) compares to \$44,391,817 for the Water and Sewer Fund and \$(3,509,621) deficit for the Sanitation Fund at the end of 2018. 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 2019 and 2018 are on pages II-104 to II-106 and Sanitation Fund comparative financial statements for 2019 and 2018 are on pages II-107 to II-109.

SUMMARY OF GENERAL FUND BUDGETARY RESULTS

The original General Fund budget appropriation for expenditures and transfers to other funds approved for FY 2018-2019 was \$91,124,026. There was a mid-year budget amendment to expenditures and transfers resulting in a final appropriation for FY 2018-2019 of \$91,142,201. Total expenditures alone of \$87,131,228 for the year were \$1,405,224 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 \$75,197,026 were increased by \$18,175 to \$75,215,201 for FY 2018-2019. Actual revenues were more than the final budget by \$146,080 for FY 2018-2019.

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, 2019, totals \$290,130,559 (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 \$20.1 million or 7.4% (a 11.6% increase for governmental activities and a 5.4% increase for business-type activities). Capital assets are summarized as follows:

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|---------------------------|--------------------------------|------------------|---------------------------------|-------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 32,326 | \$ 33,071 | \$ 5,132 | \$ 5,132 | \$ 37,458 | \$ 38,203 |
| Construction in progress | 8,605 | 1,765 | 31,539 | 12,833 | 40,144 | 14,598 |
| Intangible assets | - | - | 2,910 | 2,910 | 2,910 | 2,910 |
| Building and improvements | 36,137 | 36,752 | 56,642 | 57,851 | 92,779 | 94,603 |
| Equipment and vehicles | 18,907 | 13,705 | 4,116 | 4,412 | 23,023 | 18,117 |
| Utility lines and wells | - | - | 91,079 | 98,468 | 91,079 | 98,468 |
| Infrastructure | 2,737 | 3,164 | - | - | 2,737 | 3,164 |
| Total | <u>\$ 98,712</u> | <u>\$ 88,457</u> | <u>\$ 191,418</u> | <u>\$ 181,606</u> | <u>\$ 290,130</u> | <u>\$ 270,063</u> |

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



MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Long-Term Liabilities - At the end of the current fiscal year, the City had total outstanding long-term debt (revenue bonds, note payable and installment agreements) of \$122,468,155, excluding net unamortized bond premium, as summarized below:

Long-Term Liabilities
(Amounts in Thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------|------------------------------------|------------------|-------------------------------------|------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenue bonds | \$ 31,658 | \$ 35,339 | \$ 84,105 | \$ 87,710 | \$ 115,763 | \$ 123,049 |
| Note payable | 4,350 | - | - | - | 4,350 | - |
| Installment notes | 2,355 | 728 | - | - | 2,355 | 728 |
| Total | <u>\$ 38,363</u> | <u>\$ 36,067</u> | <u>\$ 84,105</u> | <u>\$ 87,710</u> | <u>\$ 122,468</u> | <u>\$ 123,777</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 decreased by approximately \$1.3 million, or 1% during the current year.

Additional information on the City’s long-term liabilities can be found in Note 3.I. beginning on page II-57.

FUTURE BUDGETARY OUTLOOK

The City considered the following economic factors in developing the 2019/2020 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 2019/2020 and then start to level off thereafter.
- Interest rates are expected to remain favorable, enabling the issuance of additional Revenue Bonds for capital projects.
- Adoption of a General Fund budget for the 2019/2020 fiscal year of \$96.4 million, which was an increase of \$5.3 million or 5.7% from the final 2018/2019 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, 2019

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Pooled cash and investments | \$ 59,620,352 | \$ 27,665,012 | \$ 87,285,364 |
| Receivables, net | 3,353,916 | 6,327,604 | 9,681,520 |
| Due from other governments | 1,523,715 | - | 1,523,715 |
| Internal balances | 30,032,104 | (30,032,104) | - |
| Prepaid expenses | 339,224 | 58,384 | 397,608 |
| Inventories | 1,155,045 | - | 1,155,045 |
| Investment in joint venture | - | 18,119,157 | 18,119,157 |
| Restricted assets - pooled cash and investments | - | 50,866,432 | 50,866,432 |
| Restricted assets - accounts receivable | - | 40,441 | 40,441 |
| Intangible assets | - | 2,910,000 | 2,910,000 |
| Capital assets not being depreciated | 40,931,229 | 36,671,174 | 77,602,403 |
| Capital assets net of accumulated depreciation | 57,781,144 | 151,837,012 | 209,618,156 |
| Total assets | <u>194,736,729</u> | <u>264,463,112</u> | <u>459,199,841</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charges on debt refundings | 1,550,208 | 599,364 | 2,149,572 |
| Deferred amount related to other postemployment benefits | 640,767 | 431,826 | 1,072,593 |
| Deferred amounts related to pensions | 10,994,917 | 1,638,344 | 12,633,261 |
| | <u>13,185,892</u> | <u>2,669,534</u> | <u>15,855,426</u> |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 5,218,881 | 3,053,862 | 8,272,743 |
| Accrued interest payable | 145,599 | 1,381,501 | 1,527,100 |
| Unearned revenue | 1,758,316 | 53,711 | 1,812,027 |
| Refundable deposits | 480,235 | 144,906 | 625,141 |
| Customer deposits | - | 1,599,707 | 1,599,707 |
| Other payables | 522,482 | 1,561,407 | 2,083,889 |
| Due to other governments | 32,973 | 59,662 | 92,635 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Bonds and notes payable | 6,966,516 | 4,215,000 | 11,181,516 |
| Compensated absences | 907,799 | 196,832 | 1,104,631 |
| Provision for insurance losses | 1,994,614 | - | 1,994,614 |
| Due in more than one year: | | | |
| Bonds and notes payable | 31,396,639 | 82,492,553 | 113,889,192 |
| Compensated absences | 5,943,045 | 1,317,256 | 7,260,301 |
| Provision for insurance losses | 3,550,574 | - | 3,550,574 |
| Other postemployment benefits | 6,511,995 | 4,388,566 | 10,900,561 |
| Net pension liability | 97,963,548 | 8,154,232 | 106,117,780 |
| Total liabilities | <u>163,393,216</u> | <u>108,619,195</u> | <u>272,012,411</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred amount related to other postemployment benefits | 133,514 | 89,978 | 223,492 |
| Deferred amounts related to pensions | 3,469,615 | 111,620 | 3,581,235 |
| | <u>3,603,129</u> | <u>201,598</u> | <u>3,804,727</u> |
| NET POSITION | | | |
| Net investment in capital assets | 61,899,426 | 142,047,633 | 203,947,059 |
| Restricted for: | | | |
| Public safety | 529,142 | - | 529,142 |
| Grant programs | 1,311,006 | - | 1,311,006 |
| Debt service | 109,356 | 2,501,622 | 2,610,978 |
| Capital projects | 9,609,894 | - | 9,609,894 |
| Other purposes | 481,922 | - | 481,922 |
| Unrestricted (deficit) | (33,014,470) | 13,762,598 | (19,251,872) |
| Total net position | <u>\$ 40,926,276</u> | <u>\$ 158,311,853</u> | <u>\$ 199,238,129</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, 2019

| Functions/Programs | Expenses | Program Revenues | | |
|--------------------------------|-----------------------|--|--|--|
| | | Charges for Services, Fees, Fines and Forfeitures | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 23,485,076 | \$ 11,080,582 | \$ 209,101 | \$ - |
| Public safety | 63,271,710 | 15,801,777 | 87,411 | 17,903 |
| Physical environment | 2,125,856 | 170,726 | - | - |
| Economic environment | 10,204,754 | - | 850,353 | - |
| Culture and recreation | 11,432,254 | 1,817,879 | 22,132 | 69,074 |
| Interest on long-term debt | 1,361,811 | - | - | - |
| Total governmental activities | <u>111,881,461</u> | <u>28,870,964</u> | <u>1,168,997</u> | <u>86,977</u> |
| Business-type activities: | | | | |
| Water and sewer | 40,144,769 | 48,053,094 | - | 1,732,808 |
| Sanitation | 10,678,459 | 12,623,017 | - | - |
| Golf course | 1,731,769 | 1,989,009 | - | - |
| Total business-type activities | <u>52,554,997</u> | <u>62,665,120</u> | <u>-</u> | <u>1,732,808</u> |
| Total primary government | <u>\$ 164,436,458</u> | <u>\$ 91,536,084</u> | <u>\$ 1,168,997</u> | <u>\$ 1,819,785</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
- Investment earnings
- Gain on disposal of capital assets
- Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year



THE CITY OF BOYNTON BEACH

Net (Expense) Revenue and Change in Net Position

| Governmental Activities | Business-type Activities | Total |
|----------------------------|-----------------------------|-----------------------|
| \$ (12,195,393) | \$ - | \$ (12,195,393) |
| (47,364,619) | - | (47,364,619) |
| (1,955,130) | - | (1,955,130) |
| (9,354,401) | - | (9,354,401) |
| (9,523,169) | - | (9,523,169) |
| (1,361,811) | - | (1,361,811) |
| <u>(81,754,523)</u> | <u>-</u> | <u>(81,754,523)</u> |
| - | 9,641,133 | 9,641,133 |
| - | 1,944,558 | 1,944,558 |
| - | 257,240 | 257,240 |
| <u>-</u> | <u>11,842,931</u> | <u>11,842,931</u> |
| (81,754,523) | 11,842,931 | (69,911,592) |
| 36,273,555 | - | 36,273,555 |
| 12,549,087 | - | 12,549,087 |
| 4,581,640 | - | 4,581,640 |
| 7,873,870 | - | 7,873,870 |
| 2,552,477 | - | 2,552,477 |
| 12,058,775 | - | 12,058,775 |
| 1,415,063 | - | 1,415,063 |
| 3,049,123 | - | 3,049,123 |
| 1,188,447 | 1,434,870 | 2,623,317 |
| 177,653 | - | 177,653 |
| 3,494,049 | 129,640 | 3,623,689 |
| 10,107,756 | (10,107,756) | - |
| <u>95,321,495</u> | <u>(8,543,246)</u> | <u>86,778,249</u> |
| 13,566,972 | 3,299,685 | 16,866,657 |
| <u>27,359,304</u> | <u>155,012,168</u> | <u>182,371,472</u> |
| <u>\$ 40,926,276</u> | <u>\$ 158,311,853</u> | <u>\$ 199,238,129</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, 2019

| | General Fund | Boynton Beach CRA Special Revenue Fund | General Capital Improvements Fund | Other Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|---|--|---|--------------------------------|
| ASSETS | | | | | |
| Pooled cash and investments | \$ 11,989,227 | \$ 2,770,526 | \$ 6,452,342 | \$ 35,470,870 | \$ 56,682,965 |
| Receivables, net | 1,981,654 | 6,536 | - | 1,364,402 | 3,352,592 |
| Due from other governments | 575,555 | - | - | 948,160 | 1,523,715 |
| Due from other funds | 7,659,139 | - | - | - | 7,659,139 |
| Prepaid items | 82,095 | 184,488 | - | 72,641 | 339,224 |
| Total assets | <u>\$ 22,287,670</u> | <u>\$ 2,961,550</u> | <u>\$ 6,452,342</u> | <u>\$ 37,856,073</u> | <u>\$ 69,557,635</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 794,855 | \$ 42,328 | \$ 430,467 | \$ 1,035,767 | \$ 2,303,417 |
| Accrued liabilities | 2,214,267 | - | - | 121,793 | 2,336,060 |
| Due to other funds | - | - | 4,510,551 | 761,795 | 5,272,346 |
| Due to other governments | - | - | - | 32,973 | 32,973 |
| Refundable deposits | 461,332 | 12,876 | - | 6,027 | 480,235 |
| Other payables | - | - | 522,482 | - | 522,482 |
| Total liabilities | <u>3,470,454</u> | <u>55,204</u> | <u>5,463,500</u> | <u>1,958,355</u> | <u>10,947,513</u> |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue | <u>1,342,119</u> | <u>-</u> | <u>-</u> | <u>416,197</u> | <u>1,758,316</u> |
| Fund balance: | | | | | |
| Nonspendable | | | | | |
| Prepaid items | 82,095 | 184,488 | - | 72,641 | 339,224 |
| Restricted for: | | | | | |
| Economic development | - | - | - | - | - |
| Public safety | - | - | - | 529,142 | 529,142 |
| Grant programs | - | - | - | 1,311,006 | 1,311,006 |
| Debt service | - | - | - | 109,356 | 109,356 |
| Capital projects | - | - | - | 9,609,894 | 9,609,894 |
| Other purposes | - | - | - | 481,922 | 481,922 |
| Committed for: | | | | | |
| Emergency purposes | 8,324,107 | - | - | - | 8,324,107 |
| Economic development | - | 1,425,909 | - | - | 1,425,909 |
| Capital projects | - | - | - | 5,777,612 | 5,777,612 |
| Assigned to: | | | | | |
| Subsequent year's budget | 1,286,655 | - | - | - | 1,286,655 |
| Economic development | - | 1,295,949 | - | - | 1,295,949 |
| Debt service | - | - | - | 5,385,751 | 5,385,751 |
| Public safety | - | - | - | 2,042,635 | 2,042,635 |
| Culture and recreation | - | - | - | 797,811 | 797,811 |
| Cemetery maintenance | - | - | - | 3,204,862 | 3,204,862 |
| Capital projects | - | - | 988,842 | 6,413,253 | 7,402,095 |
| Unassigned (deficit) | <u>7,782,240</u> | <u>-</u> | <u>-</u> | <u>(254,364)</u> | <u>7,527,876</u> |
| Total fund balance | <u>17,475,097</u> | <u>2,906,346</u> | <u>988,842</u> | <u>35,481,521</u> | <u>56,851,806</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 22,287,670</u> | <u>\$ 2,961,550</u> | <u>\$ 6,452,342</u> | <u>\$ 37,856,073</u> | <u>\$ 69,557,635</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, 2019

| | |
|---|---------------|
| Fund balance reported in the Balance Sheet of total governmental funds. | \$ 56,851,806 |
| <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> | |
| Increases: | |
| 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. | 86,851,726 |
| 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. | 6,915,594 |
| 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. | 29,342,608 |
| 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. | 1,550,208 |
| 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 | 10,809,820 |
| Deferred outflows related to other postemployment benefits | 602,047 |
| Deferred inflows related to other postemployment benefits | (125,446) |
| Deferred inflows related to pensions | (3,434,778) |
| Decreases: | |
| 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. | (38,363,155) |
| The net pension liability of defined benefit pension plans are reported in the Statement of Net Position but not in the governmental funds. | (97,091,458) |
| 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. | (145,599) |
| 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. | (6,118,484) |
| 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. | (6,718,613) |
| Net position reported in the Statement of Net Position of governmental activities. | \$ 40,926,276 |

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, 2019

| | General Fund | Boynton Beach CRA Special Revenue Fund | General Capital Improvements Fund | Other Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|---|--|---|--------------------------------|
| REVENUES | | | | | |
| Taxes, net of tax increment revenue | \$ 38,067,876 | \$ - | \$ - | \$ 11,791,454 | \$ 49,859,330 |
| Tax increment revenue | - | 12,549,087 | - | - | 12,549,087 |
| Licenses and permits | 9,012,263 | - | - | 820,114 | 9,832,377 |
| Intergovernmental | 11,223,066 | - | 67,925 | 7,368,813 | 18,659,804 |
| Charges for services | 7,803,045 | 1,304,480 | - | 767,321 | 9,874,846 |
| Special assessments | 6,773,585 | - | - | - | 6,773,585 |
| Fines and forfeitures | 494,456 | - | - | 1,938,640 | 2,433,096 |
| Rents and royalties | 477,669 | - | - | - | 477,669 |
| Investment earnings | 323,014 | 294,159 | 1,252 | 551,056 | 1,169,481 |
| Donations | - | - | - | 210,060 | 210,060 |
| Miscellaneous | 2,879,073 | - | 1,600,000 | 46,525 | 4,525,598 |
| Total revenues | <u>77,054,047</u> | <u>14,147,726</u> | <u>1,669,177</u> | <u>23,493,983</u> | <u>116,364,933</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 16,386,586 | 3,366,813 | 1,639,805 | 631,695 | 22,024,899 |
| Public safety | 61,584,719 | - | - | 1,044,101 | 62,628,820 |
| Physical environment | 1,236,417 | - | - | 34,782 | 1,271,199 |
| Economic environment | 592,078 | - | - | 8,245,521 | 8,837,599 |
| Culture and recreation | 8,205,440 | - | 618 | 1,348,857 | 9,554,915 |
| Capital outlay | 818,754 | 38,101 | 8,136,102 | 4,683,752 | 13,676,709 |
| Debt service: | | | | | |
| Principal retirement | - | - | 2,709,366 | 3,681,000 | 6,390,366 |
| Interest charges | - | - | 378,633 | 791,357 | 1,169,990 |
| Total expenditures | <u>88,823,994</u> | <u>3,404,914</u> | <u>12,864,524</u> | <u>20,461,065</u> | <u>125,554,497</u> |
| Revenues over (under) expenditures | <u>(11,769,947)</u> | <u>10,742,812</u> | <u>(11,195,347)</u> | <u>3,032,918</u> | <u>(9,189,564)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 15,927,000 | - | 1,065,000 | 10,487,594 | 27,479,594 |
| Transfers out | (2,615,679) | (10,238,768) | - | (9,515,493) | (22,369,940) |
| Issuance of installment debt | - | - | 1,836,998 | - | 1,836,998 |
| Issuance of long-term debt | - | - | 6,850,000 | - | 6,850,000 |
| Total other financing sources and uses | <u>13,311,321</u> | <u>(10,238,768)</u> | <u>9,751,998</u> | <u>972,101</u> | <u>13,796,652</u> |
| Net change in fund balance | 1,541,374 | 504,044 | (1,443,349) | 4,005,019 | 4,607,088 |
| Fund balance - beginning of year | 15,933,723 | 2,402,302 | 2,432,191 | 31,476,502 | 52,244,718 |
| Fund balance - end of year | <u>\$ 17,475,097</u> | <u>\$ 2,906,346</u> | <u>\$ 988,842</u> | <u>\$ 35,481,521</u> | <u>\$ 56,851,806</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, 2019

Net change in fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances of total governmental funds \$ 4,607,088

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.

Increases:

Capital outlay, reported as expenditures in governmental funds, is reported as capital assets in the Statement of Net Position rather than expenses. 13,676,709

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.

| | | | |
|---|----|-------------|-----------|
| Transfers | \$ | 4,998,102 | |
| Nonoperating revenue | | 668,510 | |
| Consolidation of operating loss related to governmental funds | | (2,718,798) | 2,947,814 |

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.

| | | | |
|---|----|-------------|-------------|
| Issuance of installment agreements | \$ | (1,836,998) | |
| Issuance of long-term debt | | (6,850,000) | |
| Repayment of noncurrent bonds and notes | | 6,390,366 | (2,296,632) |

Decreases:

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.

| | | | |
|----------------------|--|--|-------------|
| Depreciation expense | | | (4,674,116) |
|----------------------|--|--|-------------|

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.

| | | | |
|---|--|--|-----------|
| Amortization of deferred charges on debt refundings | | | (207,828) |
|---|--|--|-----------|

Some expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

| | | | |
|-------------------------------------|----|-----------|---------|
| Accrued interest on noncurrent debt | \$ | 16,007 | |
| Compensated absences expenses | | 8,937 | |
| Other postemployment benefits | | (449,138) | |
| Pension expense | | 1,299,580 | 875,386 |

| | | | |
|--|--|--|-------------|
| The net effect of transactions involving capital asset dispositions (i.e., sales and trade-ins). | | | (1,361,449) |
|--|--|--|-------------|

| | | | |
|---|--|--|---------------|
| Change in net position of Governmental Activities | | | \$ 13,566,972 |
|---|--|--|---------------|

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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|---------------------|---------------------|---------------------|--|
| REVENUES | | | | |
| Taxes, net of tax increment revenue | \$ 38,080,675 | \$ 38,080,675 | \$ 38,067,876 | \$ (12,799) |
| Licenses and permits | 8,102,000 | 8,102,000 | 9,012,263 | 910,263 |
| Intergovernmental | 9,311,663 | 9,311,663 | 9,530,300 | 218,637 |
| Charges for services | 7,996,388 | 8,014,563 | 7,803,045 | (211,518) |
| Special assessments | 6,589,000 | 6,589,000 | 6,773,585 | 184,585 |
| Fines and forfeitures | 423,000 | 423,000 | 494,456 | 71,456 |
| Rents and royalties | 363,800 | 363,800 | 477,669 | 113,869 |
| Investment earnings | 65,000 | 65,000 | 323,014 | 258,014 |
| Miscellaneous | 4,265,500 | 4,265,500 | 2,879,073 | (1,386,427) |
| Total revenues | <u>75,197,026</u> | <u>75,215,201</u> | <u>75,361,281</u> | <u>146,080</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| Mayor and commission | 276,642 | 276,642 | 274,128 | 2,514 |
| City manager | 741,317 | 770,617 | 766,707 | 3,910 |
| Public affairs | 464,668 | 464,668 | 390,398 | 74,270 |
| City clerk | 764,571 | 763,171 | 706,832 | 56,339 |
| Financial services | 1,351,143 | 1,350,195 | 1,335,182 | 15,013 |
| Information technology | 2,439,224 | 2,439,074 | 2,341,892 | 97,182 |
| Human resources | 815,093 | 820,491 | 817,860 | 2,631 |
| City attorney | 574,911 | 568,011 | 512,932 | 55,079 |
| Planning and zoning | 843,779 | 713,629 | 685,688 | 27,941 |
| Facilities management | 1,884,322 | 1,818,292 | 1,766,969 | 51,323 |
| City hall general administrative | 3,416,126 | 2,718,201 | 2,419,263 | 298,938 |
| Town Square | 5,630,454 | 4,305,954 | 4,425,378 | (119,424) |
| Total general government | <u>19,202,250</u> | <u>17,008,945</u> | <u>16,443,229</u> | <u>565,716</u> |
| Public safety: | | | | |
| Police | 30,183,906 | 30,597,406 | 30,416,653 | 180,753 |
| Fire | 25,279,992 | 26,716,213 | 26,551,420 | 164,793 |
| Protective inspections | 3,174,875 | 3,456,205 | 3,404,355 | 51,850 |
| Total public safety | <u>58,638,773</u> | <u>60,769,824</u> | <u>60,372,428</u> | <u>397,396</u> |
| Physical environment: | | | | |
| Public works | 208,725 | 230,304 | 224,530 | 5,774 |
| Streets maintenance | 1,121,638 | 1,121,638 | 1,087,750 | 33,888 |
| Total physical environment | <u>1,330,363</u> | <u>1,351,942</u> | <u>1,312,280</u> | <u>39,662</u> |
| Economic environment: | | | | |
| Other economic environment | 715,339 | 715,364 | 593,895 | 121,469 |
| Total economic environment | <u>715,339</u> | <u>715,364</u> | <u>593,895</u> | <u>121,469</u> |
| Culture and recreation: | | | | |
| Library | 2,336,700 | 2,336,700 | 2,132,642 | 204,058 |
| Recreation | 2,971,251 | 2,973,135 | 2,901,135 | 72,000 |
| Schoolhouse museum | 255,169 | 322,094 | 308,606 | 13,488 |
| Forestry and grounds | 3,060,332 | 3,058,448 | 3,067,013 | (8,565) |
| Total culture and recreation | <u>8,623,452</u> | <u>8,690,377</u> | <u>8,409,396</u> | <u>280,981</u> |
| Total expenditures | <u>88,510,177</u> | <u>88,536,452</u> | <u>87,131,228</u> | <u>1,405,224</u> |
| Revenues over (under) expenditures | <u>(13,313,151)</u> | <u>(13,321,251)</u> | <u>(11,769,947)</u> | <u>1,551,304</u> |

(Continued)



THE CITY OF BOYNTON BEACH

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-------------------|---------------------|--|
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | \$ 15,927,000 | \$ 15,927,000 | \$ 15,927,000 | \$ - |
| Transfers out | (2,613,849) | (2,605,749) | (2,615,679) | (9,930) |
| Total other financing sources and uses | <u>13,313,151</u> | <u>13,321,251</u> | <u>13,311,321</u> | <u>(9,930)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,541,374</u> | <u>\$ 1,541,374</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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|--|
| REVENUES | | | | |
| Tax increment revenue | \$ 12,421,686 | \$ 12,421,686 | \$ 12,549,087 | \$ 127,401 |
| Charges for services | 1,000,000 | 1,000,000 | 1,304,480 | 304,480 |
| Investment earnings | - | - | 294,159 | 294,159 |
| Total revenues | <u>13,421,686</u> | <u>13,421,686</u> | <u>14,147,726</u> | <u>726,040</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 3,822,918 | 3,822,918 | 3,366,813 | 456,105 |
| Capital outlay | - | - | 38,101 | (38,101) |
| Total expenditures | <u>3,822,918</u> | <u>3,822,918</u> | <u>3,404,914</u> | <u>418,004</u> |
| Revenues over expenditures | <u>9,598,768</u> | <u>9,598,768</u> | <u>10,742,812</u> | <u>1,144,044</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Appropriated fund balance | - | 640,000 | - | (640,000) |
| Transfers out | (9,598,768) | (10,238,768) | (10,238,768) | - |
| Total other financing sources and uses | <u>(9,598,768)</u> | <u>(9,598,768)</u> | <u>(10,238,768)</u> | <u>(640,000)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 504,044 | <u>\$ 504,044</u> |
| Fund balance - beginning of year | | | <u>2,402,302</u> | |
| Fund balance - end of year | | | <u>\$ 2,906,346</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, 2019

| | Business-Type Activities - Enterprise Funds | | | Total | Governmental Activities - Internal Service Funds |
|---|---|--------------------|--|--------------------|--|
| | Water and Sewer Fund | Sanitation Fund | Non-Major Fund Golf Course Fund | | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Pooled cash and investments | \$ 27,665,012 | \$ - | \$ - | \$ 27,665,012 | \$ 2,937,387 |
| Accounts receivable, net | 5,063,891 | 1,260,113 | 3,600 | 6,327,604 | 1,028 |
| Other receivables | - | - | - | - | 296 |
| Prepaid expenses | 51,881 | - | 6,503 | 58,384 | - |
| Inventories | - | - | - | - | 1,155,045 |
| | <u>32,780,784</u> | <u>1,260,113</u> | <u>10,103</u> | <u>34,051,000</u> | <u>4,093,756</u> |
| Restricted assets: | | | | | |
| Restricted pooled cash and investments: | | | | | |
| Customer deposits | 1,559,266 | - | - | 1,559,266 | - |
| Revenue bond covenants | 8,098,123 | - | - | 8,098,123 | - |
| Capital improvements | 41,209,043 | - | - | 41,209,043 | - |
| | <u>50,866,432</u> | <u>-</u> | <u>-</u> | <u>50,866,432</u> | <u>-</u> |
| Restricted accounts receivable | 40,441 | - | - | 40,441 | - |
| | <u>50,906,873</u> | <u>-</u> | <u>-</u> | <u>50,906,873</u> | <u>-</u> |
| Total current assets | <u>83,687,657</u> | <u>1,260,113</u> | <u>10,103</u> | <u>84,957,873</u> | <u>4,093,756</u> |
| Noncurrent assets: | | | | | |
| Investment in joint venture | 18,119,157 | - | - | 18,119,157 | - |
| Intangible assets | 2,910,000 | - | - | 2,910,000 | - |
| Capital assets not being depreciated | 35,314,707 | - | 1,356,467 | 36,671,174 | 33,166 |
| Capital assets, net of accumulated depreciation | 151,366,577 | 3,293 | 467,142 | 151,837,012 | 11,827,481 |
| Total noncurrent assets | <u>207,710,441</u> | <u>3,293</u> | <u>1,823,609</u> | <u>209,537,343</u> | <u>11,860,647</u> |
| Total assets | <u>291,398,098</u> | <u>1,263,406</u> | <u>1,833,712</u> | <u>294,495,216</u> | <u>15,954,403</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred charges on debt refundings | 599,364 | - | - | 599,364 | - |
| Deferred amounts related to other postemployment benefits | 318,775 | 92,672 | 20,379 | 431,826 | 38,720 |
| Deferred amounts related to pensions | 1,184,953 | 377,893 | 75,498 | 1,638,344 | 185,097 |
| Total deferred outflows of resources | <u>2,103,092</u> | <u>470,565</u> | <u>95,877</u> | <u>2,669,534</u> | <u>223,817</u> |

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THE CITY OF BOYNTON BEACH

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities - Internal Service Funds |
|---|---|-----------------------|---------------------|-----------------------|--|
| | Water and Sewer Fund | Sanitation Fund | Non-Major Fund | Total | |
| | | | Golf Course Fund | | |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 2,125,165 | \$ 424,652 | \$ 12,647 | \$ 2,562,464 | \$ 524,599 |
| Accrued expenses | 328,663 | 120,072 | 42,663 | 491,398 | 54,805 |
| Unearned revenues | - | - | 53,711 | 53,711 | - |
| Provision for insurance losses, current portion | - | - | - | - | 1,994,614 |
| Refundable deposits | 144,906 | - | - | 144,906 | - |
| Compensated absences payable, current portion | 124,617 | 49,941 | 22,274 | 196,832 | 17,190 |
| Due to other governments | 59,662 | - | - | 59,662 | - |
| Due to other funds | - | 30,918 | 658,578 | 689,496 | 1,697,297 |
| | <u>2,783,013</u> | <u>625,583</u> | <u>789,873</u> | <u>4,198,469</u> | <u>4,288,505</u> |
| Current liabilities payable from restricted assets: | | | | | |
| Customer deposits | 1,599,707 | - | - | 1,599,707 | - |
| Revenue bonds, current maturities | 4,215,000 | - | - | 4,215,000 | - |
| Accrued revenue bond interest | 1,381,501 | - | - | 1,381,501 | - |
| Contracts payable | 1,561,407 | - | - | 1,561,407 | - |
| | <u>8,757,615</u> | <u>-</u> | <u>-</u> | <u>8,757,615</u> | <u>-</u> |
| Total current liabilities | <u>11,540,628</u> | <u>625,583</u> | <u>789,873</u> | <u>12,956,084</u> | <u>4,288,505</u> |
| Noncurrent liabilities: | | | | | |
| Revenue bonds payable, less current maturities, plus unamortized premium | 82,492,553 | - | - | 82,492,553 | - |
| Provision for insurance losses, less current portion | - | - | - | - | 3,550,574 |
| Compensated absences payable, less current portion | 833,973 | 334,222 | 149,061 | 1,317,256 | 115,041 |
| Other postemployment benefits | 3,239,647 | 941,808 | 207,111 | 4,388,566 | 393,511 |
| Net pension liability | 5,897,652 | 1,880,818 | 375,762 | 8,154,232 | 872,090 |
| Total noncurrent liabilities | <u>92,463,825</u> | <u>3,156,848</u> | <u>731,934</u> | <u>96,352,607</u> | <u>4,931,216</u> |
| Total liabilities | <u>104,004,453</u> | <u>3,782,431</u> | <u>1,521,807</u> | <u>109,308,691</u> | <u>9,219,721</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred amount related to other postemployment benefits | 66,422 | 19,310 | 4,246 | 89,978 | 8,068 |
| Deferred amounts related to pensions | 103,112 | (2,089) | 10,597 | 111,620 | 34,837 |
| Total deferred inflows of resources | <u>169,534</u> | <u>17,221</u> | <u>14,843</u> | <u>201,598</u> | <u>42,905</u> |
| NET POSITION (DEFICIT) | | | | | |
| Net investment in capital assets | 140,220,731 | 3,293 | 1,823,609 | 142,047,633 | 11,860,647 |
| Restricted for: | | | | | |
| Revenue bond covenants | 2,501,622 | - | - | 2,501,622 | - |
| Unrestricted (deficit) | <u>46,604,850</u> | <u>(2,068,974)</u> | <u>(1,430,670)</u> | <u>43,105,206</u> | <u>(4,945,053)</u> |
| Total net position (deficit) | <u>\$ 189,327,203</u> | <u>\$ (2,065,681)</u> | <u>\$ 392,939</u> | <u>\$ 187,654,461</u> | <u>\$ 6,915,594</u> |

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, 2019

| | Business-Type Activities - Enterprise Funds | | | Total | Governmental Activities - Internal Service Funds |
|--|---|-----------------------|--|-----------------------|--|
| | Water and Sewer Fund | Sanitation Fund | Non-Major Fund Golf Course Fund | | |
| OPERATING REVENUES | | | | | |
| Charges for services: | | | | | |
| Water sales | \$ 24,223,166 | \$ - | \$ - | \$ 24,223,166 | \$ - |
| Sewer service | 19,607,887 | - | - | 19,607,887 | - |
| Stormwater utility fees | 4,222,041 | - | - | 4,222,041 | - |
| Garbage fees | - | 12,614,802 | - | 12,614,802 | - |
| Recycling fees | - | 8,215 | - | 8,215 | - |
| Cart and green fees | - | - | 1,609,786 | 1,609,786 | - |
| Dues | - | - | 72,100 | 72,100 | - |
| Other services | - | - | 307,123 | 307,123 | 8,710,010 |
| Total operating revenues | <u>48,053,094</u> | <u>12,623,017</u> | <u>1,989,009</u> | <u>62,665,120</u> | <u>8,710,010</u> |
| OPERATING EXPENSES | | | | | |
| Personal services and benefits | 10,235,221 | 3,602,357 | 969,935 | 14,807,513 | 1,883,512 |
| Supplies, services and claims | 13,510,676 | 5,160,118 | 608,289 | 19,279,083 | 8,415,273 |
| Depreciation and amortization | 11,587,273 | 1,610 | 121,380 | 11,710,263 | 4,032,240 |
| Total operating expenses | <u>35,333,170</u> | <u>8,764,085</u> | <u>1,699,604</u> | <u>45,796,859</u> | <u>14,331,025</u> |
| Operating income (loss) | <u>12,719,924</u> | <u>3,858,932</u> | <u>289,405</u> | <u>16,868,261</u> | <u>(5,621,015)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment earnings | 1,434,773 | 97 | - | 1,434,870 | 18,966 |
| Interest expense | (3,164,365) | - | - | (3,164,365) | - |
| Equity in loss of Regional Wastewater Joint Venture | (691,556) | - | - | (691,556) | - |
| Gain on disposal of capital assets | - | - | - | - | 178,434 |
| Miscellaneous income | 129,578 | 62 | - | 129,640 | 471,110 |
| Total nonoperating revenues (expenses) | <u>(2,291,570)</u> | <u>159</u> | <u>-</u> | <u>(2,291,411)</u> | <u>668,510</u> |
| Income (loss) before contributions and transfers | 10,428,354 | 3,859,091 | 289,405 | 14,576,850 | (4,952,505) |
| Capital contributions | 1,732,808 | - | - | 1,732,808 | - |
| Transfers: | | | | | |
| Transfers in | - | 10,000 | - | 10,000 | 5,004,550 |
| Transfers out | (7,661,466) | (2,428,906) | (27,384) | (10,117,756) | (6,448) |
| Total transfers | <u>(7,661,466)</u> | <u>(2,418,906)</u> | <u>(27,384)</u> | <u>(10,107,756)</u> | <u>4,998,102</u> |
| Change in net position | 4,499,696 | 1,440,185 | 262,021 | 6,201,902 | 45,597 |
| Net position (deficit) - beginning of year | 184,827,507 | (3,505,866) | 130,918 | 181,452,559 | 6,869,997 |
| Net position (deficit) - end of year | <u>\$ 189,327,203</u> | <u>\$ (2,065,681)</u> | <u>\$ 392,939</u> | <u>\$ 187,654,461</u> | <u>\$ 6,915,594</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, 2019

| | Statement of Net Position | Statement of Changes in Net Position |
|--|------------------------------|--|
| Amounts reported for total Enterprise Funds | \$ 187,654,461 | \$ 6,201,902 |
| <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 | (2,902,217) | (2,902,217) |
| Cumulative prior year adjustments | (26,440,391) | - |
| Net position/Change in net position of Business-type Activities | \$ 158,311,853 | \$ 3,299,685 |

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, 2019

| | Business-Type Activities - Enterprise Funds | | | Total | Governmental Activities - Internal Service Funds |
|---|---|--------------------|--|----------------------|--|
| | Water and Sewer Fund | Sanitation Fund | Non-Major Fund Golf Course Fund | | |
| Cash Flows From Operating Activities | | | | | |
| Receipts from customers and users | \$ 48,232,497 | \$ 12,646,433 | \$ 2,012,994 | \$ 62,891,924 | \$ - |
| Receipts from others | 129,578 | 62 | - | 129,640 | 471,110 |
| Receipts from interfund services provided | - | - | - | - | 8,708,686 |
| Payments to suppliers | (12,992,006) | (4,787,274) | (492,588) | (18,271,868) | (8,211,951) |
| Payments to employees | (10,925,187) | (3,598,759) | (994,372) | (15,518,318) | (1,799,874) |
| Payments for interfund services used | (713,438) | (1,840,505) | (128,216) | (2,682,159) | (216,870) |
| Net cash provided by (used in) operating activities | <u>23,731,444</u> | <u>2,419,957</u> | <u>397,818</u> | <u>26,549,219</u> | <u>(1,048,899)</u> |
| Cash Flows From Non-Capital Financing Activities | | | | | |
| Loans from (to) other funds | - | - | (315,582) | (315,582) | 1,160,301 |
| Transfers in | - | 10,000 | - | 10,000 | 5,004,550 |
| Transfers out | (7,661,466) | (2,428,906) | (27,384) | (10,117,756) | (6,448) |
| Net cash provided by (used in) non-capital financing activities | <u>(7,661,466)</u> | <u>(2,418,906)</u> | <u>(342,966)</u> | <u>(10,423,338)</u> | <u>6,158,403</u> |
| Cash Flows From Capital and Related Financing Activities | | | | | |
| Acquisition of capital assets | (22,411,967) | (1,148) | (54,852) | (22,467,967) | (6,646,517) |
| Proceeds from sale of capital assets | - | - | - | - | 178,434 |
| Capital contributions | 1,732,808 | - | - | 1,732,808 | - |
| Principal payments on revenue bonds | (3,605,000) | - | - | (3,605,000) | - |
| Interest payments on revenue bonds | (3,370,201) | - | - | (3,370,201) | - |
| Net cash used in capital and related financing activities | <u>(27,654,360)</u> | <u>(1,148)</u> | <u>(54,852)</u> | <u>(27,710,360)</u> | <u>(6,468,083)</u> |
| Cash Flows From Investing Activity | | | | | |
| Interest on pooled cash and investments | 1,434,773 | 97 | - | 1,434,870 | 18,966 |
| Net cash provided by investing activity | <u>1,434,773</u> | <u>97</u> | <u>-</u> | <u>1,434,870</u> | <u>18,966</u> |
| Increase in cash and cash equivalents | (10,149,609) | - | - | (10,149,609) | (1,339,613) |
| Cash and cash equivalents - beginning of year | 88,681,053 | - | - | 88,681,053 | 4,277,000 |
| Cash and cash equivalents - end of year | <u>\$ 78,531,444</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 78,531,444</u> | <u>\$ 2,937,387</u> |
| Reconciliation of cash and cash equivalents to Statement of Net Assets | | | | | |
| Pooled cash and investments | \$ 27,665,012 | \$ - | \$ - | \$ 27,665,012 | \$ 2,937,387 |
| Restricted pooled cash and investments | 50,866,432 | - | - | 50,866,432 | - |
| Cash and cash equivalents - end of year | <u>\$ 78,531,444</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 78,531,444</u> | <u>\$ 2,937,387</u> |

(Continued)



THE CITY OF BOYNTON BEACH

| | <u>Business-Type Activities - Enterprise Funds</u> | | | | Governmental Activities - Internal Service Funds |
|--|--|----------------------------|-----------------------------|----------------------|--|
| | <u>Water and Sewer Fund</u> | <u>Sanitation Fund</u> | <u>Non-Major Fund</u> | | |
| | | | <u>Golf Course Fund</u> | <u>Total</u> | |
| Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | | | | | |
| Operating income (loss) | \$ 12,719,924 | \$ 3,858,932 | \$ 289,405 | \$ 16,868,261 | \$ (5,621,015) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation and amortization | 11,587,273 | 1,610 | 121,380 | 11,710,263 | 4,032,240 |
| Provision for doubtful accounts | 79,667 | - | - | 79,667 | - |
| Miscellaneous income | 129,578 | 62 | - | 129,640 | 471,110 |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable | (49,271) | 17,509 | (75) | (31,837) | (1,028) |
| Due from other governments | - | 5,907 | - | 5,907 | - |
| Prepaid expenses | 33,652 | - | (6,503) | 27,149 | 11,380 |
| Inventories | - | - | - | - | (274,457) |
| Deferred amounts related to pensions | (2,099,749) | (642,148) | (133,993) | (2,875,890) | (284,755) |
| Deferred amounts related to other postemployment benefits | (336,256) | (97,754) | (21,497) | (455,507) | (40,843) |
| Accounts payable | (232,339) | 246,452 | (6,012) | 8,101 | (515,881) |
| Accrued expenses | 39,827 | (1,576) | 5,524 | 43,775 | 6,785 |
| Due to other funds | - | (1,714,113) | - | (1,714,113) | 74,917 |
| Unearned revenues | - | - | 24,060 | 24,060 | - |
| Refundable deposits | 29,784 | - | - | 29,784 | - |
| Due to other governments | 3,919 | - | - | 3,919 | - |
| Provision for insurance losses | - | - | - | - | 690,493 |
| Customer deposits | 119,223 | - | - | 119,223 | - |
| Compensated absences payable | (193,054) | 26,643 | 5,383 | (161,028) | 16,033 |
| Other postemployment benefits | 574,069 | 166,889 | 36,701 | 777,659 | 69,731 |
| Net pension liability | 1,325,197 | 551,544 | 83,445 | 1,960,186 | 316,687 |
| Total adjustments | <u>11,011,520</u> | <u>(1,438,975)</u> | <u>108,413</u> | <u>9,680,958</u> | <u>4,572,116</u> |
| Net cash provided by (used in) operating activities | <u>\$ 23,731,444</u> | <u>\$ 2,419,957</u> | <u>\$ 397,818</u> | <u>\$ 26,549,219</u> | <u>\$ (1,048,899)</u> |
| Noncash Investing, Capital and Related Financing Activities: | | | | | |
| Equity in loss of Regional Wastewater Joint Venture | \$ (691,556) | \$ - | \$ - | \$ (691,556) | \$ - |
| Gain on disposal of capital assets | - | - | - | - | 178,434 |
| Amortization of bond premiums | 297,494 | - | - | 297,494 | - |
| 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, 2019

| | <u>Total Pension Trust Funds</u> |
|---|--|
| ASSETS | |
| Cash | \$ 1,188,373 |
| Investments: | |
| Money market mutual funds | 4,279,366 |
| U.S. Government and Agency obligations | 22,276,095 |
| Mortgage-backed securities | 2,898,940 |
| Corporate obligations | 15,756,730 |
| Equity securities | 91,941,462 |
| Equity mutual funds | 50,251,231 |
| Equity investment funds | 110,313,855 |
| International equity investment funds | 21,014,778 |
| Fixed income investment funds | 43,585,162 |
| Real estate investment funds | 49,982,404 |
| Total investments | <u>412,300,023</u> |
| Interest and dividends receivable | 321,190 |
| Pending trades receivable | 697,767 |
| DROP loans | 458,716 |
| Prepaid expenses | 22,939 |
| Total assets | <u>414,989,008</u> |
| LIABILITIES | |
| Accounts payable | 530,145 |
| Pending trades payable | 502,007 |
| Total liabilities | <u>1,032,152</u> |
| NET POSITION RESTRICTED FOR PENSION BENEFITS | <u><u>\$ 413,956,856</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, 2019

| | <u>Total Pension Trust Funds</u> |
|--|--|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 18,757,773 |
| Plan members | 4,560,506 |
| State | <u>1,692,766</u> |
| Total contributions | <u>25,011,045</u> |
| Investment earnings: | |
| Net appreciation in fair value of investments | 14,252,293 |
| Interest and dividends | 5,980,426 |
| Miscellaneous | <u>25,171</u> |
| | <u>20,257,890</u> |
| Less investment expenses: | |
| Investment expenses | <u>1,880,745</u> |
| Net investment earnings | <u>18,377,145</u> |
| Total additions | <u>43,388,190</u> |
| DEDUCTIONS | |
| Benefits paid | 25,725,370 |
| Refunds of contributions | 308,408 |
| Administrative expenses | <u>504,423</u> |
| Total deductions | <u>26,538,201</u> |
| Change in plan net position | 16,849,989 |
| Net position restricted for pension benefits - beginning of year | <u>397,106,867</u> |
| Net position restricted for pension benefits - end of year | <u><u>\$ 413,956,856</u></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, 2019

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, 2019

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

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



1. Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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.



1. Summary of Significant Accounting Policies (Continued)

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 authorized Florida intergovernment investment pools. 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 liquid investments (including restricted assets) with an original maturity or availability of three months or less to be cash equivalents.

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. Accordingly, deposits with qualified public depositories are considered fully insured.

The Florida intergovernmental investment pools authorized by the City include Florida Prime, Florida Municipal Investment Trust (FMIT) and Florida Fixed Income Trust (FIT). Participants in the investment pools are limited to governmental entities in the State of Florida. Florida Prime is operated by the Florida State Board of Administration in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost, rather than fair value, to report net position used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the pool is considered to be the same as the City's account balance (amortized cost) in the pool.

FMIT and FIT are organized by Florida public agencies under Florida Statutes Section 163, the Florida Interlocal Cooperation Act, for the purpose of operating independent investment pools for local governments in Florida and are administered by a Board of Trustees elected by the participants in the pool. FMIT and FIT are exempt from registration under the Securities Act of 1933, the Investment Company Act of 1940 and the Florida Securities and Investors Protection Act. FMIT operates six fixed income and five equity funds with differing investment goals. The City invested in three FMIT fixed income funds which were all liquidated during the current year. FIT operates four fixed income funds with differing cash management and investment goals. The fair value of the City's investments in FMIT and FIT is the net asset value of each fund based on the fair value of the fund's portfolio as determined by the fund administrator at the end of each month.

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 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.



1. Summary of Significant Accounting Policies (Continued)

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 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 OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

1. Summary of Significant Accounting Policies (Continued)

M. Capital Assets (Continued)

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, the City also capitalized interest incurred during the construction phase of capital assets of business-type activities as part of 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.



1. Summary of Significant Accounting Policies (Continued)

P. Noncurrent Liabilities (Continued)

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.

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 other postemployment benefits (OPEB) and 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 OPEB and 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 OPEB and 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 OPEB and 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 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.



1. Summary of Significant Accounting Policies (Continued)

R. Net Position / Fund Balance (Continued)

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.

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 may also be 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 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.



1. Summary of Significant Accounting Policies (Continued)

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 uncollectability. 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).

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, 2019, 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 (2017/2018) 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 \$1,692,766 for the fiscal year ended September 30, 2019.

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.



1. Summary of Significant Accounting Policies (Continued)

W. Implementation of GASB Statements

The following GASB Statements were effective for the City during the fiscal year ended September 30, 2019:

- 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 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.
- 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.

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. 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.
- 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. 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.
- GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and requires additional note disclosures. The requirements of this Statement will be effective for the City for the fiscal year ending September 30, 2022.
- GASB Statement No. 92, *Omnibus 2020*, addresses certain practice issues identified during implementation and application of certain GASB Statements. The requirements of this Statement will be effective for the City for the fiscal years ending September 30, 2020 and 2021.



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. The City had no outstanding encumbrances at September 30, 2019.

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.
- 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 by \$18,175 and increased budgeted expenditures by \$26,275 for the year ended September 30, 2019. 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 CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

2. Stewardship, Compliance, and Accountability (Continued)

C. Budgets and the Budgeting Process (Continued)

The General Fund differences are reconciled as follows:

| | <u>Revenues</u> | <u>Expenditures</u> |
|---|----------------------|----------------------|
| Budgetary basis | \$ 75,361,281 | \$ 87,131,228 |
| On-behalf payments for pension benefits | <u>1,692,766</u> | <u>1,692,766</u> |
| GAAP basis | <u>\$ 77,054,047</u> | <u>\$ 88,823,994</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 \$150,852 and \$103,062, respectively, at September 30, 2019. 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 2020. 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 \$2,065,681 at September 30, 2019. 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 \$197,294 and \$3,239,883, respectively, at September 30, 2019, 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 City's investment policy limits permitted investments to the following:



3. Detailed Notes on All Funds (Continued)

B. Investments (Continued)

- 1) Florida Prime or any authorized intergovernmental investment pool pursuant to Florida Statutes Section 163.01 may comprise up to 60% of the portfolio and 50% of the portfolio for investments with a floating net asset value (NAV). Individual issuers are limited to a maximum of 35% of the portfolio and 20% of the portfolio for investments with a floating NAV. Investment pools must have a minimum credit rating of AAf by a Nationally Recognized Statistical Rating Organization (NRSRO).
- 2) United States Government negotiable direct obligations guaranteed by the United States Government may comprise up to 100% of the portfolio with the exception of Treasury Strips which are limited to 10% of the portfolio. Maturities are limited to 5 years from the date of settlement.
- 3) United States Government Agency bonds, debentures, notes, or callables issued or guaranteed by the United States Government may comprise up to 100% of the portfolio. Individual issuers are limited to a maximum of 40% of the portfolio. Maturities are limited to 5 years from the date of settlement.
- 4) Federal Instrumentalities that are negotiable direct obligations or obligations the principal and interest of which are issued or guaranteed by the United States Government sponsored enterprises may comprise no more than 80% of the portfolio. Limit on individual issuers is a maximum of 40% of the portfolio. Maturities are limited to 5 years from the date of settlement. Eligible securities must be senior debt obligations issued by an instrumentality carrying the same credit rating by two NRSROs as that of the U.S. Treasury. Securities of such an agency or instrumentality with a rating below that of the U.S. Treasury may be considered corporate debt.
- 5) Mortgage-Backed Securities guaranteed by a U.S. Government Agency may comprise no more than 20% of the portfolio. Individual issuers may comprise no more than 5% of the portfolio. Maturities cannot exceed five years from the date of settlement. The date corresponding to its average life is considered to be its maturity. Eligible securities must be senior debt obligations with the same credit rating as U.S. Treasury obligations by two NRSROs. Securities of such an agency or instrumentality with a rating below that of the U.S. Treasury may be considered corporate debt. The following securities are not permitted, securities collateralized with any portion of Sub-Prime Mortgages or Alt-A Mortgage obligations, collateralized debt obligations, collateralized bond obligations, collateralized loan obligations, Structured Investment Vehicles, or Special Purpose Entity Obligations.
- 6) Non-negotiable interest bearing certificates of deposit with a financial institution secured by Chapter 280 of the Florida Statutes may comprise up to 40% of the portfolio. Individual issuers may comprise a maximum of 20% of the portfolio. Maturities cannot exceed three years from the date of settlement. At the time of deposit, the financial institution must have a minimum 3-star rating from Bauer Financial. Financial institutions with ratings below 3-stars are limited to FDIC insured amounts.
- 7) Money market savings accounts in a Qualified Public Depository may comprise up to 100% of the portfolio. Individual depositories are limited to 25% of the portfolio, except for accounts with the City's main depository institution, which can be up to 100%. The money market savings account must have daily liquidity and the financial institution must have a minimum 3-star rating from Bauer Financial. Financial institutions with a rating below 3 stars are limited to FDIC insured amounts.
- 8) Repurchase agreements comprised of only those investments outlined in the requirements set forth by the City's Master Repurchase Agreement. A third party custodian shall hold collateral for all repurchase agreements with a term longer than one business day. The mark-to-market value of collateral must be a minimum of 102% during the term of the repurchase agreement. Repurchase agreements may comprise a maximum of 20% of available funds. One business day agreements and overnight sweep agreements are limited to a maximum of 50% of the portfolio. A maximum of 10% of available funds may be invested with any one financial institution. One business day and overnight sweep agreements are limited to a maximum of 30% of the portfolio. Maturities are limited to 90 days from the date of settlement. At the time of purchase, the repurchase agreement counterparty must have a minimum rating of A by two NRSROs.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

B. Investments (Continued)

- 9) Commercial paper must be U.S. dollar denominated and may comprise up to 25% of the portfolio. Individual issuers are limited to 5% of the portfolio and a maximum of 10% can be invested in any one sector. At the time of purchase, the commercial paper must have a minimum short-term rating of A-2 or P-2 or equivalent by an NRSRO and have a minimum long-term rating of A by two NRSROs. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be A rated or better by at least two NRSROs. Maturity is limited to no longer than 270 days from the settlement date.
- 10) Corporate notes issued by U.S. corporations or by depository institutions licensed by the United States may comprise no more than 25% of the portfolio. Individual issuers are limited to 5% of the portfolio and a maximum of 10% can be invested in any one sector. Maturity is limited to 5 years from the date of settlement. Corporate notes must have a minimum rating of A by two NRSROs.
- 11) State and/or local government taxable and/or tax-exempt debt securities may comprise no more than 25% of the portfolio. Individual issuers must not have been in default within five years prior to the date of purchase and are limited to 10% of available funds. Securities must have a minimum rating of A by two NRSROs for long-term debt. For short-term securities, the issuer must have a minimum rating of MIG-2 (Moody's), SP-2 (Standard & Poor's), or F-2 (Fitch) by two NRSROs. Debt issued for the purpose of funding student loans is not permitted.
- 12) Money market mutual funds registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 CFR 270.2a-7. Money market mutual funds must have an average weighted maturity of 60 days or less and the share value shall be fixed at \$1.00. Money market mutual funds may comprise no more than 50% of the portfolio and a maximum of 20% of the invested funds of any one City fund. Money market mutual funds must have a rating of AAAM or the equivalent by two NRSROs.
- 13) Short-term bond funds that are registered under the Federal Investment Company Act of 1940 may comprise up to 40% of the portfolio. Individual issuers are limited to a maximum of 15% of the portfolio with any one fund. Individual securities must have a rating of Aaf or the equivalent by one NRSRO.
- 14) Foreign obligations, bonds, notes, or instruments of the Government of Israel backed by the full faith and credit of the State of Israel which may comprise up to 3% of the total portfolio. Must be in U.S. Dollar denomination and commercial paper issued by foreign domiciled corporations are not permitted. Limit on individual issuers of 1% of the total portfolio. Maturity limitation of three (3) years from the date of settlement. Individual securities must have a rating of A or the equivalent by one NRSRO.

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

- 1) Direct obligations of the U.S. Government with a maturity of one year or less;
- 2) Commercial paper with a maturity of 270 days or less and rated "Prime 1" by Moody's and "A-1" by S&P;
- 3) A money market mutual fund or short term investment fund provided by the Plan's custodian;
- 4) Bankers Acceptances issued by the largest 50 banks in the United States (in terms of total assets);
- 5) 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;
- 6) Fixed income securities below investment grade (BBB) cannot exceed 15% of the fixed income portfolio;
- 7) The duration of the fixed income portfolio cannot exceed 135% of the duration of the Barclay's Capital Aggregate Bond Index;
- 8) 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;



3. Detailed Notes on All Funds (Continued)

B. Investments (Continued)

- 9) 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; and,
- 10) Mutual funds, commingled funds, limited partnerships, real estate held in commingled funds, and absolute or real return investments held in commingled funds.

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

- 1) 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;
- 2) Obligations issued by the U.S. Government or obligations guaranteed as to principal and interest by the government of the United States;
- 3) Bonds issued by the State of Israel;
- 4) 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;
- 5) Real estate investment trusts (REIT'S); and,
- 6) 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.

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

- 1) 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;
- 2) 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;
- 3) Certificates of deposit or savings accounts in state certified qualified public depositories;
- 4) Bankers Acceptances, which are accepted by a member bank of the Federal Reserve System having total deposits of not less than \$400 million;
- 5) Commercial paper, of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service;
- 6) Negotiable certificates of deposit by domestic or foreign financial institutions in United States dollars;
- 7) 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,
- 8) 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, 2019

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:

| | Pooled Cash and Investments | | Pension Cash and Investments | | Total |
|---------------------------------|-----------------------------|----------------------|------------------------------|-----------------------|-----------------------|
| | Unrestricted | Restricted | Cash | Investments | |
| Governmental activities | \$ 59,620,352 | \$ - | \$ - | \$ - | \$ 59,620,352 |
| Business-type activities | 27,665,012 | 50,866,432 | - | - | 78,531,444 |
| Total statement of net position | 87,285,364 | 50,866,432 | - | - | 138,151,796 |
| Pension trust funds | - | - | 1,188,373 | 412,300,023 | 413,488,396 |
| Total cash and investments | <u>\$ 87,285,364</u> | <u>\$ 50,866,432</u> | <u>\$ 1,188,373</u> | <u>\$ 412,300,023</u> | <u>\$ 551,640,192</u> |

The following summary presents the components of the City's pooled cash and investments, cash and investments at September 30, 2019:

| | Fair Value | | | |
|--|----------------------|----------------------|-----------------------|-----------------------|
| | Unrestricted | Restricted | Pension | Total |
| Cash: | | | | |
| Petty cash | \$ 6,747 | \$ - | \$ - | \$ 6,747 |
| Deposits with financial institutions | 56,177,266 | 25,365,008 | 1,188,373 | 82,730,647 |
| Total cash | 56,184,013 | 25,365,008 | 1,188,373 | 82,737,394 |
| Investments: | | | | |
| Money market mutual funds | - | - | 4,279,366 | 4,279,366 |
| Florida Fixed Income Trust | 27,598,287 | 18,396,992 | - | 45,995,279 |
| Israel Government bond | 1,000,000 | - | - | 1,000,000 |
| Florida Prime | - | 7,104,432 | - | 7,104,432 |
| U.S. Government and Agency obligations | 2,503,064 | - | 22,276,095 | 24,779,159 |
| Mortgage-backed securities | - | - | 2,898,940 | 2,898,940 |
| Corporate obligations | - | - | 15,756,730 | 15,756,730 |
| Equity securities | - | - | 91,941,462 | 91,941,462 |
| Equity mutual funds | - | - | 50,251,231 | 50,251,231 |
| Equity investment funds | - | - | 110,313,855 | 110,313,855 |
| International equity investment funds | - | - | 21,014,778 | 21,014,778 |
| Fixed income investment funds | - | - | 43,585,162 | 43,585,162 |
| Real estate investment funds | - | - | 49,982,404 | 49,982,404 |
| Total investments | 31,101,351 | 25,501,424 | 412,300,023 | 468,902,798 |
| Total cash and investments | <u>\$ 87,285,364</u> | <u>\$ 50,866,432</u> | <u>\$ 413,488,396</u> | <u>\$ 551,640,192</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.

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.



3. Detailed Notes on All Funds (Continued)

B. Investments (Continued)

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 mutual funds, equity investment funds and international equity investment 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, Israel Government bond, mortgage-backed securities, corporate obligations and fixed income investment funds: Valued at the closing price or net asset value reported on the active exchange on which the individual securities or funds 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 Fixed Income 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, 2019, 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 alternative 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 are not marketable and 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 alternative 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 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 the 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, 2019.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

B. Investments (Continued)

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, 2019. The money market mutual funds and Florida Prime are reported at amortized cost which approximates fair value and are not included in the following fair value table.

The fair value of the City's investments at September 30, 2019 is summarized as follows:

| | Fair Values at September 30, 2019 | | | |
|--|--|---------------|--------------|----------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Fixed Income Investments | | | | |
| U.S. Government and Agency obligations | \$ - | \$ 24,779,159 | \$ - | \$ 24,779,159 |
| Mortgage-backed securities | - | 2,898,940 | - | 2,898,940 |
| Corporate obligations | - | 15,756,730 | - | 15,756,730 |
| Fixed income investment funds | - | 7,338,146 | 1,005,600 | 8,343,746 |
| Israel Government bond | 1,000,000 | - | - | 1,000,000 |
| Total fixed income investments | 1,000,000 | 50,772,975 | 1,005,600 | 52,778,575 |
| Equity Investments | | | | |
| Equity securities | 91,941,462 | - | - | 91,941,462 |
| Equity mutual funds | 50,251,231 | - | - | 50,251,231 |
| Equity investment funds | 25,674,061 | 15,852,283 | - | 41,526,344 |
| International equity investment funds | 21,014,778 | - | - | 21,014,778 |
| Total equity investments | 188,881,532 | 15,852,283 | - | 204,733,815 |
| Total investments by level | \$ 189,881,532 | \$ 66,625,258 | \$ 1,005,600 | 257,512,390 |
| Investments measured at NAV | | | | |
| Florida Fixed Income Trust | | | | 45,995,279 |
| Alternative investment funds: | | | | |
| Equity investment funds | | | | 68,787,511 |
| Fixed income investment funds | | | | 35,241,416 |
| Real estate investment funds | | | | 49,982,404 |
| Total investments at NAV | | | | 200,006,610 |
| Total fair value | | | | \$ 457,519,000 |

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. There were no lock-up periods for any investments at September 30, 2019. The alternative investment funds were redeemable with advance notice and approval of the investment fund manager.

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 organizations at the time of purchase.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

B. Investments (Continued)

The S&P ratings for the City and Pension Funds' investments at September 30, 2019, are summarized as follows:

| Investment Type | Rating | Fair Value |
|--|-----------|--------------|
| U.S. Government and Agency obligations | AA | \$ 9,664,737 |
| U.S. Government and Agency obligations | Not rated | 15,114,422 |
| Mortgage-backed securities | Not rated | 2,898,940 |
| Corporate obligations | AA to B | 15,756,730 |
| Fixed income investment funds | AA | 30,616,407 |
| Fixed income investment funds | Not rated | 12,968,755 |
| Israel Government bond | Not rated | 1,000,000 |
| Florida Fixed Income Trust | AAAf | 45,995,279 |
| Florida Prime | AAAm | 7,104,432 |
| Money market mutual funds | AAAm | 1,554,675 |
| Money market mutual funds | Not rated | 2,724,691 |

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, 2019, 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 Fixed Income Trust investment pool, Florida Prime, money market mutual funds and alternative 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 total investment portfolio. Mutual funds and investment pools are excluded from the concentration of credit risk disclosures.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in fixed income 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 fixed income 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 Florida Prime investment and money market mutual funds held by the City and the Pension Funds have a weighted average maturity of less than 90 days. The City's investment in the Israel Government bond has a schedule maturity of February 1, 2021.

The table below summarizes the scheduled maturities of fixed income investments of the City's General Employees' Pension Trust Fund at September 30, 2019:

| | 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 | \$ 2,067,211 | \$ 4,821,881 | \$ 1,413,195 | \$ 4,309,071 |
| Mortgage-backed securities | - | - | 94,018 | 2,804,922 |
| Corporate obligations | 375,602 | 7,814,637 | 1,458,672 | 207,484 |
| Total Fair Value | \$ 2,442,813 | \$ 12,636,518 | \$ 2,965,885 | \$ 7,321,477 |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

B. Investments (Continued)

The table below summarizes the average effective duration of the City's investment in the Florida Fixed Income Trust investment pools and the fixed income investments of the Police Officers' and Firefighters' Pension Funds at September 30, 2019:

| | Fair Value | Effective Duration |
|--|---------------|-----------------------|
| City: | | |
| Florida Fixed Income Trust: | | |
| Cash pool | \$ 25,947,799 | 106 days |
| Enhanced cash pool | 20,047,480 | 0.41 years |
| Police Officers' Pension Fund: | | |
| Fixed income investment funds | 30,616,407 | 6.3 years |
| Firefighters' Pension Fund: | | |
| U.S. Government and Agency obligations | 9,664,737 | 5.2 years |
| Corporate obligations | 5,900,335 | 6.2 years |
| Fixed income investment funds | 12,968,755 | Unknown |

The Florida Fixed Income Trust investment pools include the Cash Pool and Enhanced Cash Pool. The Cash Pool is a high quality money market alternative that provides the fund manager flexibility in the portfolio's investments and duration compared to traditional money market mutual funds. The Cash Pool has a floating rate NAV, but is managed in a manner that strives to maintain a fixed NAV of \$1.00 per share. The Enhanced Cash Pool is managed to provide growth and a longer investment time horizon of 3 to 18 months. The Enhanced Cash Pool invests in short-term fixed income securities rated A or higher and is managed to provide a target effective duration of .5 years. The Enhanced Cash Pool has a floating rate NAV based on the underlying fair value of the portfolio. Investments in both funds may be withdrawn on a next day basis without limitation at any time during normal business hours. Investments in both funds are unsecured and collateralized only by the securities in the fund portfolio.

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, 2019 the Pension Trust Funds' investments included \$21,014,778 invested in a U.S. dollar denominated international equity investment fund.

Other Risks: The value, liquidity, and related income of certain fixed income securities that have contractual cash flows and weighted average maturities or an effective duration in excess of one year, such as mortgage-backed securities, collateralized mortgage obligations, and alternative investment funds 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.

During the first quarter of 2020, the U.S. equity markets experienced a significant decline of more than 20%. Management considers the market fluctuations to be temporary in nature, although the duration and amount of the decline in the fair value of certain investments cannot be determined at this time.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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, 2019 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 | \$ 261,590 | \$ 6,505,918 | \$ - | \$ 575,555 | \$ - | \$ (4,785,854) | \$ 2,557,209 |
| Boynton Beach CRA | | - | | | | | |
| Special Revenue Fund | - | 6,536 | - | - | - | - | 6,536 |
| Non-Major Governmental Funds | - | 734,478 | 57,733 | 948,160 | 598,010 | (25,819) | 2,312,562 |
| Water and Sewer Fund | - | 3,526,712 | 2,038,640 | - | - | (501,461) | 5,063,891 |
| Sanitation Fund | - | 1,250,400 | 474,752 | - | - | (465,039) | 1,260,113 |
| Other Non-Major Enterprise Fund | - | 3,600 | - | - | - | - | 3,600 |
| Internal Service Funds | - | 1,324 | - | - | - | - | 1,324 |
| Total | <u>\$ 261,590</u> | <u>\$ 12,028,968</u> | <u>\$ 2,571,125</u> | <u>\$ 1,523,715</u> | <u>\$ 598,010</u> | <u>\$ (5,778,173)</u> | <u>\$ 11,205,235</u> |

The amounts due from other governments at September 30, 2019 are summarized as follows:

| | |
|----------------------------------|---------------------|
| Due from Palm Beach County | \$ 86,146 |
| Due from State of Florida | 1,386,453 |
| Due from U.S. Government | <u>51,116</u> |
| Total due from other governments | <u>\$ 1,523,715</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, 2019, 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, 2019 totaled \$4,252,206. 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, 2019

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, 2019, are summarized as follows:

| | Restricted for | | | |
|--|----------------------|---------------------------|-------------------------|---------------|
| | Customer Deposits | Revenue Bond Covenants | Capital Improvements | Total |
| Restricted Assets: | | | | |
| Pooled cash and investments | \$ 1,559,266 | \$ 8,098,123 | \$ 41,209,043 | \$ 50,866,432 |
| Accounts receivable | 40,441 | - | - | 40,441 |
| Total restricted assets | 1,599,707 | 8,098,123 | 41,209,043 | 50,906,873 |
| Liabilities Payable from Restricted Assets: | | | | |
| Customer deposits | (1,599,707) | - | - | (1,599,707) |
| Revenue bonds payable, current | - | (4,215,000) | - | (4,215,000) |
| Accrued revenue bond interest | - | (1,381,501) | - | (1,381,501) |
| Contracts payable | - | - | (1,561,407) | (1,561,407) |
| Total liabilities | (1,599,707) | (5,596,501) | (1,561,407) | (8,757,615) |
| Net restricted assets | - | 2,501,622 | 39,647,636 | 42,149,258 |
| Less unspent bond proceeds allocated to revenue bonds payable | - | - | (39,647,636) | (39,647,636) |
| Net position restricted for revenue bond covenants | \$ - | \$ 2,501,622 | \$ - | \$ 2,501,622 |

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, 2019, 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, 2019, the City's 50% equity interest in the net position of the Board totaled \$17,564,545 plus land purchased by the City in the amount of \$554,612 for a total investment of \$18,119,157. 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, 2019, the City had a receivable from and a payable to the Board of \$210,514 and \$335,120, respectively. For the year ended September 30, 2019, the City paid approximately \$4.7 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, 2019 and 2018 is as follows:



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

E. Investment in Regional Wastewater Treatment Plant (Continued)

| Net Position | | |
|---|-----------------------|-----------------------|
| | 2019 | 2018 |
| Current and other assets | \$ 19,714,000 | \$ 23,689,000 |
| Capital assets, net | <u>31,438,000</u> | <u>29,632,000</u> |
| Total assets | 51,152,000 | 53,321,000 |
| Current liabilities | 1,955,000 | 1,669,000 |
| Noncurrent liabilities | <u>14,067,000</u> | <u>15,139,000</u> |
| Total liabilities | <u>16,022,000</u> | <u>16,808,000</u> |
| Net position | <u>\$ 35,130,000</u> | <u>\$ 36,513,000</u> |
| Changes in Net Position | | |
| Charges for services | \$ 7,723,000 | \$ 7,745,000 |
| Operating grants and contributions | 1,200,000 | - |
| Capital grants and contributions | 753,000 | 2,053,000 |
| Operating expenses | <u>(10,806,000)</u> | <u>(10,647,000)</u> |
| Operating loss | (1,130,000) | (849,000) |
| Investment and other revenues | 110,000 | 102,000 |
| Transfers to joint venture participants | <u>(363,000)</u> | <u>(750,000)</u> |
| Changes in net position | <u>\$ (1,383,000)</u> | <u>\$ (1,497,000)</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.

F. Capital Assets

Capital asset activity for the year ended September 30, 2019, was as follows:

| | Beginning Balance | Reclassifications | Additions | Deletions | Ending Balance |
|---|----------------------|-------------------|----------------------|-----------------------|----------------------|
| Governmental activities | | | | | |
| Non-depreciable assets: | | | | | |
| Land | \$ 33,070,853 | \$ - | \$ 14,501 | \$ (759,798) | \$ 32,325,556 |
| Construction in progress | <u>1,765,233</u> | <u>(548,693)</u> | <u>7,420,618</u> | <u>(31,485)</u> | <u>8,605,673</u> |
| Total non-depreciable assets | <u>34,836,086</u> | <u>(548,693)</u> | <u>7,435,119</u> | <u>(791,283)</u> | <u>40,931,229</u> |
| Depreciable assets: | | | | | |
| Buildings and improvements | 101,570,396 | 548,693 | 2,388,345 | (12,415,446) | 92,091,988 |
| Machinery, equipment, and vehicles | 69,383,431 | - | 10,499,762 | (484,334) | 79,398,859 |
| Infrastructure | <u>15,987,343</u> | <u>-</u> | <u>-</u> | <u>(120,320)</u> | <u>15,867,023</u> |
| Total depreciable assets | <u>186,941,170</u> | <u>548,693</u> | <u>12,888,107</u> | <u>(13,020,100)</u> | <u>187,357,870</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (64,818,670) | - | (2,988,895) | 11,852,783 | (55,954,782) |
| Machinery, equipment, and vehicles | (55,677,846) | - | (5,290,990) | 476,831 | (60,492,005) |
| Infrastructure | <u>(12,823,788)</u> | <u>-</u> | <u>(426,471)</u> | <u>120,320</u> | <u>(13,129,939)</u> |
| Total accumulated depreciation | <u>(133,320,304)</u> | <u>-</u> | <u>(8,706,356)</u> | <u>12,449,934</u> | <u>(129,576,726)</u> |
| Total depreciable assets, net | <u>53,620,866</u> | <u>548,693</u> | <u>4,181,751</u> | <u>(570,166)</u> | <u>57,781,144</u> |
| Governmental activities capital assets, net | <u>\$ 88,456,952</u> | <u>\$ -</u> | <u>\$ 11,616,870</u> | <u>\$ (1,361,449)</u> | <u>\$ 98,712,373</u> |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

F. Capital Assets (Continued)

| | Beginning Balance | Reclassifications | Additions | Deletions | Ending Balance |
|--|----------------------|-------------------|---------------------|-----------------|----------------------|
| <u>Business-type activities</u> | | | | | |
| Non-depreciable assets: | | | | | |
| Land | \$ 5,132,225 | \$ - | \$ - | \$ - | \$ 5,132,225 |
| Intangible | 2,910,000 | - | - | - | 2,910,000 |
| Construction in progress | 12,833,210 | (779,670) | 19,485,409 | - | 31,538,949 |
| Total non-depreciable assets | <u>20,875,435</u> | <u>(779,670)</u> | <u>19,485,409</u> | <u>-</u> | <u>39,581,174</u> |
| Depreciable assets: | | | | | |
| Buildings and improvements | 120,867,001 | 779,670 | 1,645,801 | - | 123,292,472 |
| Utility lines | 188,299,244 | - | - | - | 188,299,244 |
| Wells | 21,924,533 | - | - | - | 21,924,533 |
| Golf course improvements | 2,628,145 | - | 54,852 | (1,798) | 2,681,199 |
| Machinery, equipment, and vehicles | 32,994,335 | - | 336,247 | (48,419) | 33,282,163 |
| Total depreciable assets | <u>366,713,258</u> | <u>779,670</u> | <u>2,036,900</u> | <u>(50,217)</u> | <u>369,479,611</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (63,325,536) | - | (3,614,654) | - | (66,940,190) |
| Utility lines | (92,108,840) | - | (6,680,772) | - | (98,789,612) |
| Wells | (19,646,711) | - | (708,748) | - | (20,355,459) |
| Golf course improvements | (2,319,159) | - | (73,918) | 1,798 | (2,391,279) |
| Machinery, equipment, and vehicles | (28,582,307) | - | (632,171) | 48,419 | (29,166,059) |
| Total accumulated depreciation | <u>(205,982,553)</u> | <u>-</u> | <u>(11,710,263)</u> | <u>50,217</u> | <u>(217,642,599)</u> |
| Total depreciable assets, net | <u>160,730,705</u> | <u>779,670</u> | <u>(9,673,363)</u> | <u>-</u> | <u>151,837,012</u> |
| Business-type activities capital assets, net | <u>\$181,606,140</u> | <u>\$ -</u> | <u>\$ 9,812,046</u> | <u>\$ -</u> | <u>\$191,418,186</u> |

Depreciation expense was charged to programs/functions as follows:

Governmental activities

| | |
|---|---------------------|
| General government | \$ 598,673 |
| Public safety | 1,525,296 |
| Physical environment | 758,201 |
| Economic environment | 1,962 |
| Culture and recreation | 1,565,415 |
| Capital assets of the City's internal service funds are charged to functions based on their usage of the assets | 4,032,240 |
| Blended component unit | <u>224,569</u> |
| Total depreciation – governmental activities | <u>\$ 8,706,356</u> |

Business-type activities

| | |
|---|----------------------|
| Water and sewer | \$ 11,587,273 |
| Sanitation | 1,610 |
| Non-major enterprise fund: | |
| Golf course | <u>121,380</u> |
| Total depreciation – business-type activities | <u>\$ 11,710,263</u> |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

G. Interfund Receivables and Payables

Interfund receivable and payable balances at September 30, 2019, are summarized as follows:

| | Interfund Receivables | Interfund Payables |
|-----------------------------------|--------------------------|-----------------------|
| General Fund | \$ 7,659,139 | \$ - |
| Special Revenue Funds: | | |
| Grants Fund | - | 120,496 |
| CDBG Grant Fund | - | 6,590 |
| Community Improvements Fund | - | 34,709 |
| Debt Service Fund: | | |
| CRA Bond Projects Fund | - | 600,000 |
| Capital Projects Fund: | | |
| General Capital Improvements Fund | - | 4,510,551 |
| Sanitation Fund | - | 30,918 |
| Golf Course Fund | - | 658,578 |
| Internal Service Fund: | | |
| Vehicle Service Fund | - | 1,160,301 |
| Warehouse Fund | - | 536,996 |
| | Total | \$ 7,659,139 |
| | \$ 7,659,139 | \$ 7,659,139 |

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.

H. Interfund Transfers

| Transfers | General Fund | General Capital Improvements Fund | Non-Major Governmental Funds | Sanitation Fund | Internal Service Funds | Total Transfers Out |
|------------------------------|--------------------|--|------------------------------------|--------------------|------------------------------|---------------------------|
| General Fund | \$ - | \$ - | \$ 30,023 | \$ - | \$ 2,585,656 | \$ 2,615,679 |
| Boynton Beach CRA | | | | | | |
| Special Revenue Fund | - | - | 10,238,768 | - | - | 10,238,768 |
| Non-Major Governmental Funds | 8,217,000 | 1,065,000 | 218,803 | - | 14,690 | 9,515,493 |
| Water & Sewer Fund | 6,600,000 | - | - | - | 1,061,466 | 7,661,466 |
| Sanitation Fund | 1,100,000 | - | - | - | 1,328,906 | 2,428,906 |
| Golf Course Fund | 10,000 | - | - | 10,000 | 7,384 | 27,384 |
| Internal Service Funds | - | - | - | - | 6,448 | 6,448 |
| | Total transfers in | \$ 1,065,000 | \$ 10,487,594 | \$ 10,000 | \$ 5,004,550 | \$ 32,494,144 |

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 excess expenses of the internal service funds 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 and legal requirements, 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.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

I. Noncurrent Liabilities

Governmental Activities

Changes in governmental activities noncurrent liabilities for the year ended September 30, 2019, were as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|----------------------|------------------------|----------------------|------------------------|
| Public Service Tax Revenue Refunding Bonds, Series 2015 | \$ 19,890,000 | \$ - | \$ (1,970,000) | \$ 17,920,000 | \$ 2,095,000 |
| CRA Tax Increment Refunding Revenue Bonds, Series 2012 | 11,534,000 | - | (1,331,000) | 10,203,000 | 1,367,000 |
| CRA Tax Increment Refunding Revenue Bonds, Series 2015 | 3,915,000 | - | (380,000) | 3,535,000 | 395,000 |
| Note Payable | - | 6,850,000 | (2,500,000) | 4,350,000 | 2,500,000 |
| Total bonds and note payable | 35,339,000 | 6,850,000 | (6,181,000) | 36,008,000 | 6,357,000 |
| Installment agreements for equipment | 727,523 | 1,836,998 | (209,366) | 2,355,155 | 609,516 |
| Compensated absences | 6,843,748 | 4,405,107 | (4,398,011) | 6,850,844 | 907,799 |
| Provision for insurance losses | 4,854,695 | 2,859,683 | (2,169,190) | 5,545,188 | 1,994,614 |
| Total noncurrent liabilities | <u>\$ 47,764,966</u> | <u>\$ 15,951,788</u> | <u>\$ (12,957,567)</u> | <u>\$ 50,759,187</u> | <u>\$ 9,868,929</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 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, 2019:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|----------------------|---------------------|----------------------|
| 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 | 2,260,000 | 159,510 | 2,419,510 |
| 2025-2027 | 7,050,000 | 207,966 | 7,257,966 |
| | <u>\$ 17,920,000</u> | <u>\$ 1,433,345</u> | <u>\$ 19,353,345</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



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

I. Noncurrent Liabilities (Continued)

Governmental Activities (Continued)

\$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 of approximately \$1,182,000 and reduced the total debt service payments by approximately \$2,095,000. The outstanding CRA Series 2012 Bonds at September 30, 2019, were \$10,203,000 and are due in annual principal installments of \$1,367,000 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, 2019:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|----------------------|---------------------|----------------------|
| 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 | 1,512,000 | 115,942 | 1,627,942 |
| 2025-2027 | <u>3,017,000</u> | <u>116,403</u> | <u>3,133,403</u> |
| | <u>\$ 10,203,000</u> | <u>\$ 1,063,782</u> | <u>\$ 11,266,782</u> |

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 were 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 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, 2019:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|-------------------|---------------------|
| 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 | 445,000 | 61,875 | 506,875 |
| 2025-2027 | <u>1,430,000</u> | <u>71,115</u> | <u>1,501,115</u> |
| | <u>\$ 3,535,000</u> | <u>\$ 519,585</u> | <u>\$ 4,054,585</u> |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

I. Noncurrent Liabilities (Continued)

Governmental Activities (Continued)

Note Payable: On November 6, 2018 the City entered into a term loan agreement for \$6,850,000 with a private lender to finance the cost of rehabilitation and construction of the historic Boynton Beach High School building into the new Boynton Beach Cultural Center as part of the Town Square Project (see Note 4.B.). Interest on the outstanding note balance accrues at a fixed rate of 4.85% beginning December 1, 2018, and is payable monthly through maturity on September 1, 2021. The City was required to deposit an interest reserve of \$337,000 with the lender from the loan proceeds. Principal payments of \$2,500,000 are due on September 1, 2020 and the remaining principal balance plus accrued interest is due on September 1, 2021. The debt service requirements of the note payable are as follows at September 30, 2019:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|--------------|------------|--------------|
| 2020 | \$ 2,500,000 | \$ 218,195 | \$ 2,718,195 |
| 2021 | 1,850,000 | 90,971 | 1,940,971 |
| | \$ 4,350,000 | \$ 309,166 | \$ 4,659,166 |

Installment Agreements for Equipment: The City entered into various installment agreements to finance the purchase of equipment. At September 30, 2019, the cost of equipment held under these agreements was approximately \$4,011,000 and the accumulated amortization was approximately \$714,000. The installment agreements are secured by the related equipment. Amortization expense related to the equipment is included in depreciation expense in the accompanying financial statements. Future payments for the City's installment agreements through maturity are as follows as of September 30, 2019:

| Fiscal Year Ending September 30, | Amount |
|---|--------------|
| 2020 | \$ 784,837 |
| 2021 | 674,286 |
| 2022 | 674,286 |
| 2023 | 371,623 |
| Total minimum payments | 2,505,032 |
| Less amounts representing interest | (149,877) |
| Outstanding balance at September 30, 2019 | \$ 2,355,155 |

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 is \$19,353,345 at September 30, 2019. Principal and interest paid and public service tax revenues received for the current year were \$2,338,648 and \$10,426,347, respectively.

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, 2019 is \$15,321,367. Principal and interest paid for the current year were \$2,133,709. Tax increment revenues received by the CRA for the current year were \$12,549,087.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

I. Noncurrent Liabilities (Continued)

Governmental Activities (Continued)

Events of Default - Events of default for governmental activities debt generally include the nonpayment of principal and interest when due, the dissolution, liquidation or bankruptcy of the issuer, or any other violations of the bond covenants that are not cured within the greater of a reasonable time or 30 days following written notice of violation by at least 25% of the bondholders. In the event of a default, the interest rate increases to the maximum rate allowed by law (18%) and upon written notice of a majority of the bondholders, all outstanding bonds may be declared immediately due and payable. The City is also responsible for the debtors' costs of collection.

Business-type Activities

Changes in business-type activities noncurrent liabilities are as follows for the year ended September 30, 2019:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Water and Sewer Utility Revenue Bonds: | | | | | |
| Series 2002 | \$ 9,905,000 | \$ - | \$ (3,125,000) | \$ 6,780,000 | \$ 3,300,000 |
| Series 2012 | 43,740,000 | - | (480,000) | 43,260,000 | 500,000 |
| Series 2016 | 23,000,000 | - | - | 23,000,000 | - |
| Series 2018 | 11,065,000 | - | - | 11,065,000 | 415,000 |
| Unamortized bond premium | 2,900,047 | - | (297,494) | 2,602,553 | - |
| Total revenue bonds payable | <u>90,610,047</u> | <u>-</u> | <u>(3,902,494)</u> | <u>86,707,553</u> | <u>4,215,000</u> |
| Compensated absences | <u>1,675,166</u> | <u>1,096,347</u> | <u>(1,257,375)</u> | <u>1,514,088</u> | <u>196,832</u> |
| Total noncurrent liabilities | <u>\$ 92,285,163</u> | <u>\$ 1,096,347</u> | <u>\$ (5,159,869)</u> | <u>\$ 88,221,641</u> | <u>\$ 4,411,832</u> |

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

Water and Sewer Utility Revenue Refunding Bonds, Series 2002: The City issued \$24,400,000 Water and Sewer Utility System Revenue Refunding Bonds, Series 2002 (the "Series 2002 Bonds"), for the principal purpose of refunding the City's outstanding Water and Sewer 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 1st and May 1st at interest rates ranging from 5.375% to 5.5%. Annual principal payments are due on November 1st 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 default interest rate on the Series 2012 Bonds is the maximum rate allowed by law (18%). The debt service requirements of the Series 2002 Bonds are as follows at September 30, 2019:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|---------------------|-------------------|---------------------|
| 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>\$ 6,780,000</u> | <u>\$ 377,850</u> | <u>\$ 7,157,850</u> |

Water and Sewer Utility Revenue Bonds, Series 2012: On February 27, 2012, the City issued \$45,895,000 Water and Sewer 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 Water and Sewer Utility System Revenue Bonds, Series 2008, maturing on or after



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

I. Noncurrent Liabilities (Continued)

Business-type Activities (Continued)

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 approximately \$1,712,000 and reduced the City's total debt service payments by approximately \$2,290,000. Interest on the Series 2012 Bonds is payable semi-annually on November 1st and May 1st at interest rates ranging from 3.63% to 5.0%. Annual principal payments are due on November 1st 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 default interest rate on the Series 2012 Bonds is the maximum rate allowed by law (18%). The debt service requirements of the Series 2012 Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|----------------------|----------------------|----------------------|
| 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 | 2,835,000 | 1,632,487 | 4,467,487 |
| 2025-2029 | 16,610,000 | 5,818,061 | 22,428,061 |
| 2030-2034 | 10,260,000 | 2,630,706 | 12,890,706 |
| 2035-2037 | 7,275,000 | 444,100 | 7,719,100 |
| | <u>\$ 43,260,000</u> | <u>\$ 18,093,028</u> | <u>\$ 61,353,028</u> |

Water and Sewer Utility Revenue Refunding Bonds, Series 2016: On November 18, 2016, the City issued \$23,000,000 Water and Sewer 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, the 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 Water and Sewer Utility System Revenue which includes (1) Net Revenues of the System, (2) certain impact fees, and (3) certain funds and accounts established under the bond resolution. Interest at 2.45% is payable annually on May 1st and principal payments are due beginning November 1, 2021 through maturity on November 1, 2031. The default interest rate on the Series 2016 Bonds increases to the greater of (a) the Federal Reserve Bank's Prime Rate plus 3%, (b) the Federal Funds Rate plus 5%, or (c) 7%. The debt service requirements of the Series 2016 Bonds are as follows:

| Fiscal Year Ending September 30, | Principal | Interest | Total |
|-------------------------------------|----------------------|---------------------|----------------------|
| 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 | 1,890,000 | 449,943 | 2,339,943 |
| 2025-2029 | 10,005,000 | 1,530,335 | 11,535,335 |
| 2030-2032 | 7,415,000 | 275,320 | 7,690,320 |
| | <u>\$ 23,000,000</u> | <u>\$ 4,419,562</u> | <u>\$ 27,419,562</u> |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

I. Noncurrent Liabilities (Continued)

Business-type Activities (Continued)

Water and Sewer Utility Revenue Bonds, Series 2018: On June 8, 2018, the City issued \$11,065,000 Water and Sewer 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 Water and Sewer Utility System Revenue which includes (1) Net Revenues of the System, (2) certain impact fees, and (3) certain funds and accounts established under the bond 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 default interest rate on the Series 2018 Bonds is 6.30%. The debt service requirements of the Series 2018 Bonds are as follows:

| <u>Fiscal Year Ending September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|----------------------|---------------------|----------------------|
| 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 | 480,000 | 326,520 | 806,520 |
| 2025-2029 | 2,665,000 | 1,356,210 | 4,021,210 |
| 2030-2034 | 3,185,000 | 830,790 | 4,015,790 |
| 2035-2038 | <u>2,980,000</u> | <u>219,420</u> | <u>3,199,420</u> |
| | <u>\$ 11,065,000</u> | <u>\$ 4,202,910</u> | <u>\$ 15,267,910</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, 2019.

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 System 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 \$111,198,350. Principal and interest paid for the current year was \$6,975,201. The Water and Sewer Utility System net revenues available for debt service for the current year were approximately \$25.9 million.

Events of Default - Events of default for business-type activities debt generally include nonpayment of principal and interest when due, the dissolution, liquidation or bankruptcy of the issuer, or any other violations of the bond covenants that are not cured within the greater of a reasonable time or 30 days following written notice of violation by at least 25% of the bondholders. In the event of a default, the interest rate increases to the default interest rate and upon written notice of a majority of the bondholders, all outstanding bonds may be declared immediately due and payable. The City is also responsible for the debtors' costs of collection.

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 \$894 million at September 30, 2019. There is no legal debt limit for business-type activities debt.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

3. Detailed Notes on All Funds (Continued)

I. Noncurrent Liabilities (Continued)

Business-type Activities (Continued)

Interest Expense

Total interest costs incurred and paid on all City debt, including the CRA, for the year ended September 30, 2019, totaled \$4,526,176 and \$4,540,191, respectively.

Defeased Bonds

The City defeased certain 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, 2019, the outstanding principal of the defeased bonds considered extinguished under these funding arrangements is as follows:

| | | |
|--|----|-------------------|
| Public Service Tax Revenue Bonds, Series 2006 | \$ | 8,360,000 |
| Water and Sewer Utility Revenue Bonds, Series 1992 | | 8,055,000 |
| Water and Sewer Utility Revenue Bonds, Series 1996 | | <u>305,000</u> |
| | \$ | <u>16,720,000</u> |

J. Debt Service Reserve Surety Bonds

The City's Water and Sewer Utility Revenue Refunding Bonds, Series 2002 and Water and Sewer Utility 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 provide 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 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, 2019, 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, 2019, 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 AGM and FGIC that are held by the City at September 30, 2019. 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, 2019

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 \$5,545,188, of which \$1,994,614 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, 2019, the recorded liability for estimated insurance losses of \$5,545,188 is based on gross claims of \$5,968,606 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> |
|-----------|--|-----------------------|--------------------|--|
| 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 |
| 2018-2019 | 4,854,695 | 2,859,683 | (2,169,190) | 5,545,188 |

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, 2019

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, 2019, are as follows:

| | General Fund | Capital Projects Funds | Other Governmental Funds | Water and Sewer Fund | Other Enterprise Funds | Total |
|---|-------------------|------------------------------|--------------------------------|----------------------------|------------------------------|----------------------|
| Total contract amount | \$ 3,517,856 | \$ 10,098,104 | \$ 1,789,540 | \$ 28,439,852 | \$ 11,750 | \$ 43,857,102 |
| Interim payments on contracts | <u>3,352,930</u> | <u>6,622,204</u> | <u>891,919</u> | <u>18,749,342</u> | - | <u>29,616,395</u> |
| Remaining contract commitment as of September 30, 2019 | <u>\$ 164,926</u> | <u>\$ 3,475,900</u> | <u>\$ 897,621</u> | <u>\$ 9,690,510</u> | <u>\$ 11,750</u> | <u>\$ 14,240,707</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 \$1,017,000 for the year ended September 30, 2019.

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

| Fiscal Year Ending September 30, | |
|-------------------------------------|---------------------|
| 2020 | \$ 1,304,036 |
| 2021 | 280,242 |
| 2022 | 103,680 |
| 2023 | <u>51,840</u> |
| Total | <u>\$ 1,739,798</u> |

CRA Operating Lease Commitment: 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 \$80,000 for the year ended September 30, 2019.

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

| Fiscal Year Ending September 30, | |
|-------------------------------------|-------------------|
| 2020 | \$ 76,993 |
| 2021 | <u>77,672</u> |
| Total | <u>\$ 154,665</u> |



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 \$13.2 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 \$78 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, 2019

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 1st and June 1st. 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 <u>September 30,</u> | <u>City Hall</u> | <u>Police Station</u> | <u>Fire Station</u> | <u>Totals</u> |
|--|------------------|---------------------------|-------------------------|---------------|
| 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 | 2,952,173 | 1,226,149 | 304,856 | 4,483,178 |
| 2025-2029 | 15,678,894 | 6,512,039 | 1,619,081 | 23,810,014 |
| 2030-2034 | 17,058,149 | 7,084,896 | 1,761,510 | 25,904,555 |
| 2035-2039 | 17,060,953 | 7,086,060 | 1,761,799 | 25,908,812 |
| 2040-2044 | 17,049,497 | 7,081,302 | 1,760,616 | 25,891,415 |

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, 2019

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 | 541 |
| Inactive employees entitled to but not yet receiving benefit payments | 0 |
| Active employees | 680 |

Total OPEB Liability

The City's total OPEB liability of \$10,900,561 was determined by an actuarial roll-forward to September 30, 2019 of the OPEB 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, 2019 |
| Actuarial cost method | Entry Age Normal |
| Post-retirement benefit increases | None |
| Health care cost trend rates | 6.75% for 2019 and gradually decreasing 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 ⁽¹⁾ |
| Actuarial assumptions: | |
| Investment rate of return | 2.75% ⁽²⁾ |
| 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, 2019.
- (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 discount rate decreased from 3.83% to 2.75% for the current year.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

4. Other Information (Continued)

C. Postemployment Benefits Other Than Pensions (Continued)

Total OPEB Liability (Continued)

Mortality rates - Mortality rates are based on the RP-2000 Combined Healthy Participant Mortality Table for males and females with mortality improvements projected to all future years after 2000 using Scale BB with a 50% blue collar adjustment and 50% white collar adjustment for males and a 100% white collar adjustment for females.

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.

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, 2018 | \$ | 8,968,972 |
| Changes in the total OPEB liability for the year | | |
| Service cost | | 616,806 |
| Interest | | 360,589 |
| Changes in assumptions | | 1,296,050 |
| Benefit payments | | <u>(341,856)</u> |
| Change in total OPEB liability | | <u>1,931,589</u> |
| Total OPEB liability at September 30, 2019 | \$ | <u>10,900,561</u> |

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 2.75%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.75%) or one percentage point higher (3.75%) 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 |
| 2.75% | \$ 12,332,190 | \$ 10,900,561 | \$ 9,693,144 |

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 6.75%, 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 (5.75%) or one percentage point higher (7.75%) 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 |
| 6.75% | \$ 9,334,844 | \$ 10,900,561 | \$ 12,887,769 |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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, 2019, the City recognized OPEB expense of \$1,142,037. At September 30, 2019, 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 | \$ 223,492 | \$ 1,072,593 |
| Total | \$ 223,492 | \$ 1,072,593 |

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

| Fiscal Year Ending September 30, | |
|-------------------------------------|------------|
| 2020 | \$ 164,642 |
| 2021 | 164,642 |
| 2022 | 164,642 |
| 2023 | 176,407 |
| 2024 | 178,768 |

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 2019 the City's contribution was \$7,320,463. 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, 2019

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 2019 the City's contribution was \$5,809,713 and the contribution from the State was \$861,862. 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 2019 the City's contribution was \$5,627,597 and the contribution from the State was \$830,904. 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, 2019:

| | <u>General Employees'</u> | <u>Police Officers'</u> | <u>Firefighters'</u> | <u>Total</u> |
|--------------------------------|-------------------------------|-----------------------------|----------------------|----------------------|
| Net pension liability | <u>\$ 20,094,214</u> | <u>\$ 44,819,851</u> | <u>\$ 41,203,715</u> | <u>\$106,117,780</u> |
| Deferred outflows/inflows | | | | |
| Deferred outflows of resources | <u>\$ 4,037,317</u> | <u>\$ 5,362,154</u> | <u>\$ 3,233,790</u> | <u>\$ 12,633,261</u> |
| Deferred inflows of resources | <u>\$ 204,049</u> | <u>\$ 491,848</u> | <u>\$ 2,885,338</u> | <u>\$ 3,581,235</u> |
| Pension expense | <u>\$ 4,916,740</u> | <u>\$ 8,046,040</u> | <u>\$ 5,304,407</u> | <u>\$ 18,267,187</u> |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

4. Other Information (Continued)

D. Defined Benefit Pension Plans (Continued)

Plan Membership

Membership data of the City's pension plans as of October 1, 2018, 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 | 420 | 143 | 151 |
| Terminated employees entitled to benefits but not yet receiving them | 51 | 24 | 1 |
| Active members | 372 | 129 | 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, 2019 were \$15,615,811 for the General Employees' Pension Plan; \$13,858,626 for the Police Officers' Pension Plan; and \$18,367,811 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, 2019. The asset allocation policies adopted by the pension plan Boards at September 30, 2019 were as follows:



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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, 2019:

| | General Employees' | Police Officers' | Firefighters' |
|--------------------------------------|-----------------------|---------------------|---------------|
| Annual money-weighted rate of return | 3.80% | 4.14% | 5.36% |

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, 2018, were as follows:

| | General Employees' | Police Officers' | Firefighters' |
|---|-----------------------|----------------------|----------------------|
| Total pension liability | \$ 204,112,598 | \$ 151,965,967 | \$ 163,996,071 |
| Plan fiduciary net position | <u>(184,018,384)</u> | <u>(107,146,116)</u> | <u>(122,792,356)</u> |
| Net pension liability | <u>\$ 20,094,214</u> | <u>\$ 44,819,851</u> | <u>\$ 41,203,715</u> |
| Plan fiduciary net position as a percentage of the total pension liability | <u>90.2%</u> | <u>70.5%</u> | <u>74.9%</u> |

The net pension liability is generally liquidated by the General Fund for the governmental activities and by net revenues of the applicable proprietary funds for the business-type activities.



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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, 2018 and measurement date of September 30, 2019, 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 dollar, closed | Level percent of payroll, closed | Level percent of payroll, closed |
| Remaining amortization period | 7 years | 20 years | 21 years |
| Asset valuation method | Five year smoothed market | Five year smoothed market | Five year smoothed market |
| Actuarial assumptions: | | | |
| Investment rate of return* | 7.18% | 7.25% | 7.50% |
| 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 after 2000 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 for the General Employees' and Police Officers' Pension Plans. The Firefighters' Pension Plan changed the benefits effective October 1, 2018 to cap the normal retirement benefit at \$95,000 annually for firefighters not eligible for normal retirement on that date. On October 1, 2023 and annually thereafter, the cap is increased by 1.5%. The annual cap applies to early retirement, disability retirement and deferred vested retirement. New members hired after February 5, 2019 are classified as Tier 2 and receive different retirement benefits as follows: normal retirement will be the earlier of completion of 25 years of service regardless of age, or attainment of age 55 with 10 years of service. Vested members terminating service with less than 25 years of service will be eligible for a deferred normal retirement benefit beginning at age 55.

The assumed investment return for the General Employees' Pension Plan was reduced from 7.30% to 7.18% for the October 1, 2018 actuarial valuation. The investment return assumption is scheduled to be reduced by 0.10% per year until a target of 7.0% is reached. There were no changes in actuarial assumptions for the Police Officers' and Firefighters' Pension Plans.

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, 2019 are summarized in the following table:



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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 | 4.6% | 4.80% | 6.0% |
| International equity | 5.2 | 2.24 | 8.5 |
| Bonds and fixed income | 1.5 | 2.44 | 6.0 |
| Real estate | 4.5 | 7.10 | 4.5 |
| 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, 2019:

| General Employees' Pension Fund | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-----------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances at October 1, 2018 | \$ 195,105,878 | \$ 179,720,765 | \$ 15,385,113 |
| Changes for the Current Year | | | |
| Service cost | 3,461,314 | - | 3,461,314 |
| Interest | 14,109,905 | - | 14,109,905 |
| Difference between actual and expected experience | (276,923) | - | (276,923) |
| Assumption changes | 2,245,392 | - | 2,245,392 |
| Contributions – City | - | 7,320,463 | (7,320,463) |
| Contributions – Employee | - | 1,564,653 | (1,564,653) |
| Net investment income | - | 6,115,140 | (6,115,140) |
| Benefit payments, including refunds of employee contributions | (10,561,632) | (10,561,632) | - |
| Administration expenses | - | (141,005) | 141,005 |
| Other (contributions toward elective benefits) | 28,664 | - | 28,664 |
| Net Changes | 9,006,720 | 4,297,619 | 4,709,101 |
| Balances at September 30, 2019 | \$ 204,112,598 | \$ 184,018,384 | \$ 20,094,214 |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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 |
| Police Officers' Pension Fund | | | |
| Balances at October 1, 2018 | \$ 145,145,193 | \$ 101,982,716 | \$ 43,162,477 |
| Changes for the Current Year | | | |
| Service cost | 3,138,898 | - | 3,138,898 |
| Interest | 10,487,401 | - | 10,487,401 |
| Difference between actual and expected experience | 455,046 | - | 455,046 |
| Contributions – City | - | 5,809,713 | (5,809,713) |
| Contributions – State | - | 861,862 | (861,862) |
| Contributions – Employee | - | 983,971 | (983,971) |
| Net investment income | - | 5,426,455 | (5,426,455) |
| Other income | - | 108,110 | (108,110) |
| Benefit payments, including refunds of employee contributions | (7,848,043) | (7,848,043) | - |
| Administration expenses | - | (178,668) | 178,668 |
| Other (adjustments to reserves) | 587,472 | - | 587,472 |
| Net Changes | 6,820,774 | 5,163,400 | 1,657,374 |
| Balances at September 30, 2019 | \$ 151,965,967 | \$ 107,146,116 | \$ 44,819,851 |
| | | | |
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Total Pension Liability |
| Firefighters' Pension Fund | | | |
| Balances at October 1, 2018 | \$ 158,841,491 | \$ 115,403,386 | \$ 43,438,105 |
| Changes for the Current Year | | | |
| Service cost | 3,403,511 | - | 3,403,511 |
| Interest | 11,904,771 | - | 11,904,771 |
| Difference between actual and expected experience | (1,516,079) | - | (1,516,079) |
| Changes in benefit terms | (1,384,791) | - | (1,384,791) |
| Contributions – City | - | 5,627,597 | (5,627,597) |
| Contributions – State | - | 830,904 | (830,904) |
| Contributions – Employee | - | 1,524,397 | (1,524,397) |
| Net investment income | - | 6,835,550 | (6,835,550) |
| Benefit payments, including refunds of employee contributions | (7,624,103) | (7,624,103) | - |
| Administration expenses | - | (184,750) | 184,750 |
| Other (rollovers into DROP/adjustments to reserves) | 371,271 | 379,375 | (8,104) |
| Net Changes | 5,154,580 | 7,388,970 | (2,234,390) |
| Balances at September 30, 2019 | \$ 163,996,071 | \$ 122,792,356 | \$ 41,203,715 |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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' | 7.18% | \$ 40,736,941 | \$ 20,094,214 | \$ 2,693,410 |
| Police Officers' | 7.25% | \$ 61,232,568 | \$ 44,819,851 | \$ 31,224,351 |
| Firefighters' | 7.50% | \$ 59,536,531 | \$ 41,203,715 | \$ 26,191,801 |

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

For the year ended September 30, 2019, the City recognized pension expense of \$16,058,587 and \$2,208,600 for the governmental activities and business-type activities, respectively. At September 30, 2019, 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 |
|---|---------------------|---------------------|
| General Employees' Pension Fund | | |
| Differences between expected and actual experience | \$ 204,049 | \$ 615,497 |
| Changes of assumptions | - | 3,390,441 |
| Net difference between projected and actual investment earnings on pension plan investments | - | 31,379 |
| Total | \$ 204,049 | \$ 4,037,317 |
| Police Officers' Pension Fund | | |
| Differences between expected and actual experience | \$ 407,550 | \$ 1,388,726 |
| Changes of assumptions | 84,298 | 3,064,170 |
| Net difference between projected and actual investment earnings on pension plan investments | - | 909,258 |
| Total | \$ 491,848 | \$ 5,362,154 |
| Firefighters' Pension Fund | | |
| Differences between expected and actual experience | \$ 1,211,539 | \$ 922,534 |
| Changes of assumptions | - | 2,311,256 |
| Net difference between projected and actual investment earnings on pension plan investments | 1,673,799 | - |
| Total | \$ 2,885,338 | \$ 3,233,790 |



THE CITY OF BOYNTON BEACH

NOTES TO THE FINANCIAL STATEMENTS September 30, 2019

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' |
|-------------------------------------|-----------------------|---------------------|---------------|
| 2020 | \$ 644,789 | \$ 1,530,668 | \$ 6,598 |
| 2021 | 565,731 | 1,544,436 | 16,386 |
| 2022 | 1,225,473 | 1,320,166 | (47,853) |
| 2023 | 1,397,275 | 475,036 | 373,321 |

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 \$194,437 for 2019.

5. Related Party Transactions

The CRA is a blended component unit of the City. For the year ended September 30, 2019, the CRA's tax increment revenue includes \$7,817,513 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, 2019, totaled approximately \$5,163,000.



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 Six Fiscal Years

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| Total Pension Liability | | |
| Service cost | \$ 3,461,314 | \$ 3,435,186 |
| Interest | 14,109,905 | 13,626,918 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | (276,923) | 484,186 |
| Change in assumptions | 2,245,392 | 1,800,889 |
| Benefit payments, including refunds | (10,561,632) | (9,969,109) |
| Other (Contributions toward elective benefits) | 28,664 | 30,897 |
| Net change in total pension liability | 9,006,720 | 9,408,967 |
| Total pension liability, beginning of fiscal year | 195,105,878 | 185,696,911 |
| Total pension liability, end of fiscal year (a) | \$ 204,112,598 | \$ 195,105,878 |
| Plan Fiduciary Net Position | | |
| Contributions | | |
| Employer | \$ 7,320,463 | \$ 7,110,298 |
| Plan members | 1,564,653 | 1,532,846 |
| Net investment income | 6,115,140 | 15,250,355 |
| Benefit payments, including refunds | (10,561,632) | (9,969,109) |
| Administration expense | (141,005) | (137,738) |
| Net change in plan fiduciary net position | 4,297,619 | 13,786,652 |
| Plan fiduciary net position, beginning of fiscal year | 179,720,765 | 165,934,113 |
| Plan fiduciary net position, end of fiscal year (b) | \$ 184,018,384 | \$ 179,720,765 |
| Net Pension Liability, end of fiscal year [(a)-(b)] | \$ 20,094,214 | \$ 15,385,113 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 90.2% | 92.1% |
| Covered Payroll | \$ 21,942,700 | \$ 21,456,414 |
| Net Pension Liability as a Percentage of Covered Payroll | 91.6% | 71.7% |

Information prior to fiscal year 2014 is not available.



THE CITY OF BOYNTON BEACH

| 2017 | 2016 | 2015 | 2014 |
|------------------------------|------------------------------|------------------------------|------------------------------|
| \$ 3,115,194 | \$ 2,990,326 | \$ 2,954,646 | \$ 2,968,214 |
| 12,836,669 | 12,699,614 | 11,691,291 | 11,192,833 |
| - | - | 5,680,646 | - |
| 2,006,523 | (4,891,541) | 1,191,720 | (13,973) |
| 4,538,235 | - | - | - |
| (9,749,117) | (8,516,256) | (7,784,781) | (7,994,248) |
| 34,453 | 36,826 | 40,842 | 44,092 |
| 12,781,957 | 2,318,969 | 13,774,364 | 6,196,918 |
| 172,914,954 | 170,595,985 | 156,821,621 | 150,624,703 |
| <u>\$ 185,696,911</u> | <u>\$ 172,914,954</u> | <u>\$ 170,595,985</u> | <u>\$ 156,821,621</u> |

| | | | |
|------------------------------|------------------------------|------------------------------|------------------------------|
| \$ 6,951,693 | \$ 7,615,053 | \$ 7,273,068 | \$ 6,780,773 |
| 1,520,068 | 1,450,369 | 1,439,239 | 1,492,985 |
| 17,730,273 | 16,354,236 | 1,605,790 | 11,833,483 |
| (9,749,117) | (8,516,256) | (7,784,781) | (7,994,248) |
| (144,179) | (141,114) | (142,577) | (135,227) |
| 16,308,738 | 16,762,288 | 2,390,739 | 11,977,766 |
| 149,625,375 | 132,863,087 | 130,472,348 | 118,494,582 |
| <u>\$ 165,934,113</u> | <u>\$ 149,625,375</u> | <u>\$ 132,863,087</u> | <u>\$ 130,472,348</u> |

| | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <u>\$ 19,762,798</u> | <u>\$ 23,289,579</u> | <u>\$ 37,732,898</u> | <u>\$ 26,349,273</u> |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|

| | | | |
|-------|-------|-------|-------|
| 89.4% | 86.5% | 77.9% | 83.2% |
|-------|-------|-------|-------|

| | | | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <u>\$ 21,223,071</u> | <u>\$ 20,193,471</u> | <u>\$ 19,977,100</u> | <u>\$ 20,698,471</u> |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|

| | | | |
|-------|--------|--------|--------|
| 93.1% | 115.3% | 188.9% | 127.3% |
|-------|--------|--------|--------|



THE CITY OF BOYNTON BEACH

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

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| Total Pension Liability | | |
| Service cost | \$ 3,138,898 | \$ 3,199,467 |
| Interest | 10,487,401 | 10,007,776 |
| Differences between expected and actual experience | 455,046 | 1,355,270 |
| Changes of assumptions | - | 3,525,859 |
| Benefit payments, including refunds | (7,848,043) | (6,939,906) |
| Other (adjustments to reserves) | 587,472 | 578,453 |
| Net change in total pension liability | 6,820,774 | 11,726,919 |
| Total pension liability, beginning of fiscal year | 145,145,193 | 133,418,274 |
| Total pension liability, end of fiscal year (a) | \$ 151,965,967 | \$ 145,145,193 |
| Plan Fiduciary Net Position | | |
| Contributions | | |
| Employer | \$ 5,809,713 | \$ 5,355,058 |
| State | 861,862 | 825,507 |
| Plan members | 983,971 | 1,214,260 |
| Net investment income | 5,426,455 | 6,379,064 |
| Other income | 108,110 | 102,504 |
| Benefit payments, including refunds | (7,848,043) | (6,939,906) |
| Administration expense | (178,668) | (163,266) |
| Net change in plan fiduciary net position | 5,163,400 | 6,773,221 |
| Plan fiduciary net position, beginning of fiscal year | 101,982,716 | 95,209,495 |
| Plan fiduciary net position, end of fiscal year (b) | \$ 107,146,116 | \$ 101,982,716 |
| Net Pension Liability, end of fiscal year [(a)-(b)] | \$ 44,819,851 | \$ 43,162,477 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 70.5% | 70.3% |
| Covered Payroll | \$ 11,268,875 | \$ 11,522,888 |
| Net Pension Liability as a Percentage of Covered Payroll | 397.7% | 374.6% |

Information prior to fiscal year 2014 is not available.



THE CITY OF BOYNTON BEACH

| 2017 | 2016 | 2015 | 2014 |
|------------------------------|------------------------------|------------------------------|------------------------------|
| \$ 2,886,162 | \$ 3,047,445 | \$ 2,767,701 | \$ 2,809,815 |
| 9,654,424 | 9,076,479 | 8,679,595 | 8,234,704 |
| (1,118,136) | 1,820,086 | (1,776,804) | (129,636) |
| 3,177,559 | (565,994) | 617,426 | - |
| (6,270,887) | (6,262,438) | (5,507,892) | (5,519,854) |
| 533,304 | 481,282 | 395,891 | 255,655 |
| 8,862,426 | 7,596,860 | 5,175,917 | 5,650,684 |
| 124,555,848 | 116,958,988 | 111,783,071 | 106,132,387 |
| <u>\$ 133,418,274</u> | <u>\$ 124,555,848</u> | <u>\$ 116,958,988</u> | <u>\$ 111,783,071</u> |
| | | | |
| \$ 4,791,528 | \$ 4,391,305 | \$ 4,365,259 | \$ 4,159,736 |
| 781,307 | 735,945 | 675,227 | 645,579 |
| 976,688 | 928,153 | 1,040,875 | 911,375 |
| 8,797,727 | 8,254,453 | 1,428,464 | 7,154,203 |
| 98,740 | 109,362 | 78,814 | 28,186 |
| (6,270,887) | (6,262,438) | (5,507,892) | (5,519,854) |
| (167,698) | (164,398) | (153,104) | (125,126) |
| 9,007,405 | 7,992,382 | 1,927,643 | 7,254,099 |
| 86,202,090 | 78,209,708 | 76,282,065 | 69,027,966 |
| <u>\$ 95,209,495</u> | <u>\$ 86,202,090</u> | <u>\$ 78,209,708</u> | <u>\$ 76,282,065</u> |
| | | | |
| <u>\$ 38,208,779</u> | <u>\$ 38,353,758</u> | <u>\$ 38,749,280</u> | <u>\$ 35,501,006</u> |
| | | | |
| 71.4% | 69.2% | 66.9% | 68.2% |
| <u>\$ 11,834,364</u> | <u>\$ 11,279,375</u> | <u>\$ 11,553,613</u> | <u>\$ 11,070,863</u> |
| | | | |
| 322.9% | 340.0% | 335.4% | 320.7% |



THE CITY OF BOYNTON BEACH

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

| | 2019 | 2018 |
|---|-----------------------|-----------------------|
| Total Pension Liability | | |
| Service cost | \$ 3,403,511 | \$ 3,717,529 |
| Interest | 11,904,771 | 11,208,637 |
| Change in benefit terms | (1,384,791) | - |
| Differences between expected and actual experience | (1,516,079) | 1,224,054 |
| Changes of assumptions | - | - |
| Benefit payments, including refunds | (7,624,103) | (6,076,694) |
| Other (Rollovers to DROP & adjustments to reserves) | 371,271 | (2,695) |
| Net change in total pension liability | 5,154,580 | 10,070,831 |
| Total pension liability, beginning of fiscal year | 158,841,491 | 148,770,660 |
| Total pension liability, end of fiscal year (a) | \$ 163,996,071 | \$ 158,841,491 |
| Plan Fiduciary Net Position | | |
| Contributions | | |
| Employer | \$ 5,627,597 | \$ 5,444,061 |
| State | 830,904 | 789,121 |
| Plan members | 1,524,397 | 1,473,516 |
| Net investment income | 6,835,550 | 9,221,736 |
| Benefit payments, including refunds | (7,624,103) | (6,076,694) |
| Administration expense | (184,750) | (141,569) |
| Other (Rollovers into DROP) | 379,375 | 323,472 |
| Net change in plan fiduciary net position | 7,388,970 | 11,033,643 |
| Plan fiduciary net position, beginning of fiscal year | 115,403,386 | 104,369,743 |
| Plan fiduciary net position, end of fiscal year (b) | \$ 122,792,356 | \$ 115,403,386 |
| Net Pension Liability, end of fiscal year [(a)-(b)] | \$ 41,203,715 | \$ 43,438,105 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 74.9% | 72.7% |
| Covered Payroll | \$ 12,156,508 | \$ 11,133,758 |
| Net Pension Liability as a Percentage of Covered Payroll | 338.9% | 390.1% |

Information prior to fiscal year 2014 is not available.



THE CITY OF BOYNTON BEACH

| 2017 | 2016 | 2015 | 2014 |
|------------------------------|------------------------------|------------------------------|------------------------------|
| \$ 3,330,443 | \$ 3,204,682 | \$ 2,988,536 | \$ 2,772,724 |
| 10,066,945 | 9,542,671 | 8,955,215 | 8,188,369 |
| - | - | - | - |
| 668,799 | (498,197) | 708,071 | (28,363) |
| 6,644,861 | - | 1,809,581 | - |
| (5,510,050) | (5,176,836) | (4,308,771) | (4,342,743) |
| (161,694) | 79,370 | 399,111 | 656,082 |
| 15,039,304 | 7,151,690 | 10,551,743 | 7,246,069 |
| 133,731,356 | 126,579,666 | 116,027,923 | 108,781,854 |
| <u>\$ 148,770,660</u> | <u>\$ 133,731,356</u> | <u>\$ 126,579,666</u> | <u>\$ 116,027,923</u> |
| | | | |
| \$ 4,293,563 | \$ 4,195,420 | \$ 3,930,996 | \$ 3,522,147 |
| 883,314 | 923,246 | 963,573 | 1,016,561 |
| 1,477,115 | 1,485,128 | 1,251,530 | 1,291,773 |
| 12,165,106 | 9,197,486 | 282,853 | 7,187,580 |
| (5,510,050) | (5,176,836) | (4,308,771) | (4,342,743) |
| (151,010) | (161,122) | (132,439) | (122,390) |
| 70,279 | 271,411 | 139,860 | 343,843 |
| 13,228,317 | 10,734,733 | 2,127,602 | 8,896,771 |
| 91,141,426 | 80,406,693 | 78,279,091 | 69,382,320 |
| <u>\$ 104,369,743</u> | <u>\$ 91,141,426</u> | <u>\$ 80,406,693</u> | <u>\$ 78,279,091</u> |
| | | | |
| <u>\$ 44,400,917</u> | <u>\$ 42,589,930</u> | <u>\$ 46,172,973</u> | <u>\$ 37,748,832</u> |
| | | | |
| <u>70.2%</u> | <u>68.2%</u> | <u>63.5%</u> | <u>67.5%</u> |
| | | | |
| <u>\$ 11,219,225</u> | <u>\$ 10,906,700</u> | <u>\$ 9,962,067</u> | <u>\$ 9,925,925</u> |
| | | | |
| <u>395.8%</u> | <u>390.5%</u> | <u>463.5%</u> | <u>380.3%</u> |



THE CITY OF BOYNTON BEACH

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

| | 2019 | 2018 |
|--|----------------------|----------------------|
| General Employees' Pension Fund | | |
| Actuarially determined contribution | \$ 7,320,463 | \$ 7,110,298 |
| Contributions in relation to actuarially determined contribution | <u>7,320,463</u> | <u>7,110,298</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> |
| | | |
| Covered payroll | <u>\$ 21,942,700</u> | <u>\$ 21,456,414</u> |
| | | |
| Contributions as a percentage of covered payroll | <u>33.4%</u> | <u>33.1%</u> |
| | | |
| Police Officers' Pension Fund | | |
| Actuarially determined contribution | \$ 6,272,374 | \$ 5,820,145 |
| Contributions in relation to actuarially determined contribution | <u>6,274,800</u> | <u>5,820,145</u> |
| Contribution deficiency (excess) | <u>\$ (2,426)</u> | <u>\$ -</u> |
| | | |
| Covered payroll | <u>\$ 11,268,875</u> | <u>\$ 11,522,888</u> |
| | | |
| Contributions as a percentage of covered payroll | <u>55.7%</u> | <u>50.5%</u> |
| | | |
| Firefighters' Pension Fund | | |
| Actuarially determined contribution | \$ 6,409,551 | \$ 6,157,171 |
| Contributions in relation to actuarially determined contribution | <u>6,458,501</u> | <u>6,226,015</u> |
| Contribution deficiency (excess) | <u>\$ (48,950)</u> | <u>\$ (68,844)</u> |
| | | |
| Covered payroll | <u>\$ 12,156,508</u> | <u>\$ 11,133,758</u> |
| | | |
| Contributions as a percentage of covered payroll | <u>53.1%</u> | <u>55.9%</u> |

Information prior to fiscal year 2014 is not available.



THE CITY OF BOYNTON BEACH

| <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|----------------------|----------------------|----------------------|----------------------|
| \$ 6,951,693 | \$ 7,608,338 | \$ 7,273,067 | \$ 6,780,773 |
| <u>6,951,693</u> | <u>7,615,053</u> | <u>7,273,068</u> | <u>6,780,773</u> |
| <u>\$ -</u> | <u>\$ (6,715)</u> | <u>\$ (1)</u> | <u>\$ -</u> |
| <u>\$ 21,223,071</u> | <u>\$ 20,193,471</u> | <u>\$ 19,977,100</u> | <u>\$ 20,698,471</u> |
| <u>32.8%</u> | <u>37.7%</u> | <u>36.4%</u> | <u>32.8%</u> |
| | | | |
| \$ 5,256,615 | \$ 4,856,392 | \$ 4,830,346 | \$ 4,560,918 |
| <u>5,256,615</u> | <u>4,856,392</u> | <u>4,830,346</u> | <u>4,624,823</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (63,905)</u> |
| <u>\$ 11,834,364</u> | <u>\$ 11,279,375</u> | <u>\$ 11,553,613</u> | <u>\$ 11,070,863</u> |
| <u>44.4%</u> | <u>43.1%</u> | <u>41.8%</u> | <u>41.8%</u> |
| | | | |
| \$ 5,075,517 | \$ 4,899,742 | \$ 4,635,318 | \$ 4,226,469 |
| <u>5,075,517</u> | <u>4,977,374</u> | <u>4,635,318</u> | <u>4,226,469</u> |
| <u>\$ -</u> | <u>\$ (77,632)</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>\$ 11,219,225</u> | <u>\$ 10,906,700</u> | <u>\$ 9,962,067</u> | <u>\$ 9,925,925</u> |
| <u>45.2%</u> | <u>45.6%</u> | <u>46.5%</u> | <u>42.6%</u> |



THE CITY OF BOYNTON BEACH

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

| | General Employees' Pension Fund | Police Officers' Pension Fund | Firefighters' Pension Fund |
|--|--|--|--|
| Actuarial valuation date | 10/1/2018 | 10/1/2018 | 10/1/2018 |
| Measurement date | 9/30/2019 | 9/30/2019 | 9/30/2019 |
| Actuarial methods and assumptions used to determine contribution rates: | | | |
| Actuarial cost method | Entry Age Normal | Entry Age Normal | Entry Age Normal |
| Amortization method | Level Dollar, Closed | Level Percent of Payroll, Closed | Level Percent of Payroll, Closed |
| Remaining amortization period | 7 years | 20 years | 21 years |
| Asset valuation method | 5-Year Smoothed | 5-Year Smoothed | 5-Year Smoothed |
| Investment rate of return (net of expenses, with inflation) | 7.18% / 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) | (2) |
| (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%. | | | |
| (2) For firefighters not eligible for normal retirement at October 1, 2018, the normal retirement benefit is capped at \$95,000 annually for five years. On October 1, 2023 and annually thereafter, the cap is increased by 1.5%. The annual cap applies to early retirement, disability retirement and deferred vested retirement. New members hired after February 5, 2019 are classified as Tier 2 and receive different retirement benefits as follows: normal retirement will be the earlier of completion of 25 years of service regardless of age, or attainment of age 55 with 10 years of service. Vested members terminating service with less than 25 years of service will be eligible for a deferred normal retirement benefit beginning at age 55. | | | |
| Revisions in actuarial assumptions | (7) | (3) (5) (6) | (4) (6) |
| (3) 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. | | | |
| (4) The investment return assumption was reduced from 7.65% in the 2013 actuarial valuation to 7.50% in the 2014 actuarial valuation. | | | |
| (5) 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. | | | |
| (6) RP-2000 Combined Healthy Participant Mortality Table using Scale BB was adopted on October 1, 2016. | | | |
| (7) The investment return assumption was reduced from 7.50% in the 2015 actuarial valuation to 7.40% in 2016; from 7.40% to 7.30% in 2017; and from 7.30% to 7.18% in the 2018 actuarial valuation. | | | |



**Required Supplementary Information
Schedules of Investment Returns
Pension Trust Funds
Last Six 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 |
| 2019 | 3.80% | 4.14% | 5.36% |
| 2018 | 9.70% | 7.30% | 8.78% |
| 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 Last Two Fiscal Years

| | 2019 | 2018 |
|--|----------------------|---------------------|
| Total OPEB Liability | | |
| Service cost | \$ 616,806 | \$ 642,372 |
| Interest | 360,589 | 320,506 |
| Changes in assumptions | 1,296,050 | (341,125) |
| Benefit payments | (341,856) | (335,455) |
| Net change in total OPEB liability | 1,931,589 | 286,298 |
| Total OPEB liability, beginning of fiscal year | 8,968,972 | 8,682,674 |
| Total OPEB liability, end of fiscal year | \$ 10,900,561 | \$ 8,968,972 |
| | | |
| Covered Employee Payroll | \$ 55,814,027 | \$ 47,747,864 |
| | | |
| Net Pension Liability as a Percentage of Covered Employee Payroll | 19.5% | 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:

| | |
|------|-------|
| 2018 | 3.83% |
| 2019 | 2.75% |



*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.

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



THE CITY OF BOYNTON BEACH

Major Governmental Funds Balance Sheets September 30, 2019

| | General Fund | Boynton Beach CRA Special Revenue Fund | General Capital Improvements Fund |
|--|----------------------|---|--|
| ASSETS | | | |
| Pooled cash and investments | \$ 11,989,227 | \$ 2,770,526 | \$ 6,452,342 |
| Accounts receivable, net | 1,981,654 | 6,536 | - |
| Due from other governments | 575,555 | - | - |
| Due from other funds | 7,659,139 | - | - |
| Prepaid items | 82,095 | 184,488 | - |
| Total assets | <u>\$ 22,287,670</u> | <u>\$ 2,961,550</u> | <u>\$ 6,452,342</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | | |
| Liabilities: | | | |
| Accounts payable | \$ 794,855 | \$ 42,328 | \$ 430,467 |
| Accrued liabilities | 2,214,267 | - | - |
| Due to other funds | - | - | 4,510,551 |
| Refundable deposits | 461,332 | 12,876 | - |
| Other payables | - | - | 522,482 |
| Total liabilities | <u>3,470,454</u> | <u>55,204</u> | <u>5,463,500</u> |
| Deferred inflows of resources: | | | |
| Unavailable revenue | <u>1,342,119</u> | <u>-</u> | <u>-</u> |
| Fund balance: | | | |
| Nonspendable | | | |
| Prepaid items | 82,095 | 184,488 | - |
| Committed for: | | | |
| Emergency purposes | 8,324,107 | - | - |
| Economic development | - | 1,425,909 | - |
| Assigned to: | | | |
| Subsequent year's budget | 1,286,655 | - | - |
| Capital projects | - | - | 988,842 |
| Economic development | - | 1,295,949 | - |
| Unassigned | <u>7,782,240</u> | <u>-</u> | <u>-</u> |
| Total fund balance | <u>17,475,097</u> | <u>2,906,346</u> | <u>988,842</u> |
| Total liabilities, deferred inflows of resources and fund balance | <u>\$ 22,287,670</u> | <u>\$ 2,961,550</u> | <u>\$ 6,452,342</u> |



THE CITY OF BOYNTON BEACH

Major Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019

| | General Fund | Boynton Beach CRA Special Revenue Fund | General Capital Improvements Fund |
|--|----------------------|---|--|
| REVENUES | | | |
| Taxes | \$ 45,885,389 | \$ 12,549,087 | \$ - |
| Less: tax increment revenue | (7,817,513) | - | - |
| Licenses and permits | 9,012,263 | - | - |
| Intergovernmental | 11,223,066 | - | 67,925 |
| Charges for services | 7,803,045 | 1,304,480 | - |
| Special assessments | 6,773,585 | - | - |
| Fines and forfeitures | 494,456 | - | - |
| Rents and royalties | 477,669 | - | - |
| Investment earnings | 323,014 | 294,159 | 1,252 |
| Miscellaneous | 2,879,073 | - | 1,600,000 |
| Total revenues | <u>77,054,047</u> | <u>14,147,726</u> | <u>1,669,177</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 16,386,586 | 3,366,813 | 1,639,805 |
| Public safety | 61,584,719 | - | - |
| Physical environment | 1,236,417 | - | - |
| Economic environment | 592,078 | - | - |
| Culture and recreation | 8,205,440 | - | 618 |
| Capital outlay | 818,754 | 38,101 | 8,136,102 |
| Debt service: | | | |
| Principal retirement | - | - | 2,709,366 |
| Interest charges | - | - | 378,633 |
| Total expenditures | <u>88,823,994</u> | <u>3,404,914</u> | <u>12,864,524</u> |
| Revenues over (under) expenditures | <u>(11,769,947)</u> | <u>10,742,812</u> | <u>(11,195,347)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 15,927,000 | - | 1,065,000 |
| Transfers out | (2,615,679) | (10,238,768) | - |
| Issuance of installment debt | - | - | 1,836,998 |
| Issuance of long-term debt | - | - | 6,850,000 |
| Total other financing sources and uses | <u>13,311,321</u> | <u>(10,238,768)</u> | <u>9,751,998</u> |
| Net change in fund balance | 1,541,374 | 504,044 | (1,443,349) |
| Fund balance - beginning of year | 15,933,723 | 2,402,302 | 2,432,191 |
| Fund balance - end of year | <u>\$ 17,475,097</u> | <u>\$ 2,906,346</u> | <u>\$ 988,842</u> |



THE CITY OF BOYNTON BEACH

General Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|---------------|---------------|
| ASSETS | | |
| Pooled cash and investments | \$ 11,989,227 | \$ 15,861,861 |
| Accounts receivable, net | 1,981,654 | 3,664,130 |
| Due from other governments | 575,555 | 618,702 |
| Due from other funds | 7,659,139 | 3,405,698 |
| Prepaid items | 82,095 | 490,897 |
| Total assets | \$ 22,287,670 | \$ 24,041,288 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 794,855 | \$ 2,297,672 |
| Accrued liabilities | 2,214,267 | 2,008,114 |
| Due to other funds | - | 2,000,000 |
| Refundable deposits | 461,332 | 514,786 |
| Total liabilities | 3,470,454 | 6,820,572 |
| Deferred inflows of resources: | | |
| Unavailable revenue | 1,342,119 | 1,286,993 |
| Fund balance: | | |
| Nonspendable: | | |
| Prepaid items | 82,095 | 490,897 |
| Committed for: | | |
| Emergency purposes | 8,324,107 | 8,324,107 |
| Assigned to: | | |
| Subsequent year's budget | 1,286,655 | - |
| Unassigned | 7,782,240 | 7,118,719 |
| Total fund balance | 17,475,097 | 15,933,723 |
| Total liabilities, deferred inflows of resources and fund balance | \$ 22,287,670 | \$ 24,041,288 |



THE CITY OF BOYNTON BEACH

General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|---------------|---------------|
| REVENUES | | |
| Taxes | \$ 45,885,389 | \$ 42,909,550 |
| Less: tax increment revenue | (7,817,513) | (7,336,119) |
| Licenses and permits | 9,012,263 | 8,377,370 |
| Intergovernmental | 11,223,066 | 10,991,092 |
| Charges for services | 7,803,045 | 7,271,403 |
| Special assessments | 6,773,585 | 6,859,493 |
| Fines and forfeitures | 494,456 | 266,310 |
| Rents and royalties | 477,669 | 437,947 |
| Investment earnings | 323,014 | 107,806 |
| Miscellaneous | 2,879,073 | 2,921,284 |
| Total revenues | 77,054,047 | 72,806,136 |
| EXPENDITURES | | |
| Current: | | |
| General government | 16,386,586 | 15,717,212 |
| Public safety | 61,584,719 | 59,647,201 |
| Physical environment | 1,236,417 | 1,303,877 |
| Economic environment | 592,078 | 313,792 |
| Culture and recreation | 8,205,440 | 8,047,712 |
| Capital outlay | 818,754 | 1,348,919 |
| Debt service | | |
| Principal retirement | - | 145,994 |
| Interest charges | - | 19,568 |
| Total expenditures | 88,823,994 | 86,544,275 |
| Revenues over (under) expenditures | (11,769,947) | (13,738,139) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 15,927,000 | 15,067,850 |
| Transfers out | (2,615,679) | (2,417,186) |
| Issuance of installment debt | - | 670,140 |
| Total other financing sources and uses | 13,311,321 | 13,320,804 |
| Net change in fund balance | 1,541,374 | (417,335) |
| Fund balance - beginning of year | 15,933,723 | 16,351,058 |
| Fund balance - end of year | \$ 17,475,097 | \$ 15,933,723 |



THE CITY OF BOYNTON BEACH

Boynton Beach CRA Special Revenue Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Pooled cash and investments | \$ 2,770,526 | \$ 2,368,299 |
| Accounts receivable, net | 6,536 | 7,128 |
| Prepaid items | 184,488 | 145,036 |
| Total assets | \$ 2,961,550 | \$ 2,520,463 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 42,328 | \$ 104,846 |
| Refundable deposits | 12,876 | 13,315 |
| Total liabilities | 55,204 | 118,161 |
| Fund balance: | | |
| Nonspendable: | | |
| Prepaid items | 184,488 | 145,036 |
| Committed for economic development | 1,425,909 | 658,307 |
| Assigned to economic development | 1,295,949 | 1,598,959 |
| Total fund balance | 2,906,346 | 2,402,302 |
| Total liabilities and fund balance | \$ 2,961,550 | \$ 2,520,463 |



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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|---------------|---------------|
| REVENUES | | |
| Taxes | \$ 12,549,087 | \$ 11,776,329 |
| Charges for services | 1,304,480 | 1,267,068 |
| Investment earnings | 294,159 | 138,978 |
| Total revenues | 14,147,726 | 13,182,375 |
| EXPENDITURES | | |
| Current: | | |
| General government | 3,366,813 | 3,176,358 |
| Capital outlay: | | |
| General government | 38,101 | 31,054 |
| Total expenditures | 3,404,914 | 3,207,412 |
| Revenues over expenditures | 10,742,812 | 9,974,963 |
| OTHER FINANCING USES | | |
| Transfers out | (10,238,768) | (11,822,180) |
| Total other financing uses | (10,238,768) | (11,822,180) |
| Net change in fund balance | 504,044 | (1,847,217) |
| Fund balance - beginning of year | 2,402,302 | 4,249,519 |
| Fund balance - end of year | \$ 2,906,346 | \$ 2,402,302 |



THE CITY OF BOYNTON BEACH

General Capital Improvements Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Pooled cash and investments | \$ 6,452,342 | \$ 1,302,970 |
| Due from other funds | - | 2,000,000 |
| Total assets | \$ 6,452,342 | \$ 3,302,970 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 430,467 | \$ 870,779 |
| Due to other funds | 4,510,551 | - |
| Other payables | 522,482 | - |
| Total liabilities | 5,463,500 | 870,779 |
| Fund balance: | | |
| Assigned to: | | |
| Capital projects | 988,842 | 2,432,191 |
| Total fund balance | 988,842 | 2,432,191 |
| Total liabilities and fund balance | \$ 6,452,342 | \$ 3,302,970 |



THE CITY OF BOYNTON BEACH

General Capital Improvements Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|------------------------------------|--------------|--------------|
| REVENUES | | |
| Intergovernmental | \$ 67,925 | \$ 50,000 |
| Investment earnings | 1,252 | 103 |
| Miscellaneous | 1,600,000 | 2,000,000 |
| Total revenues | 1,669,177 | 2,050,103 |
| EXPENDITURES | | |
| Current: | | |
| General government | 1,639,805 | 3,250 |
| Culture and recreation | 618 | 61,435 |
| Capital outlay: | | |
| Physical environment | - | 22,735 |
| Culture and recreation | 8,136,102 | 2,219,777 |
| Debt service: | | |
| Principal retirement | 2,709,366 | - |
| Interest charges | 378,633 | - |
| Total expenditures | 12,864,524 | 2,307,197 |
| Revenues over (under) expenditures | (11,195,347) | (257,094) |
| OTHER FINANCING SOURCES | | |
| Transfers in | 1,065,000 | 1,095,370 |
| Issuance of installment debt | 1,836,998 | 203,377 |
| Issuance of long-term debt | 6,850,000 | - |
| Total other financing sources | 9,751,998 | 1,298,747 |
| Net change in fund balance | (1,443,349) | 1,041,653 |
| Fund balance - beginning of year | 2,432,191 | 1,390,538 |
| Fund balance - end of year | \$ 988,842 | \$ 2,432,191 |



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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------|--------------------|--------------------|---------------------|--|
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ 50,000 | \$ 67,925 | \$ 17,925 |
| Investment earnings | 5,137 | 5,137 | 1,252 | (3,885) |
| Miscellaneous | - | 4,700,000 | 1,600,000 | (3,100,000) |
| Total revenues | <u>5,137</u> | <u>4,755,137</u> | <u>1,669,177</u> | <u>(3,085,960)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 3,202 | 1,603,202 | 1,639,805 | (36,603) |
| Culture and recreation | 80,000 | 80,000 | 618 | 79,382 |
| Capital outlay: | | | | |
| General government | 20,000 | 20,000 | - | 20,000 |
| Culture and recreation | 7,842,108 | 9,235,725 | 8,136,102 | 1,099,623 |
| Debt service: | | | | |
| Principal retirement | - | 2,500,000 | 2,709,366 | (209,366) |
| Interest charges | - | - | 378,633 | (378,633) |
| Total expenditures | <u>7,945,310</u> | <u>13,438,927</u> | <u>12,864,524</u> | <u>574,403</u> |
| Revenues over (under) expenditures | <u>(7,940,173)</u> | <u>(8,683,790)</u> | <u>(11,195,347)</u> | <u>(2,511,557)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 1,065,000 | 1,065,000 | 1,065,000 | - |
| Issuance of installment debt | - | - | 1,836,998 | 1,836,998 |
| Issuance of long-term debt | - | - | 6,850,000 | 6,850,000 |
| Appropriated fund balance | 6,875,173 | 7,618,790 | - | (7,618,790) |
| Total other financing sources | <u>7,940,173</u> | <u>8,683,790</u> | <u>9,751,998</u> | <u>1,068,208</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>(1,443,349)</u> | <u>\$ (1,443,349)</u> |
| Fund balance - beginning of year | | | <u>2,432,191</u> | |
| Fund balance - end of year | | | <u>\$ 988,842</u> | |



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, 2019

| | Water & Sewer | Sanitation |
|---|------------------|----------------|
| ASSETS | | |
| Current assets: | | |
| Pooled cash and investments | \$ 27,665,012 | \$ - |
| Accounts receivable, net | 5,063,891 | 1,260,113 |
| Prepaid expenses | 51,881 | - |
| | 32,780,784 | 1,260,113 |
| Restricted assets: | | |
| Restricted pooled cash and investments: | | |
| Customer deposits | 1,559,266 | - |
| Revenue bond covenants | 8,098,123 | - |
| Capital improvements | 41,209,043 | - |
| | 50,866,432 | - |
| Restricted accounts receivable - customer deposits | 40,441 | - |
| | 50,906,873 | - |
| Total current assets | 83,687,657 | 1,260,113 |
| Noncurrent assets: | | |
| Investment in Regional Wastewater Joint Venture | 18,119,157 | - |
| Intangible assets | 2,910,000 | - |
| Capital assets not being depreciated | 35,314,707 | - |
| Capital assets, net of accumulated depreciation | 151,366,577 | 3,293 |
| Total noncurrent assets | 207,710,441 | 3,293 |
| Total assets | 291,398,098 | 1,263,406 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charges on debt refundings | 599,364 | - |
| Deferred amounts related to other postemployment benefits | 318,775 | 92,672 |
| Deferred amounts related to pensions | 1,184,953 | 377,893 |
| Total deferred outflows of resources | 2,103,092 | 470,565 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 2,125,165 | 424,652 |
| Accrued expenses | 328,663 | 120,072 |
| Refundable deposits | 144,906 | - |
| Compensated absences payable | 124,617 | 49,941 |
| Due to other governments | 59,662 | - |
| Due to other funds | - | 30,918 |
| | 2,783,013 | 625,583 |
| Current liabilities payable from restricted assets: | | |
| Customer deposits | 1,599,707 | - |
| Revenue bonds, current maturities | 4,215,000 | - |
| Accrued revenue bond interest | 1,381,501 | - |
| Contracts payable | 1,561,407 | - |
| | 8,757,615 | - |
| Total current liabilities | 11,540,628 | 625,583 |
| Noncurrent liabilities: | | |
| Revenue bonds payable, less current maturities, plus unamortized premium | 82,492,553 | - |
| Compensated absences payable, less current portion | 833,973 | 334,222 |
| Other postemployment benefits | 3,239,647 | 941,808 |
| Net pension liability | 5,897,652 | 1,880,818 |
| Total noncurrent liabilities | 92,463,825 | 3,156,848 |
| Total liabilities | 104,004,453 | 3,782,431 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 66,422 | 19,310 |
| Deferred amounts related to pensions | 103,112 | (2,089) |
| Total deferred inflows of resources | 169,534 | 17,221 |
| NET POSITION (DEFICIT) | | |
| Net investment in capital assets | 140,220,731 | 3,293 |
| Restricted for: | | |
| Revenue bond covenants | 2,501,622 | - |
| Unrestricted (deficit) | 46,604,850 | (2,068,974) |
| Total net position (deficit) | \$ 189,327,203 | \$ (2,065,681) |



THE CITY OF BOYNTON BEACH

Major Enterprise Funds Statements of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019

| | Water & Sewer | Sanitation |
|---|------------------|----------------|
| OPERATING REVENUES | | |
| Charges for services: | | |
| Water sales | \$ 24,223,166 | \$ - |
| Sewer service | 19,607,887 | - |
| Stormwater utility fees | 4,222,041 | - |
| Garbage fees | - | 12,614,802 |
| Recycling fees | - | 8,215 |
| Total operating revenues | 48,053,094 | 12,623,017 |
| OPERATING EXPENSES | | |
| Personal services and benefits | 10,235,221 | 3,602,357 |
| Supplies, services and claims | 13,510,676 | 5,160,118 |
| Depreciation and amortization | 11,587,273 | 1,610 |
| Total operating expenses | 35,333,170 | 8,764,085 |
| Operating income | 12,719,924 | 3,858,932 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 1,434,773 | 97 |
| Interest expense | (3,164,365) | - |
| Equity in loss of Regional Wastewater Joint Venture | (691,556) | - |
| Miscellaneous income | 129,578 | 62 |
| | (2,291,570) | 159 |
| Income before contributions and transfers | 10,428,354 | 3,859,091 |
| Capital contributions | 1,732,808 | - |
| Transfers: | | |
| Transfers in | - | 10,000 |
| Transfers out | (7,661,466) | (2,428,906) |
| Total transfers | (7,661,466) | (2,418,906) |
| Change in net position | 4,499,696 | 1,440,185 |
| Net position (deficit) - beginning of year | 184,827,507 | (3,505,866) |
| Net position (deficit) - end of year | \$ 189,327,203 | \$ (2,065,681) |



THE CITY OF BOYNTON BEACH

Major Enterprise Funds Statements of Cash Flows For the Year Ended September 30, 2019

| | Water & Sewer | Sanitation |
|---|------------------|---------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers and users | \$ 48,232,497 | \$ 12,646,433 |
| Receipts from others | 129,578 | 62 |
| Payments to suppliers | (12,992,006) | (4,787,274) |
| Payments to employees | (10,925,187) | (3,598,759) |
| Payments for interfund services used | (713,438) | (1,840,505) |
| Net cash provided by operating activities | 23,731,444 | 2,419,957 |
| Cash Flows From Non-Capital Financing Activities | | |
| Transfers in | - | 10,000 |
| Transfers out | (7,661,466) | (2,428,906) |
| Net cash used in non-capital financing activities | (7,661,466) | (2,418,906) |
| Cash Flows From Capital and Related Financing Activities | | |
| Acquisition of capital assets | (22,411,967) | (1,148) |
| Capital contributions | 1,732,808 | - |
| Principal payments on revenue bonds | (3,605,000) | - |
| Interest payments on revenue bonds | (3,370,201) | - |
| Net cash used in capital and related financing activities | (27,654,360) | (1,148) |
| Cash Flows From Investing Activity | | |
| Interest on pooled cash and investments | 1,434,773 | 97 |
| Net cash provided by investing activity | 1,434,773 | 97 |
| Decrease in cash and cash equivalents | (10,149,609) | - |
| Cash and cash equivalents - beginning of year | 88,681,053 | - |
| Cash and cash equivalents - end of year | \$ 78,531,444 | \$ - |
| Reconciliation of Operating Income to Net Cash Provided By Operating Activities: | | |
| Operating income | \$ 12,719,924 | \$ 3,858,932 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 11,587,273 | 1,610 |
| Provision for doubtful accounts | 79,667 | - |
| Miscellaneous income | 129,578 | 62 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (49,271) | 17,509 |
| Due from other governments | - | 5,907 |
| Prepaid expenses | 33,652 | - |
| Deferred amounts related to pensions | (2,099,749) | (642,148) |
| Deferred amounts related to other postemployment benefits | (336,256) | (97,754) |
| Accounts payable | (232,339) | 246,452 |
| Accrued expenses | 39,827 | (1,576) |
| Due to other funds | - | (1,714,113) |
| Refundable deposits | 29,784 | - |
| Due to other governments | 3,919 | - |
| Customer deposits | 119,223 | - |
| Compensated absences payable | (193,054) | 26,643 |
| Other postemployment benefits | 574,069 | 166,889 |
| Net pension liability | 1,325,197 | 551,544 |
| Total adjustments | 11,011,520 | (1,438,975) |
| Net cash provided by operating activities | \$ 23,731,444 | \$ 2,419,957 |
| Noncash Investing, Capital and Related Financing Activities: | | |
| Equity in loss of Regional Wastewater Joint Venture | \$ (691,556) | \$ - |
| Amortization of bond premiums | 297,494 | - |
| Amortization of charges on refundings | (137,157) | - |



THE CITY OF BOYNTON BEACH

Water & Sewer Fund Statement of Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|----------------|----------------|
| ASSETS | | |
| Current assets: | | |
| Pooled cash and investments | \$ 27,665,012 | \$ 26,246,058 |
| Accounts receivable, net | 5,063,891 | 5,096,006 |
| Prepaid expenses | 51,881 | 85,533 |
| | 32,780,784 | 31,427,597 |
| Restricted assets: | | |
| Restricted pooled cash and investments: | | |
| Customer deposits | 1,559,266 | 1,441,762 |
| Revenue bond covenants | 8,098,123 | 7,331,384 |
| Capital improvements | 41,209,043 | 53,661,849 |
| | 50,866,432 | 62,434,995 |
| Restricted accounts receivable - customer deposits | 40,441 | 38,722 |
| | 50,906,873 | 62,473,717 |
| Total current assets | 83,687,657 | 93,901,314 |
| Noncurrent assets: | | |
| Investment in Regional Wastewater Joint Venture | 18,119,157 | 18,810,713 |
| Intangible assets | 2,910,000 | 2,910,000 |
| Capital assets not being depreciated | 35,314,707 | 16,608,968 |
| Capital assets, net of accumulated depreciation | 151,366,577 | 160,193,280 |
| Total noncurrent assets | 207,710,441 | 198,522,961 |
| Total assets | 291,398,098 | 292,424,275 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charges on debt refundings | 599,364 | 736,521 |
| Deferred amounts related to other postemployment benefits | 318,775 | - |
| Deferred amounts related to pensions | 1,184,953 | 1,902,845 |
| Total deferred outflows of resources | 2,103,092 | 2,639,366 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 2,125,165 | 2,357,504 |
| Accrued expenses | 328,663 | 288,836 |
| Contracts payable | - | 52,800 |
| Refundable deposits | 144,906 | 115,122 |
| Compensated absences payable | 124,617 | 149,714 |
| Due to other governments | 59,662 | 55,743 |
| | 2,783,013 | 3,019,719 |
| Current liabilities payable from restricted assets: | | |
| Customer deposits | 1,599,707 | 1,480,484 |
| Revenue bonds, current maturities | 4,215,000 | 3,605,000 |
| Accrued revenue bond interest | 1,381,501 | 1,427,000 |
| Contracts payable | 1,561,407 | 2,454,265 |
| | 8,757,615 | 8,966,749 |
| Total current liabilities | 11,540,628 | 11,986,468 |
| Noncurrent liabilities: | | |
| Revenue bonds payable, less current maturities, plus unamortized premium | 82,492,553 | 87,005,047 |
| Compensated absences payable, less current portion | 833,973 | 1,001,930 |
| Other postemployment benefits | 3,239,647 | 2,665,578 |
| Net pension liability | 5,897,652 | 4,572,455 |
| Total noncurrent liabilities | 92,463,825 | 95,245,010 |
| Total liabilities | 104,004,453 | 107,231,478 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 66,422 | 83,903 |
| Deferred amounts related to pensions | 103,112 | 2,920,753 |
| Total deferred inflows of resources | 169,534 | 3,004,656 |
| NET POSITION | | |
| Net investment in capital assets | 140,220,731 | 138,136,306 |
| Restricted for: | | |
| Revenue bond covenants | 2,501,622 | 2,299,384 |
| Unrestricted | 46,604,850 | 44,391,817 |
| Total net position | \$ 189,327,203 | \$ 184,827,507 |



THE CITY OF BOYNTON BEACH

Water & Sewer Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| OPERATING REVENUES | | |
| Charges for services: | | |
| Water sales | \$ 24,223,166 | \$ 23,420,190 |
| Sewer service | 19,607,887 | 19,096,323 |
| Stormwater utility fees | 4,222,041 | 3,880,546 |
| Total operating revenues | 48,053,094 | 46,397,059 |
| OPERATING EXPENSES | | |
| Personal services and benefits | 10,235,221 | 9,603,027 |
| Supplies, services and claims | 13,510,676 | 12,728,677 |
| Depreciation and amortization | 11,587,273 | 12,540,654 |
| Total operating expenses | 35,333,170 | 34,872,358 |
| Operating income | 12,719,924 | 11,524,701 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 1,434,773 | 54,395 |
| Interest expense | (3,164,365) | (3,203,498) |
| Equity in loss of Regional Wastewater Joint Venture | (691,556) | (748,657) |
| Miscellaneous income | 129,578 | 97,422 |
| | (2,291,570) | (3,800,338) |
| Income before contributions and transfers | 10,428,354 | 7,724,363 |
| Capital contributions | 1,732,808 | 2,138,466 |
| Transfers: | | |
| Transfers out | (7,661,466) | (7,342,069) |
| Total transfers | (7,661,466) | (7,342,069) |
| Change in net position | 4,499,696 | 2,520,760 |
| Net position - beginning of year, as originally reported | 184,827,507 | 183,861,255 |
| Restatement for implementation of GASB Statement 75 | - | (1,554,508) |
| Net position - beginning of year, as restated | 184,827,507 | 182,306,747 |
| Net position - end of year | \$ 189,327,203 | \$ 184,827,507 |



THE CITY OF BOYNTON BEACH

Water & Sewer Fund Statement of Cash Flows For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|---------------|---------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers and users | \$ 48,232,497 | \$ 46,429,344 |
| Receipts from others | 129,578 | 97,422 |
| Payments to suppliers | (12,992,006) | (11,013,788) |
| Payments to employees | (10,925,187) | (10,649,564) |
| Payments for interfund services used | (713,438) | (795,092) |
| Net cash provided by operating activities | 23,731,444 | 24,068,322 |
| Cash Flows From Non-Capital Financing Activity | | |
| Transfers out | (7,661,466) | (7,342,069) |
| Net cash used in non-capital financing activity | (7,661,466) | (7,342,069) |
| Cash Flows From Capital and Related Financing Activities | | |
| Acquisition of capital assets | (22,411,967) | (7,937,388) |
| Capital contributions | 1,732,808 | 2,138,466 |
| Proceeds from issuance of revenue bonds | - | 11,065,000 |
| Principal payments on revenue bonds | (3,605,000) | (3,425,000) |
| Interest payments on revenue bonds | (3,370,201) | (3,261,374) |
| Net cash used in capital and related financing activities | (27,654,360) | (1,420,296) |
| Cash Flows From Investing Activity | | |
| Interest on pooled cash and investments | 1,434,773 | 54,395 |
| Net cash provided by investing activity | 1,434,773 | 54,395 |
| Increase (decrease) in cash and cash equivalents | (10,149,609) | 15,360,352 |
| Cash and cash equivalents - beginning of year | 88,681,053 | 73,320,701 |
| Cash and cash equivalents - end of year | \$ 78,531,444 | \$ 88,681,053 |
| Reconciliation of Operating Income to Net Cash Provided By Operating Activities: | | |
| Operating income | \$ 12,719,924 | \$ 11,524,701 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 11,587,273 | 12,540,654 |
| Provision for doubtful accounts | 79,667 | (327,293) |
| Miscellaneous income | 129,578 | 97,422 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (49,271) | 364,208 |
| Prepaid expenses | 33,652 | (73,518) |
| Deferred amounts related to pensions | (2,099,749) | 158,490 |
| Deferred amounts related to other postemployment benefits | (336,256) | 83,903 |
| Accounts payable | (232,339) | 986,648 |
| Accrued expenses | 39,827 | 8,492 |
| Refundable deposits | 29,784 | 6,431 |
| Due to other governments | 3,919 | 6,667 |
| Customer deposits | 119,223 | (11,061) |
| Compensated absences payable | (193,054) | (10,316) |
| Other postemployment benefits | 574,069 | 85,087 |
| Net pension liability | 1,325,197 | (1,372,193) |
| Total adjustments | 11,011,520 | 12,543,621 |
| Net cash provided by operating activities | \$ 23,731,444 | \$ 24,068,322 |
| Noncash Investing, Capital and Related Financing Activities: | | |
| Equity in loss of Regional Wastewater Joint Venture | \$ (691,556) | \$ (748,657) |
| Amortization of bond premiums | 297,494 | 305,467 |
| Amortization of charges on refundings | (137,157) | (137,157) |



THE CITY OF BOYNTON BEACH

Sanitation Fund Statement of Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|----------------|----------------|
| ASSETS | | |
| Current assets: | | |
| Accounts receivable, net | \$ 1,260,113 | \$ 1,277,622 |
| Due from other governments | - | 5,907 |
| Total current assets | 1,260,113 | 1,283,529 |
| Noncurrent assets: | | |
| Capital assets, net of accumulated depreciation | 3,293 | 3,755 |
| Total noncurrent assets | 3,293 | 3,755 |
| Total assets | 1,263,406 | 1,287,284 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 92,672 | - |
| Deferred amounts related to pensions | 377,893 | 553,182 |
| Total deferred outflows of resources | 470,565 | 553,182 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 424,652 | 178,200 |
| Accrued expenses | 120,072 | 121,648 |
| Compensated absences payable | 49,941 | 46,478 |
| Due to other funds | 30,918 | 1,745,031 |
| Total current liabilities | 625,583 | 2,091,357 |
| Noncurrent liabilities: | | |
| Compensated absences payable, less current portion | 334,222 | 311,042 |
| Other postemployment benefits | 941,808 | 774,919 |
| Net pension liability | 1,880,818 | 1,329,274 |
| Total noncurrent liabilities | 3,156,848 | 2,415,235 |
| Total liabilities | 3,782,431 | 4,506,592 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 19,310 | 24,392 |
| Deferred amounts related to pensions | (2,089) | 815,348 |
| Total deferred inflows of resources | 17,221 | 839,740 |
| NET POSITION (DEFICIT) | | |
| Net investment in capital assets | 3,293 | 3,755 |
| Unrestricted (deficit) | (2,068,974) | (3,509,621) |
| Total net position (deficit) | \$ (2,065,681) | \$ (3,505,866) |



THE CITY OF BOYNTON BEACH

Sanitation Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| OPERATING REVENUES | | |
| Charges for services: | | |
| Garbage fees | \$ 12,614,802 | \$ 11,890,131 |
| Recycling fees | 8,215 | 21,855 |
| Total operating revenues | 12,623,017 | 11,911,986 |
| OPERATING EXPENSES | | |
| Personal services and benefits | 3,602,357 | 3,353,426 |
| Supplies, services and claims | 5,160,118 | 4,947,516 |
| Depreciation and amortization | 1,610 | 1,298 |
| Total operating expenses | 8,764,085 | 8,302,240 |
| Operating income | 3,858,932 | 3,609,746 |
| NONOPERATING REVENUES | | |
| Investment earnings | 97 | - |
| Miscellaneous income | 62 | - |
| | 159 | - |
| Income before transfers | 3,859,091 | 3,609,746 |
| Transfers: | | |
| Transfers in | 10,000 | 10,000 |
| Transfers out | (2,428,906) | (2,383,116) |
| Total transfers | (2,418,906) | (2,373,116) |
| Change in net position | 1,440,185 | 1,236,630 |
| Net position (deficit) - beginning of year, as originally reported | (3,505,866) | (4,310,198) |
| Restatement for implementation of GASB Statement 75 | - | (432,298) |
| Net position (deficit) - beginning of year, as restated | (3,505,866) | (4,742,496) |
| Net position (deficit) - end of year | \$ (2,065,681) | \$ (3,505,866) |



THE CITY OF BOYNTON BEACH

Sanitation Fund Statement of Cash Flows For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|---------------|---------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers and users | \$ 12,646,433 | \$ 12,037,926 |
| Receipts from others | 62 | - |
| Payments to suppliers | (4,787,274) | (4,090,826) |
| Payments to employees | (3,598,759) | (3,543,487) |
| Payments for interfund services used | (1,840,505) | (2,026,151) |
| Net cash provided by operating activities | 2,419,957 | 2,377,462 |
| Cash Flows From Non-Capital Financing Activities | | |
| Transfers in | 10,000 | 10,000 |
| Transfers out | (2,428,906) | (2,383,116) |
| Net cash used in non-capital financing activities | (2,418,906) | (2,373,116) |
| Cash Flows From Capital and Related Financing Activity | | |
| Acquisition of capital assets | (1,148) | (4,346) |
| Net cash used in capital and related financing activity | (1,148) | (4,346) |
| Cash Flows From Investing Activity | | |
| Interest on pooled cash and investments | 97 | - |
| Net cash provided by investing activity | 97 | - |
| Increase in cash and cash equivalents | - | - |
| Cash and cash equivalents - beginning of year | - | - |
| Cash and cash equivalents - end of year | \$ - | \$ - |
| Reconciliation of Operating Income to Net Cash Provided By Operating Activities: | | |
| Operating income | \$ 3,858,932 | \$ 3,609,746 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,610 | 1,298 |
| Miscellaneous income | 62 | - |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 17,509 | 112,532 |
| Due from other governments | 5,907 | 13,408 |
| Deferred amounts related to pensions | (642,148) | 56,784 |
| Deferred amounts related to other postemployment benefits | (97,754) | 24,392 |
| Accounts payable | 246,452 | 30,378 |
| Accrued expenses | (1,576) | 14,818 |
| Due to other funds | (1,714,113) | (1,199,839) |
| Compensated absences payable | 26,643 | 10,129 |
| Other postemployment benefits | 166,889 | 24,736 |
| Net pension liability | 551,544 | (320,920) |
| Total adjustments | (1,438,975) | (1,232,284) |
| Net cash provided by operating activities | \$ 2,419,957 | \$ 2,377,462 |



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.

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, 2019

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------|---------------|---------------|
| | Grants | FEMA Hurricane | SHIP Grant | CDBG Grant |
| ASSETS | | | | |
| Pooled cash and investments | \$ - | \$ 895,923 | \$ 720,373 | \$ - |
| Receivables, net | - | - | 106 | - |
| Due from other governments | 127,400 | - | - | 40,240 |
| Prepaid items | 450 | - | - | - |
| Total assets | \$ 127,850 | \$ 895,923 | \$ 720,479 | \$ 40,240 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT) | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 53,197 | \$ - | \$ 60,000 | \$ 28,730 |
| Accrued liabilities | - | - | - | - |
| Due to other funds | 120,496 | - | - | 6,590 |
| Due to other governments | - | - | - | - |
| Refundable deposits | - | - | - | - |
| Total liabilities | 173,693 | - | 60,000 | 35,320 |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 105,009 | - | 250,316 | - |
| Fund balance (deficit): | | | | |
| Nonspendable: | | | | |
| Prepaid items | 450 | - | - | - |
| Restricted for: | | | | |
| Public safety | - | - | - | - |
| Grant programs | - | 895,923 | 410,163 | 4,920 |
| 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) | (151,302) | - | - | - |
| Total fund balance (deficit) | (150,852) | 895,923 | 410,163 | 4,920 |
| Total liabilities, deferred inflows of resources and fund balance (deficit) | \$ 127,850 | \$ 895,923 | \$ 720,479 | \$ 40,240 |



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 |
|---------------------|----------------------|------------------------|-------------------|-------------------|--------------------|-----------------------------|---------------------|---------------------------------|
| \$ 2,180,378 | \$ 405,174 | \$ - | \$ 244,350 | \$ 324,142 | \$ 536,701 | \$ 3,193,434 | \$ 1,014,278 | \$ 9,514,753 |
| 3,446 | 41 | - | 30 | - | 1,338 | 23,686 | 120 | 28,767 |
| 61,188 | 119,058 | - | - | - | - | - | - | 347,886 |
| - | - | - | - | - | - | - | - | 450 |
| <u>\$ 2,245,012</u> | <u>\$ 524,273</u> | <u>\$ -</u> | <u>\$ 244,380</u> | <u>\$ 324,142</u> | <u>\$ 538,039</u> | <u>\$ 3,217,120</u> | <u>\$ 1,014,398</u> | <u>\$ 9,891,856</u> |
| | | | | | | | | |
| \$ 169,404 | \$ - | \$ 6 | \$ - | \$ 44,385 | \$ 7,964 | \$ 3,554 | \$ 68 | \$ 367,308 |
| - | - | 7,475 | - | 6,912 | 2,558 | 8,704 | - | 25,649 |
| - | - | 34,709 | - | - | - | - | - | 161,795 |
| 32,973 | - | - | - | - | - | - | - | 32,973 |
| - | - | - | - | 2,551 | - | - | 3,266 | 5,817 |
| <u>202,377</u> | <u>-</u> | <u>42,190</u> | <u>-</u> | <u>53,848</u> | <u>10,522</u> | <u>12,258</u> | <u>3,334</u> | <u>593,542</u> |
| | | | | | | | | |
| - | - | 60,872 | - | - | - | - | - | 416,197 |
| | | | | | | | | |
| - | - | - | - | - | - | - | - | 450 |
| - | - | - | - | - | - | - | 529,142 | 529,142 |
| - | - | - | - | - | - | - | - | 1,311,006 |
| - | - | - | - | - | - | - | - | - |
| - | 524,273 | - | - | - | - | - | - | 524,273 |
| - | - | - | - | - | - | - | 481,922 | 481,922 |
| | | | | | | | | |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 2,042,635 | - | - | - | - | - | - | - | 2,042,635 |
| - | - | - | - | 270,294 | 527,517 | - | - | 797,811 |
| - | - | - | - | - | - | 3,204,862 | - | 3,204,862 |
| - | - | - | 244,380 | - | - | - | - | 244,380 |
| - | - | - | - | - | - | - | - | (254,364) |
| <u>2,042,635</u> | <u>524,273</u> | <u>(103,062)</u> | <u>244,380</u> | <u>270,294</u> | <u>527,517</u> | <u>3,204,862</u> | <u>1,011,064</u> | <u>8,882,117</u> |
| <u>\$ 2,245,012</u> | <u>\$ 524,273</u> | <u>\$ -</u> | <u>\$ 244,380</u> | <u>\$ 324,142</u> | <u>\$ 538,039</u> | <u>\$ 3,217,120</u> | <u>\$ 1,014,398</u> | <u>\$ 9,891,856</u> |

(Continued)



THE CITY OF BOYNTON BEACH

Non-Major Governmental Funds Combining Balance Sheet (Continued) September 30, 2019

| | Debt Service Funds | | | Capital Projects Funds | |
|--|--|---|---------------------------------------|---------------------------------------|--|
| | Public Service Tax Debt Service | Boynton Beach CRA Debt Service | Sub Total Debt Service Funds | Parks & Recreational Facilities | Boynton Beach CRA Bond Projects |
| ASSETS | | | | | |
| Pooled cash and investments | \$ 4,424,308 | \$ 109,356 | \$ 4,533,664 | \$ 185,808 | \$ 12,502,034 |
| Receivables, net | 734,602 | - | 734,602 | 25 | - |
| Due from other governments | 226,841 | - | 226,841 | - | - |
| Prepaid items | - | - | - | - | 72,191 |
| Total assets | <u>\$ 5,385,751</u> | <u>\$ 109,356</u> | <u>\$ 5,495,107</u> | <u>\$ 185,833</u> | <u>\$ 12,574,225</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT) | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 16,498 | \$ 124,674 |
| Accrued liabilities | - | - | - | - | - |
| Due to other funds | - | - | - | - | 600,000 |
| Due to other governments | - | - | - | - | - |
| Refundable deposits | - | - | - | - | 210 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>16,498</u> | <u>724,884</u> |
| Deferred inflows of resources: | | | | | |
| Unavailable revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance (deficit): | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | - | - | - | - | 72,191 |
| Restricted for: | | | | | |
| Public safety | - | - | - | - | - |
| Grant programs | - | - | - | - | - |
| Debt service | - | 109,356 | 109,356 | - | - |
| Capital projects | - | - | - | - | - |
| Other purposes | - | - | - | - | - |
| Committed for: | | | | | |
| Capital projects | - | - | - | - | 5,777,612 |
| Assigned to: | | | | | |
| Debt service | 5,385,751 | - | 5,385,751 | - | - |
| Public safety | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Cemetery maintenance | - | - | - | - | - |
| Capital projects | - | - | - | 169,335 | 5,999,538 |
| Unassigned (deficit) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balance (deficit) | <u>5,385,751</u> | <u>109,356</u> | <u>5,495,107</u> | <u>169,335</u> | <u>11,849,341</u> |
| Total liabilities, deferred inflows of resources and fund balance (deficit) | <u>\$ 5,385,751</u> | <u>\$ 109,356</u> | <u>\$ 5,495,107</u> | <u>\$ 185,833</u> | <u>\$ 12,574,225</u> |



THE CITY OF BOYNTON BEACH

| Capital Projects Funds | | |
|--|---|---|
| Local Government Surtax Improvement | Sub Total Capital Projects Funds | Non-Major Governmental Funds Total |
| \$ 8,734,611 | \$ 21,422,453 | \$ 35,470,870 |
| 601,008 | 601,033 | 1,364,402 |
| 373,433 | 373,433 | 948,160 |
| - | 72,191 | 72,641 |
| <u>\$ 9,709,052</u> | <u>\$ 22,469,110</u> | <u>\$ 37,856,073</u> |
| | | |
| \$ 527,287 | \$ 668,459 | \$ 1,035,767 |
| 96,144 | 96,144 | 121,793 |
| - | 600,000 | 761,795 |
| - | - | 32,973 |
| - | 210 | 6,027 |
| <u>623,431</u> | <u>1,364,813</u> | <u>1,958,355</u> |
| | | |
| - | - | 416,197 |
| | | |
| - | 72,191 | 72,641 |
| - | - | 529,142 |
| - | - | 1,311,006 |
| - | - | 109,356 |
| 9,085,621 | 9,085,621 | 9,609,894 |
| - | - | 481,922 |
| - | 5,777,612 | 5,777,612 |
| - | - | 5,385,751 |
| - | - | 2,042,635 |
| - | - | 797,811 |
| - | - | 3,204,862 |
| - | 6,168,873 | 6,413,253 |
| - | - | (254,364) |
| <u>9,085,621</u> | <u>21,104,297</u> | <u>35,481,521</u> |
| | | |
| <u>\$ 9,709,052</u> | <u>\$ 22,469,110</u> | <u>\$ 37,856,073</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, 2019

| | Special Revenue Funds | | | |
|--|-----------------------|-------------------|-------------------|------------------|
| | Grants | FEMA Hurricane | SHIP Grant | CDBG Grant |
| REVENUES | | | | |
| Taxes, net of tax increment revenue | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 358,688 | 87,411 | 503,434 | 374,887 |
| Charges for services | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Investment earnings | - | - | 10,485 | - |
| Donations | - | - | - | - |
| Miscellaneous | - | - | - | 4,251 |
| Total revenues | <u>358,688</u> | <u>87,411</u> | <u>513,919</u> | <u>379,138</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | - | 16,811 | - | - |
| Public safety | 144,866 | - | - | - |
| Physical environment | - | - | - | - |
| Economic environment | - | - | 538,302 | 203,145 |
| Culture and recreation | 99,827 | - | - | - |
| Capital outlay: | | | | |
| General government | - | - | - | - |
| Public safety | 117,118 | - | - | - |
| Economic environment | - | - | - | - |
| Culture and recreation | 20,298 | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest charges | - | - | - | - |
| Total expenditures | <u>382,109</u> | <u>16,811</u> | <u>538,302</u> | <u>203,145</u> |
| Revenues over (under) expenditures | <u>(23,421)</u> | <u>70,600</u> | <u>(24,383)</u> | <u>175,993</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 10,023 | - | - | - |
| Transfers out | - | - | (47,061) | (171,742) |
| Total other financing sources and uses | <u>10,023</u> | <u>-</u> | <u>(47,061)</u> | <u>(171,742)</u> |
| Net change in fund balance | (13,398) | 70,600 | (71,444) | 4,251 |
| Fund balance (deficit) - beginning of year | (137,454) | 825,323 | 481,607 | 669 |
| Fund balance (deficit) - end of year | <u>\$ (150,852)</u> | <u>\$ 895,923</u> | <u>\$ 410,163</u> | <u>\$ 4,920</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 |
|---------------------|----------------------|------------------------|-------------------|-------------------|--------------------|-----------------------------|---------------------|---------------------------------|
| \$ - | \$ 1,365,107 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,365,107 |
| - | - | - | - | 820,114 | - | - | - | 820,114 |
| - | - | - | - | - | - | - | - | 1,324,420 |
| - | - | - | 105,597 | - | 484,811 | 154,045 | 1,695 | 746,148 |
| 1,844,392 | - | - | - | - | - | - | 94,248 | 1,938,640 |
| 17,649 | 3,068 | - | 2,137 | - | 4,985 | 144,821 | 9,035 | 192,180 |
| - | - | - | - | 959 | - | - | 209,101 | 210,060 |
| - | - | - | - | 1,007 | 28,789 | 12,478 | - | 46,525 |
| <u>1,862,041</u> | <u>1,368,175</u> | <u>-</u> | <u>107,734</u> | <u>822,080</u> | <u>518,585</u> | <u>311,344</u> | <u>314,079</u> | <u>6,643,194</u> |
| 259,122 | - | - | - | - | - | 337,707 | 14,245 | 627,885 |
| 806,481 | - | - | - | - | - | - | 92,754 | 1,044,101 |
| - | 1,151 | - | 21,789 | - | - | - | - | 22,940 |
| - | - | 240,068 | - | - | - | - | - | 981,515 |
| - | - | - | - | 678,455 | 414,021 | - | 28,502 | 1,220,805 |
| - | - | - | 7,025 | - | - | - | - | 7,025 |
| - | - | - | - | - | - | - | 18,953 | 136,071 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 20,298 |
| - | - | - | - | - | - | - | - | - |
| <u>1,065,603</u> | <u>1,151</u> | <u>240,068</u> | <u>28,814</u> | <u>678,455</u> | <u>414,021</u> | <u>337,707</u> | <u>154,454</u> | <u>4,060,640</u> |
| <u>796,438</u> | <u>1,367,024</u> | <u>(240,068)</u> | <u>78,920</u> | <u>143,625</u> | <u>104,564</u> | <u>(26,363)</u> | <u>159,625</u> | <u>2,582,554</u> |
| - | - | 218,803 | - | 20,000 | - | - | - | 248,826 |
| (100,000) | (1,300,000) | - | - | - | - | (41,690) | - | (1,660,493) |
| <u>(100,000)</u> | <u>(1,300,000)</u> | <u>218,803</u> | <u>-</u> | <u>20,000</u> | <u>-</u> | <u>(41,690)</u> | <u>-</u> | <u>(1,411,667)</u> |
| 696,438 | 67,024 | (21,265) | 78,920 | 163,625 | 104,564 | (68,053) | 159,625 | 1,170,887 |
| 1,346,197 | 457,249 | (81,797) | 165,460 | 106,669 | 422,953 | 3,272,915 | 851,439 | 7,711,230 |
| <u>\$ 2,042,635</u> | <u>\$ 524,273</u> | <u>\$ (103,062)</u> | <u>\$ 244,380</u> | <u>\$ 270,294</u> | <u>\$ 527,517</u> | <u>\$ 3,204,862</u> | <u>\$ 1,011,064</u> | <u>\$ 8,882,117</u> |

(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, 2019

| | Debt Service Funds | | | Capital Projects Funds | |
|--|--|---|---------------------------------------|---------------------------------------|--|
| | Public Service Tax Debt Service | Boynton Beach CRA Debt Service | Sub Total Debt Service Funds | Parks & Recreational Facilities | Boynton Beach CRA Bond Projects |
| REVENUES | | | | | |
| Taxes, net of tax increment revenue | \$ 10,426,347 | \$ - | \$ 10,426,347 | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Charges for services | - | - | - | 21,173 | - |
| Fines and forfeitures | - | - | - | - | - |
| Investment earnings | 30,907 | 15,417 | 46,324 | 2,837 | 230,450 |
| Donations | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total revenues | <u>10,457,254</u> | <u>15,417</u> | <u>10,472,671</u> | <u>24,010</u> | <u>230,450</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 3,810 | - | 3,810 | - | - |
| Public safety | - | - | - | - | - |
| Physical environment | - | - | - | 11,842 | - |
| Economic environment | - | - | - | - | 7,264,006 |
| Culture and recreation | - | - | - | - | - |
| Capital outlay: | | | | | |
| General government | - | - | - | 178,488 | - |
| Public safety | - | - | - | - | - |
| Economic environment | - | - | - | - | 325,085 |
| Culture and recreation | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | 1,970,000 | 1,711,000 | 3,681,000 | - | - |
| Interest charges | 368,648 | 422,709 | 791,357 | - | - |
| Total expenditures | <u>2,342,458</u> | <u>2,133,709</u> | <u>4,476,167</u> | <u>190,330</u> | <u>7,589,091</u> |
| Revenues over (under) expenditures | <u>8,114,796</u> | <u>(2,118,292)</u> | <u>5,996,504</u> | <u>(166,320)</u> | <u>(7,358,641)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | 2,136,465 | 2,136,465 | - | 8,102,303 |
| Transfers out | (7,840,000) | - | (7,840,000) | (15,000) | - |
| Total other financing sources and uses | <u>(7,840,000)</u> | <u>2,136,465</u> | <u>(5,703,535)</u> | <u>(15,000)</u> | <u>8,102,303</u> |
| Net change in fund balance | 274,796 | 18,173 | 292,969 | (181,320) | 743,662 |
| Fund balance (deficit) - beginning of year | 5,110,955 | 91,183 | 5,202,138 | 350,655 | 11,105,679 |
| Fund balance (deficit) - end of year | <u>\$ 5,385,751</u> | <u>\$ 109,356</u> | <u>\$ 5,495,107</u> | <u>\$ 169,335</u> | <u>\$ 11,849,341</u> |



THE CITY OF BOYNTON BEACH

| Capital Projects Funds | | |
|--|---|---|
| Local Government Surtax Improvement | Sub Total Capital Projects Funds | Non-Major Governmental Funds Total |
| \$ - | \$ - | \$ 11,791,454 |
| - | - | 820,114 |
| 6,044,393 | 6,044,393 | 7,368,813 |
| - | 21,173 | 767,321 |
| - | - | 1,938,640 |
| 79,265 | 312,552 | 551,056 |
| - | - | 210,060 |
| - | - | 46,525 |
| <u>6,123,658</u> | <u>6,378,118</u> | <u>23,493,983</u> |
| - | - | 631,695 |
| - | - | 1,044,101 |
| - | 11,842 | 34,782 |
| - | 7,264,006 | 8,245,521 |
| 128,052 | 128,052 | 1,348,857 |
| - | 178,488 | 185,513 |
| - | - | 136,071 |
| - | 325,085 | 325,085 |
| 4,016,785 | 4,016,785 | 4,037,083 |
| - | - | 3,681,000 |
| - | - | 791,357 |
| <u>4,144,837</u> | <u>11,924,258</u> | <u>20,461,065</u> |
| <u>1,978,821</u> | <u>(5,546,140)</u> | <u>3,032,918</u> |
| - | 8,102,303 | 10,487,594 |
| - | (15,000) | (9,515,493) |
| - | <u>8,087,303</u> | <u>972,101</u> |
| 1,978,821 | 2,541,163 | 4,005,019 |
| 7,106,800 | 18,563,134 | 31,476,502 |
| <u>\$ 9,085,621</u> | <u>\$ 21,104,297</u> | <u>\$ 35,481,521</u> |



THE CITY OF BOYNTON BEACH

Grants Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|------------|-----------|
| ASSETS | | |
| Due from other governments | \$ 127,400 | \$ 56,256 |
| Prepaid items | 450 | - |
| Total assets | \$ 127,850 | \$ 56,256 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT) | | |
| Liabilities: | | |
| Accounts payable | \$ 53,197 | \$ 11,660 |
| Due to other funds | 120,496 | 107,875 |
| Total liabilities | 173,693 | 119,535 |
| Deferred inflows of resources: | | |
| Unavailable revenue | 105,009 | 74,175 |
| Fund balance (deficit): | | |
| Nonspendable: | | |
| Prepaid items | 450 | - |
| Unassigned (deficit) | (151,302) | (137,454) |
| Total fund balance (deficit) | (150,852) | (137,454) |
| Total liabilities, deferred inflows of resources and fund balance (deficit) | \$ 127,850 | \$ 56,256 |



THE CITY OF BOYNTON BEACH

Grants Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|--------------|--------------|
| REVENUES | | |
| Intergovernmental | \$ 358,688 | \$ 254,972 |
| Total revenues | 358,688 | 254,972 |
| EXPENDITURES | | |
| Current: | | |
| Public safety | 144,866 | 92,853 |
| Culture and recreation | 99,827 | 116,789 |
| Capital outlay: | | |
| Public safety | 117,118 | 22,997 |
| Culture and recreation | 20,298 | 22,331 |
| Total expenditures | 382,109 | 254,970 |
| Revenues over (under) expenditures | (23,421) | 2 |
| OTHER FINANCING SOURCES | | |
| Transfers in | 10,023 | - |
| Total other financing sources | 10,023 | - |
| Net change in fund balance | (13,398) | 2 |
| Fund balance (deficit) - beginning of year | (137,454) | (137,456) |
| Fund balance (deficit) - end of year | \$ (150,852) | \$ (137,454) |



THE CITY OF BOYNTON BEACH

FEMA Hurricane Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|------------|------------|
| ASSETS | | |
| Pooled cash and investments | \$ 895,923 | \$ 900,130 |
| Total assets | \$ 895,923 | \$ 900,130 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ - | \$ 74,807 |
| Total liabilities | - | 74,807 |
| Fund balance: | | |
| Restricted for grant programs | 895,923 | 825,323 |
| Total fund balance | 895,923 | 825,323 |
| Total liabilities and fund balance | \$ 895,923 | \$ 900,130 |



THE CITY OF BOYNTON BEACH

FEMA Hurricane Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | <u>2019</u> | <u>2018</u> |
|----------------------------------|-------------------|-------------------|
| REVENUES | | |
| Intergovernmental | \$ 87,411 | \$ 10,501 |
| Total revenues | <u>87,411</u> | <u>10,501</u> |
| EXPENDITURES | | |
| Current: | | |
| General government | <u>16,811</u> | <u>895,080</u> |
| Total expenditures | <u>16,811</u> | <u>895,080</u> |
| Net change in fund balance | 70,600 | (884,579) |
| Fund balance - beginning of year | <u>825,323</u> | <u>1,709,902</u> |
| Fund balance - end of year | <u>\$ 895,923</u> | <u>\$ 825,323</u> |



THE CITY OF BOYNTON BEACH

SHIP Grant Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|------------|--------------|
| ASSETS | | |
| Pooled cash and investments | \$ 720,373 | \$ 1,104,448 |
| Receivables, net | 106 | - |
| Total assets | \$ 720,479 | \$ 1,104,448 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 60,000 | \$ - |
| Total liabilities | 60,000 | - |
| Deferred inflows of resources: | | |
| Unavailable revenue | 250,316 | 622,841 |
| Fund balance: | | |
| Restricted for grant programs | 410,163 | 481,607 |
| Total fund balance | 410,163 | 481,607 |
| Total liabilities, deferred inflows of resources and fund balance | \$ 720,479 | \$ 1,104,448 |



THE CITY OF BOYNTON BEACH

SHIP Grant Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|------------------------------------|------------|------------|
| REVENUES | | |
| Intergovernmental | \$ 503,434 | \$ 459,661 |
| Investment earnings | 10,485 | 856 |
| Miscellaneous | - | 17,877 |
| Total revenues | 513,919 | 478,394 |
| EXPENDITURES | | |
| Current: | | |
| Economic environment | 538,302 | 157,070 |
| Total expenditures | 538,302 | 157,070 |
| Revenues over (under) expenditures | (24,383) | 321,324 |
| OTHER FINANCING USES | | |
| Transfers out | (47,061) | (31,283) |
| Total other financing uses | (47,061) | (31,283) |
| Net change in fund balance | (71,444) | 290,041 |
| Fund balance - beginning of year | 481,607 | 191,566 |
| Fund balance - end of year | \$ 410,163 | \$ 481,607 |



THE CITY OF BOYNTON BEACH

CDBG Grant Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|-----------|------------|
| ASSETS | | |
| Due from other governments | \$ 40,240 | \$ 156,208 |
| Total assets | \$ 40,240 | \$ 156,208 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 28,730 | \$ 49,512 |
| Due to other funds | 6,590 | 106,027 |
| Total liabilities | 35,320 | 155,539 |
| Fund balance: | | |
| Restricted for grant programs | 4,920 | 669 |
| Total fund balance | 4,920 | 669 |
| Total liabilities and fund balance | \$ 40,240 | \$ 156,208 |



THE CITY OF BOYNTON BEACH

CDBG Grant Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|------------|------------|
| REVENUES | | |
| Intergovernmental | \$ 374,887 | \$ 472,377 |
| Miscellaneous | 4,251 | 3,659 |
| Total revenues | 379,138 | 476,036 |
| EXPENDITURES | | |
| Current: | | |
| Economic environment | 203,145 | 280,254 |
| Total expenditures | 203,145 | 280,254 |
| Revenues over expenditures | 175,993 | 195,782 |
| OTHER FINANCING USES | | |
| Transfers out | (171,742) | (202,987) |
| Total other financing uses | (171,742) | (202,987) |
| Net change in fund balance | 4,251 | (7,205) |
| Fund balance - beginning of year | 669 | 7,874 |
| Fund balance - end of year | \$ 4,920 | \$ 669 |



THE CITY OF BOYNTON BEACH

Traffic Safety Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Pooled cash and investments | \$ 2,180,378 | \$ 1,574,654 |
| Receivables, net | 3,446 | 1,347 |
| Due from other governments | 61,188 | 59,721 |
| Total assets | \$ 2,245,012 | \$ 1,635,722 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 169,404 | \$ 137,214 |
| Due to other governments | 32,973 | 152,311 |
| Total liabilities | 202,377 | 289,525 |
| Fund balance: | | |
| Assigned to: | | |
| Public safety | 2,042,635 | 1,346,197 |
| Total fund balance | 2,042,635 | 1,346,197 |
| Total liabilities and fund balance | \$ 2,245,012 | \$ 1,635,722 |



THE CITY OF BOYNTON BEACH

Traffic Safety Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|--------------|--------------|
| REVENUES | | |
| Fines and forfeitures | \$ 1,844,392 | \$ 1,605,711 |
| Investment earnings | 17,649 | 1,286 |
| Total revenues | 1,862,041 | 1,606,997 |
| EXPENDITURES | | |
| Current: | | |
| General government | 259,122 | 225,982 |
| Public safety | 806,481 | 793,896 |
| Total expenditures | 1,065,603 | 1,019,878 |
| Revenues over expenditures | 796,438 | 587,119 |
| OTHER FINANCING USES | | |
| Transfers out | (100,000) | (100,000) |
| Total other financing uses | (100,000) | (100,000) |
| Net change in fund balance | 696,438 | 487,119 |
| Fund balance (deficit) - beginning of year | 1,346,197 | 859,078 |
| Fund balance - end of year | \$ 2,042,635 | \$ 1,346,197 |



THE CITY OF BOYNTON BEACH

Local Option Gas Tax Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|------------|------------|
| ASSETS | | |
| Pooled cash and investments | \$ 405,174 | \$ 345,322 |
| Receivables, net | 41 | - |
| Due from other governments | 119,058 | 112,277 |
| Total assets | \$ 524,273 | \$ 457,599 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ - | \$ 350 |
| Total liabilities | - | 350 |
| Fund balance: | | |
| Restricted for capital projects | 524,273 | 457,249 |
| Total fund balance | 524,273 | 457,249 |
| Total liabilities and fund balance | \$ 524,273 | \$ 457,599 |



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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|--------------|--------------|
| REVENUES | | |
| Taxes | \$ 1,365,107 | \$ 1,350,572 |
| Investment earnings | 3,068 | 575 |
| Total revenues | 1,368,175 | 1,351,147 |
| EXPENDITURES | | |
| Current: | | |
| Physical environment | 1,151 | 1,150 |
| Total expenditures | 1,151 | 1,150 |
| Revenues over expenditures | 1,367,024 | 1,349,997 |
| OTHER FINANCING USES | | |
| Transfers out | (1,300,000) | (1,298,850) |
| Total other financing uses | (1,300,000) | (1,298,850) |
| Net change in fund balance | 67,024 | 51,147 |
| Fund balance - beginning of year | 457,249 | 406,102 |
| Fund balance - end of year | \$ 524,273 | \$ 457,249 |



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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|--------------------|--------------------|--|
| REVENUES | | | | |
| Taxes | \$ 1,301,150 | \$ 1,301,150 | \$ 1,365,107 | \$ 63,957 |
| Investment earnings | - | - | 3,068 | 3,068 |
| Total revenues | <u>1,301,150</u> | <u>1,301,150</u> | <u>1,368,175</u> | <u>67,025</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Physical environment | 1,150 | 1,150 | 1,151 | (1) |
| Total expenditures | <u>1,150</u> | <u>1,150</u> | <u>1,151</u> | <u>(1)</u> |
| Revenues over expenditures | <u>1,300,000</u> | <u>1,300,000</u> | <u>1,367,024</u> | <u>67,024</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(1,300,000)</u> | <u>(1,300,000)</u> | <u>(1,300,000)</u> | - |
| Total other financing uses | <u>(1,300,000)</u> | <u>(1,300,000)</u> | <u>(1,300,000)</u> | - |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 67,024 | <u>\$ 67,024</u> |
| Fund balance - beginning of year | | | 457,249 | |
| Fund balance - end of year | | | <u>\$ 524,273</u> | |



THE CITY OF BOYNTON BEACH

Community Improvements Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|-----------|----------|
| ASSETS | | |
| Pooled cash and investments | \$ - | \$ - |
| Total assets | \$ - | \$ - |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE (DEFICIT) | | |
| Liabilities: | | |
| Accounts payable | \$ 6 | \$ 74 |
| Accrued liabilities | 7,475 | 10,325 |
| Due to other funds | 34,709 | 10,526 |
| Total liabilities | 42,190 | 20,925 |
| Deferred inflows of resources: | | |
| Unavailable revenue | 60,872 | 60,872 |
| Fund balance (deficit): | | |
| Unassigned (deficit) | (103,062) | (81,797) |
| Total fund balance (deficit) | (103,062) | (81,797) |
| 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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|--------------|-------------|
| REVENUES | | |
| Miscellaneous | \$ - | \$ 6,354 |
| Total revenues | - | 6,354 |
| EXPENDITURES | | |
| Current: | | |
| Economic environment | 240,068 | 241,997 |
| Total expenditures | 240,068 | 241,997 |
| Revenues over (under) expenditures | (240,068) | (235,643) |
| OTHER FINANCING SOURCES | | |
| Transfers in | 218,803 | 234,270 |
| Total other financing sources | 218,803 | 234,270 |
| Net change in fund balance | (21,265) | (1,373) |
| Fund balance (deficit) - beginning of year | (81,797) | (80,424) |
| Fund balance (deficit) - end of year | \$ (103,062) | \$ (81,797) |



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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|---------------------|--|
| REVENUES | | | | |
| Miscellaneous | \$ 7,100 | \$ 7,100 | \$ - | \$ (7,100) |
| Total revenues | <u>7,100</u> | <u>7,100</u> | <u>-</u> | <u>(7,100)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic environment | 242,011 | 242,011 | 240,068 | 1,943 |
| Total expenditures | <u>242,011</u> | <u>242,011</u> | <u>240,068</u> | <u>1,943</u> |
| Revenues over (under) expenditures | <u>(234,911)</u> | <u>(234,911)</u> | <u>(240,068)</u> | <u>(5,157)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 170,000 | 170,000 | 218,803 | 48,803 |
| Appropriated fund balance | <u>64,911</u> | <u>64,911</u> | <u>-</u> | <u>(64,911)</u> |
| Total other financing sources | <u>234,911</u> | <u>234,911</u> | <u>218,803</u> | <u>(16,108)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | <u>(21,265)</u> | <u>\$ (21,265)</u> |
| Fund balance (deficit) - beginning of year | | | <u>(81,797)</u> | |
| Fund balance (deficit) - end of year | | | <u>\$ (103,062)</u> | |



THE CITY OF BOYNTON BEACH

Green Building Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | <u>2019</u> | <u>2018</u> |
|-----------------------------|-------------------|-------------------|
| ASSETS | | |
| Pooled cash and investments | \$ 244,350 | \$ 166,460 |
| Receivables, net | 30 | - |
| Total assets | <u>\$ 244,380</u> | <u>\$ 166,460</u> |
| FUND BALANCE | | |
| Fund balance: | | |
| Assigned to: | | |
| Capital projects | \$ 244,380 | \$ 165,460 |
| Total fund balance | <u>\$ 244,380</u> | <u>\$ 166,460</u> |



THE CITY OF BOYNTON BEACH

Green Building Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|------------|------------|
| REVENUES | | |
| Charges for services | \$ 105,597 | \$ 80,883 |
| Investment earnings | 2,137 | 118 |
| Total revenues | 107,734 | 81,001 |
| EXPENDITURES | | |
| Current: | | |
| Physical environment | 21,789 | 6,875 |
| Capital outlay: | | |
| General government | 7,025 | - |
| Total expenditures | 28,814 | 6,875 |
| Revenues over expenditures | 78,920 | 74,126 |
| Net change in fund balance | 78,920 | 74,126 |
| Fund balance - beginning of year | 165,460 | 91,334 |
| Fund balance - end of year | \$ 244,380 | \$ 165,460 |



THE CITY OF BOYNTON BEACH

Public Art Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|------------|------------|
| ASSETS | | |
| Pooled cash and investments | \$ 324,142 | \$ 179,389 |
| Total assets | \$ 324,142 | \$ 179,389 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 44,385 | \$ 1,691 |
| Accrued liabilities | 6,912 | 5,957 |
| Refundable deposits | 2,551 | 65,072 |
| Total liabilities | 53,848 | 72,720 |
| Fund balance: | | |
| Assigned to: | | |
| Culture and recreation | 270,294 | 106,669 |
| Total fund balance | 270,294 | 106,669 |
| Total liabilities and fund balance | \$ 324,142 | \$ 179,389 |



THE CITY OF BOYNTON BEACH

Public Art Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|------------|------------|
| REVENUES | | |
| Licenses and permits | \$ 820,114 | \$ 287,773 |
| Donations | 959 | 67,653 |
| Miscellaneous | 1,007 | - |
| Total revenues | 822,080 | 355,426 |
| EXPENDITURES | | |
| Current: | | |
| Culture and recreation | 678,455 | 184,967 |
| Total expenditures | 678,455 | 184,967 |
| Revenues over expenditures | 143,625 | 170,459 |
| OTHER FINANCING SOURCES | | |
| Transfers in | 20,000 | 20,000 |
| Total other financing sources | 20,000 | 20,000 |
| Net change in fund balance | 163,625 | 190,459 |
| Fund balance (deficit) - beginning of year | 106,669 | (83,790) |
| Fund balance - end of year | \$ 270,294 | \$ 106,669 |



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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|-------------------|--|
| REVENUES | | | | |
| Licenses and permits | \$ 274,000 | \$ 820,000 | \$ 820,114 | \$ 114 |
| Donations | 65,000 | 65,000 | 959 | (64,041) |
| Miscellaneous | - | 1,000 | 1,007 | 7 |
| Total revenues | <u>339,000</u> | <u>886,000</u> | <u>822,080</u> | <u>(63,920)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 278,868 | 309,018 | 678,455 | (369,437) |
| Capital outlay: | | | | |
| Culture and recreation | 6,000 | 548,900 | - | 548,900 |
| Total expenditures | <u>284,868</u> | <u>857,918</u> | <u>678,455</u> | <u>179,463</u> |
| Revenues over expenditures | <u>54,132</u> | <u>28,082</u> | <u>143,625</u> | <u>115,543</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 20,000 | 20,000 | 20,000 | - |
| Appropriated fund balance | (74,132) | (48,082) | - | 48,082 |
| Total other financing sources and uses | <u>(54,132)</u> | <u>(28,082)</u> | <u>20,000</u> | <u>48,082</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 163,625 | <u>\$ 163,625</u> |
| Fund balance - beginning of year | | | <u>106,669</u> | |
| Fund balance - end of year | | | <u>\$ 270,294</u> | |



THE CITY OF BOYNTON BEACH

Recreation Program Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|------------|------------|
| ASSETS | | |
| Pooled cash and investments | \$ 536,701 | \$ 441,771 |
| Receivables, net | 1,338 | 1,334 |
| Prepaid items | - | 64 |
| Total assets | \$ 538,039 | \$ 443,169 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 7,964 | \$ 16,418 |
| Accrued liabilities | 2,558 | 3,798 |
| Total liabilities | 10,522 | 20,216 |
| Fund balance: | | |
| Nonspendable: | | |
| Prepaid items | - | 64 |
| Assigned to: | | |
| Culture and recreation | 527,517 | 422,889 |
| Total fund balance | 527,517 | 422,953 |
| Total liabilities and fund balance | \$ 538,039 | \$ 443,169 |



THE CITY OF BOYNTON BEACH

Recreation Program Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|------------|------------|
| REVENUES | | |
| Charges for services | \$ 484,811 | \$ 474,314 |
| Investment earnings | 4,985 | 363 |
| Miscellaneous | 28,789 | 23,818 |
| Total revenues | 518,585 | 498,495 |
| EXPENDITURES | | |
| Current: | | |
| Culture and recreation | 414,021 | 431,071 |
| Capital outlay: | | |
| Culture and recreation | - | 11,829 |
| Total expenditures | 414,021 | 442,900 |
| Revenues over expenditures | 104,564 | 55,595 |
| OTHER FINANCING USES | | |
| Transfers out | - | (100,000) |
| Total other financing uses | - | (100,000) |
| Net change in fund balance | 104,564 | (44,405) |
| Fund balance - beginning of year | 422,953 | 467,358 |
| Fund balance - end of year | \$ 527,517 | \$ 422,953 |



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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------|--------------------|-----------------|-------------------|--|
| REVENUES | | | | |
| Charges for services | \$ 509,525 | \$ 509,525 | \$ 484,811 | \$ (24,714) |
| Investment earnings | - | - | 4,985 | 4,985 |
| Miscellaneous | 16,000 | 16,000 | 28,789 | 12,789 |
| Total revenues | <u>525,525</u> | <u>525,525</u> | <u>518,585</u> | <u>(6,940)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 575,993 | 575,893 | 414,021 | 161,872 |
| Capital outlay: | | | | |
| Culture and recreation | - | 100 | - | 100 |
| Total expenditures | <u>575,993</u> | <u>575,993</u> | <u>414,021</u> | <u>161,972</u> |
| Revenues over (under) expenditures | <u>(50,468)</u> | <u>(50,468)</u> | <u>104,564</u> | <u>155,032</u> |
| OTHER FINANCING SOURCES | | | | |
| Appropriated fund balance | 50,468 | 50,468 | - | (50,468) |
| Total other financing sources | <u>50,468</u> | <u>50,468</u> | <u>-</u> | <u>(50,468)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 104,564 | <u>\$ 104,564</u> |
| Fund balance - beginning of year | | | 422,953 | |
| Fund balance - end of year | | | <u>\$ 527,517</u> | |



THE CITY OF BOYNTON BEACH

Boynton Beach Memorial Park Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Pooled cash and investments | \$ 3,193,434 | \$ 3,271,386 |
| Receivables, net | 23,686 | 13,489 |
| Total assets | \$ 3,217,120 | \$ 3,284,875 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 3,554 | \$ 4,022 |
| Accrued liabilities | 8,704 | 7,938 |
| Total liabilities | 12,258 | 11,960 |
| Fund balance: | | |
| Assigned to: | | |
| Cemetery maintenance | 3,204,862 | 3,272,915 |
| Total fund balance | 3,204,862 | 3,272,915 |
| Total liabilities and fund balance | \$ 3,217,120 | \$ 3,284,875 |



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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|------------------------------------|--------------|--------------|
| REVENUES | | |
| Charges for services | \$ 154,045 | \$ 132,819 |
| Investment earnings | 144,821 | 27,380 |
| Miscellaneous | 12,478 | 11,615 |
| Total revenues | 311,344 | 171,814 |
| EXPENDITURES | | |
| Current: | | |
| General government | 337,707 | 311,437 |
| Total expenditures | 337,707 | 311,437 |
| Revenues over (under) expenditures | (26,363) | (139,623) |
| OTHER FINANCING USES | | |
| Transfers out | (41,690) | (41,263) |
| Total other financing uses | (41,690) | (41,263) |
| Net change in fund balance | (68,053) | (180,886) |
| Fund balance - beginning of year | 3,272,915 | 3,453,801 |
| Fund balance - end of year | \$ 3,204,862 | \$ 3,272,915 |



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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|------------------|---------------------|--|
| REVENUES | | | | |
| Charges for services | \$ 103,000 | \$ 123,000 | \$ 154,045 | \$ 31,045 |
| Investment earnings | 20,000 | 20,000 | 144,821 | 124,821 |
| Miscellaneous | 7,500 | 7,500 | 12,478 | 4,978 |
| Total revenues | <u>130,500</u> | <u>150,500</u> | <u>311,344</u> | <u>160,844</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 309,046 | 329,046 | 337,707 | (8,661) |
| Total expenditures | <u>309,046</u> | <u>329,046</u> | <u>337,707</u> | <u>(8,661)</u> |
| Revenues over (under) expenditures | <u>(178,546)</u> | <u>(178,546)</u> | <u>(26,363)</u> | <u>152,183</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (41,690) | (41,690) | (41,690) | - |
| Appropriated fund balance | 220,236 | 220,236 | - | (220,236) |
| Total other financing sources and uses | <u>178,546</u> | <u>178,546</u> | <u>(41,690)</u> | <u>(220,236)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | (68,053) | <u>\$ (68,053)</u> |
| Fund balance - beginning of year | | | 3,272,915 | |
| Fund balance - end of year | | | <u>\$ 3,204,862</u> | |



THE CITY OF BOYNTON BEACH

Community Services Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|--------------|------------|
| ASSETS | | |
| Pooled cash and investments | \$ 1,014,278 | \$ 851,194 |
| Receivables, net | 120 | - |
| Due from other governments | - | 4,045 |
| Prepaid items | - | 114 |
| Total assets | \$ 1,014,398 | \$ 855,353 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 68 | \$ 608 |
| Refundable deposits | 3,266 | 3,306 |
| Total liabilities | 3,334 | 3,914 |
| Fund balance: | | |
| Nonspendable: | | |
| Prepaid items | - | 114 |
| Restricted for: | | |
| Public safety | 529,142 | 293,168 |
| Other purposes | 481,922 | 558,157 |
| Total fund balance | 1,011,064 | 851,439 |
| Total liabilities and fund balance | \$ 1,014,398 | \$ 855,353 |



THE CITY OF BOYNTON BEACH

Community Services Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|--------------|------------|
| REVENUES | | |
| Charges for services | \$ 1,695 | \$ 11,942 |
| Fines and forfeitures | 94,248 | 56,342 |
| Investment earnings | 9,035 | 592 |
| Donations | 209,101 | 211,528 |
| Total revenues | 314,079 | 280,404 |
| EXPENDITURES | | |
| Current: | | |
| General government | 14,245 | - |
| Public safety | 92,754 | 202,178 |
| Culture and recreation | 28,502 | 12,103 |
| Capital outlay: | | |
| Public safety | 18,953 | 18,953 |
| Total expenditures | 154,454 | 233,234 |
| Revenues over expenditures | 159,625 | 47,170 |
| Net change in fund balance | 159,625 | 47,170 |
| Fund balance - beginning of year | 851,439 | 804,269 |
| Fund balance - end of year | \$ 1,011,064 | \$ 851,439 |



THE CITY OF BOYNTON BEACH

Public Service Tax Debt Service Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Pooled cash and investments | \$ 4,424,308 | \$ 4,223,066 |
| Taxes receivable | 734,602 | 699,778 |
| Due from other governments | 226,841 | 189,511 |
| Total assets | \$ 5,385,751 | \$ 5,112,355 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ - | \$ 1,400 |
| Total liabilities | - | 1,400 |
| Fund balance: | | |
| Assigned to debt service | 5,385,751 | 5,110,955 |
| Total fund balance | 5,385,751 | 5,110,955 |
| Total liabilities and fund balance | \$ 5,385,751 | \$ 5,112,355 |



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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|---------------|---------------|
| REVENUES | | |
| Taxes | \$ 10,426,347 | \$ 10,060,286 |
| Investment earnings | 30,907 | 2,687 |
| Total revenues | 10,457,254 | 10,062,973 |
| EXPENDITURES | | |
| Current: | | |
| General government | 3,810 | 5,750 |
| Debt service: | | |
| Principal retirement | 1,970,000 | 1,940,000 |
| Interest charges | 368,648 | 406,770 |
| Total expenditures | 2,342,458 | 2,352,520 |
| Revenues over expenditures | 8,114,796 | 7,710,453 |
| OTHER FINANCING USES | | |
| Transfers out | (7,840,000) | (7,115,000) |
| Total other financing uses | (7,840,000) | (7,115,000) |
| Net change in fund balance | 274,796 | 595,453 |
| Fund balance - beginning of year | 5,110,955 | 4,515,502 |
| Fund balance - end of year | \$ 5,385,751 | \$ 5,110,955 |



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, 2019

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|--------------------|---------------------|--|
| REVENUES | | | | |
| Taxes | \$ 9,855,000 | \$ 9,855,000 | \$ 10,426,347 | \$ 571,347 |
| Investment earnings | 1,500 | 1,500 | 30,907 | 29,407 |
| Total revenues | <u>9,856,500</u> | <u>9,856,500</u> | <u>10,457,254</u> | <u>600,754</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 20,000 | 20,000 | 3,810 | 16,190 |
| Debt service: | | | | |
| Principal retirement | 1,970,000 | 1,970,000 | 1,970,000 | - |
| Interest charges | 370,000 | 370,000 | 368,648 | 1,352 |
| Total expenditures | <u>2,360,000</u> | <u>2,360,000</u> | <u>2,342,458</u> | <u>17,542</u> |
| Revenues over expenditures | <u>7,496,500</u> | <u>7,496,500</u> | <u>8,114,796</u> | <u>618,296</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | (7,840,000) | (7,840,000) | (7,840,000) | - |
| Appropriated fund balance | 343,500 | 343,500 | - | (343,500) |
| Total other financing uses | <u>(7,496,500)</u> | <u>(7,496,500)</u> | <u>(7,840,000)</u> | <u>(343,500)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 274,796 | <u>\$ 274,796</u> |
| Fund balance - beginning of year | | | <u>5,110,955</u> | |
| Fund balance - end of year | | | <u>\$ 5,385,751</u> | |



**Boynton Beach CRA Debt Service Fund
Balance Sheet
September 30, 2019
(With Comparative Figures for 2018)**

| | <u>2019</u> | <u>2018</u> |
|-----------------------------|-------------------|------------------|
| ASSETS | | |
| Pooled cash and investments | \$ 109,356 | \$ 91,183 |
| Total assets | <u>\$ 109,356</u> | <u>\$ 91,183</u> |
| FUND BALANCE | | |
| Fund balance: | | |
| Restricted for debt service | \$ 109,356 | \$ 91,183 |
| Total fund balance | <u>\$ 109,356</u> | <u>\$ 91,183</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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|------------------------------------|-------------|-------------|
| REVENUES | | |
| Investment earnings | \$ 15,417 | \$ 10,723 |
| Total revenues | 15,417 | 10,723 |
| EXPENDITURES | | |
| Debt service: | | |
| Principal retirement | 1,711,000 | 1,670,000 |
| Interest charges | 422,709 | 468,786 |
| Total expenditures | 2,133,709 | 2,138,786 |
| Revenues over (under) expenditures | (2,118,292) | (2,128,063) |
| OTHER FINANCING SOURCES | | |
| Transfers in | 2,136,465 | 2,140,955 |
| Total other financing sources | 2,136,465 | 2,140,955 |
| Net change in fund balance | 18,173 | 12,892 |
| Fund balance - beginning of year | 91,183 | 78,291 |
| Fund balance - end of year | \$ 109,356 | \$ 91,183 |



THE CITY OF BOYNTON BEACH

Parks & Recreational Facilities Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | <u>2019</u> | <u>2018</u> |
|-------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Pooled cash and investments | \$ 185,808 | \$ 356,038 |
| Receivables, net | 25 | - |
| Total assets | <u>\$ 185,833</u> | <u>\$ 356,038</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 16,498 | \$ 5,383 |
| Total liabilities | <u>16,498</u> | <u>5,383</u> |
| Fund balance: | | |
| Assigned to: | | |
| Capital projects | 169,335 | 350,655 |
| Total liabilities and fund balance | <u>\$ 185,833</u> | <u>\$ 356,038</u> |



THE CITY OF BOYNTON BEACH

Parks & Recreational Facilities Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|------------------------------------|------------|------------|
| REVENUES | | |
| Charges for services | \$ 21,173 | \$ 29,250 |
| Investment earnings | 2,837 | 255 |
| Total revenues | 24,010 | 29,505 |
| EXPENDITURES | | |
| Current: | | |
| Physical environment | 11,842 | 12,983 |
| Capital outlay: | | |
| General government | 178,488 | - |
| Total expenditures | 190,330 | 12,983 |
| Revenues over (under) expenditures | (166,320) | 16,522 |
| OTHER FINANCING USES | | |
| Transfers out | (15,000) | (45,370) |
| Total other financing uses | (15,000) | (45,370) |
| Net change in fund balance | (181,320) | (28,848) |
| Fund balance - beginning of year | 350,655 | 379,503 |
| Fund balance - end of year | \$ 169,335 | \$ 350,655 |



THE CITY OF BOYNTON BEACH

Boynton Beach CRA Bond Projects Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|---------------|---------------|
| ASSETS | | |
| Pooled cash and investments | \$ 12,502,034 | \$ 11,156,356 |
| Prepaid items | 72,191 | 56,255 |
| Total assets | \$ 12,574,225 | \$ 11,212,611 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 124,674 | \$ 105,932 |
| Due to other funds | 600,000 | - |
| Refundable deposits | 210 | 1,000 |
| Total liabilities | 724,884 | 106,932 |
| Fund balance: | | |
| Nonspendable: | | |
| Prepaid items | 72,191 | 56,255 |
| Committed for: | | |
| Capital projects | 5,777,612 | 4,231,375 |
| Assigned to: | | |
| Capital projects | 5,999,538 | 6,818,049 |
| Total fund balance | 11,849,341 | 11,105,679 |
| Total liabilities and fund balance | \$ 12,574,225 | \$ 11,212,611 |



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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|---------------|---------------|
| REVENUES | | |
| Investment earnings | \$ 230,450 | \$ 185,423 |
| Total revenues | 230,450 | 185,423 |
| EXPENDITURES | | |
| Current: | | |
| Economic environment | 7,264,006 | 5,484,466 |
| Capital outlay: | | |
| Economic environment | 325,085 | 3,717,027 |
| Total expenditures | 7,589,091 | 9,201,493 |
| Revenues over (under) expenditures | (7,358,641) | (9,016,070) |
| OTHER FINANCING SOURCES | | |
| Proceeds from the sale of capital assets | - | 1,154,212 |
| Transfers in | 8,102,303 | 9,681,225 |
| Total other financing sources | 8,102,303 | 10,835,437 |
| Net change in fund balance | 743,662 | 1,819,367 |
| Fund balance - beginning of year | 11,105,679 | 9,286,312 |
| Fund balance - end of year | \$ 11,849,341 | \$ 11,105,679 |



THE CITY OF BOYNTON BEACH

Local Government Surtax Improvement Fund Balance Sheet September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Pooled cash and investments | \$ 8,734,611 | 6,801,535 |
| Receivables, net | 601,008 | - |
| Due from other governments | 373,433 | 348,626 |
| Total assets | \$ 9,709,052 | \$ 7,150,161 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 527,287 | \$ 43,361 |
| Accrued liabilities | 96,144 | - |
| Total liabilities | 623,431 | 43,361 |
| Fund balance: | | |
| Restricted for: | | |
| Capital projects | 9,085,621 | 7,106,800 |
| Total fund balance | 9,085,621 | 7,106,800 |
| Total liabilities and fund balance | \$ 9,709,052 | \$ 7,150,161 |



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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|----------------------------------|--------------|--------------|
| REVENUES | | |
| Intergovernmental | \$ 6,044,393 | \$ 5,241,879 |
| Investment earnings | 79,265 | 10,361 |
| Total revenues | 6,123,658 | 5,252,240 |
| EXPENDITURES | | |
| Current: | | |
| Culture and recreation | 128,052 | 68,240 |
| Capital outlay: | | |
| Culture and recreation | 4,016,785 | 1,079,022 |
| Total expenditures | 4,144,837 | 1,147,262 |
| Net change in fund balance | 1,978,821 | 4,104,978 |
| Fund balance - beginning of year | 7,106,800 | 3,001,822 |
| Fund balance - end of year | \$ 9,085,621 | \$ 7,106,800 |





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, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|-------------|-------------|
| ASSETS | | |
| Current assets: | | |
| Accounts receivable, net | \$ 3,600 | \$ 3,525 |
| Prepaid expenses | 6,503 | - |
| Total current assets | 10,103 | 3,525 |
| Noncurrent assets: | | |
| Capital assets not being depreciated | 1,356,467 | 1,356,467 |
| Capital assets, net of accumulated depreciation | 467,142 | 533,670 |
| Total noncurrent assets | 1,823,609 | 1,890,137 |
| Total assets | 1,833,712 | 1,893,662 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 20,379 | - |
| Deferred amounts related to pensions | 75,498 | 121,649 |
| Total deferred outflows of resources | 95,877 | 121,649 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 12,647 | 18,659 |
| Accrued expenses | 42,663 | 37,139 |
| Due to other funds | 658,578 | 974,160 |
| Unearned revenues | 53,711 | 29,651 |
| Compensated absences payable, current portion | 22,274 | 21,574 |
| Total current liabilities | 789,873 | 1,081,183 |
| Noncurrent liabilities: | | |
| Compensated absences payable, less current portion | 149,061 | 144,378 |
| Other postemployment benefits | 207,111 | 170,410 |
| Net pension liability | 375,762 | 292,317 |
| Total noncurrent liabilities | 731,934 | 607,105 |
| Total liabilities | 1,521,807 | 1,688,288 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 4,246 | 5,364 |
| Deferred amounts related to pensions | 10,597 | 190,741 |
| Total deferred inflows of resources | 14,843 | 196,105 |
| NET POSITION | | |
| Net investment in capital assets | 1,823,609 | 1,890,137 |
| Unrestricted (deficit) | (1,430,670) | (1,759,219) |
| Total net position | \$ 392,939 | \$ 130,918 |



THE CITY OF BOYNTON BEACH

Golf Course Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|--------------|--------------|
| OPERATING REVENUES | | |
| Charges for services: | | |
| Cart and green fees | \$ 1,609,786 | \$ 1,249,244 |
| Dues | 72,100 | 64,291 |
| Other services | 307,123 | 256,147 |
| Total operating revenues | 1,989,009 | 1,569,682 |
| OPERATING EXPENSES | | |
| Personal services and benefits | 969,935 | 837,606 |
| Supplies, services and claims | 608,289 | 584,506 |
| Depreciation and amortization | 121,380 | 128,384 |
| Total operating expenses | 1,699,604 | 1,550,496 |
| Operating income | 289,405 | 19,186 |
| NONOPERATING REVENUES | | |
| Gain on disposal of capital assets | - | 1,960 |
| Income before transfers | 289,405 | 21,146 |
| Transfers: | | |
| Transfers out | (27,384) | (25,602) |
| Total transfers | (27,384) | (25,602) |
| Change in net position | 262,021 | (4,456) |
| Net position - beginning of year | 130,918 | 202,663 |
| Restatement for implementation of GASB Statement 75 | - | (67,289) |
| Net position - beginning of year, as restated | 130,918 | 135,374 |
| Net position - end of year | \$ 392,939 | \$ 130,918 |



THE CITY OF BOYNTON BEACH

Golf Course Fund Statement of Cash Flows For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|--------------|--------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers and users | \$ 2,012,994 | \$ 1,571,873 |
| Payments to suppliers | (492,588) | (432,251) |
| Payments to employees | (994,372) | (1,019,987) |
| Payments for interfund services used | (128,216) | (127,667) |
| Net cash provided by (used in) operating activities | 397,818 | (8,032) |
| Cash Flows From Non-Capital Financing Activities | | |
| Loans from other funds | (315,582) | 76,047 |
| Transfers out | (27,384) | (25,602) |
| Net cash provided by (used in) non-capital financing activities | (342,966) | 50,445 |
| Cash Flows From Capital and Related Financing Activities | | |
| Acquisition of capital assets | (54,852) | (44,373) |
| Proceeds from sale of capital assets | - | 1,960 |
| Net cash used in capital and related financing activities | (54,852) | (42,413) |
| Increase in cash and cash equivalents | - | - |
| Cash and cash equivalents - beginning of year | - | - |
| Cash and cash equivalents - end of year | \$ - | \$ - |
| Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities: | | |
| Operating income | \$ 289,405 | \$ 19,186 |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 121,380 | 128,384 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (75) | (143) |
| Prepaid expenses | (6,503) | - |
| Inventories | - | 19,097 |
| Deferred amounts related to pensions | (133,993) | (3,625) |
| Deferred amounts related to other postemployment benefits | (21,497) | 5,364 |
| Accounts payable | (6,012) | 5,491 |
| Accrued expenses | 5,524 | 4,863 |
| Unearned revenues | 24,060 | 2,334 |
| Compensated absences payable | 5,383 | (6,503) |
| Other postemployment benefits | 36,701 | 5,439 |
| Net pension liability | 83,445 | (187,919) |
| Total adjustments | 108,413 | (27,218) |
| Net cash provided by (used in) operating activities | \$ 397,818 | \$ (8,032) |
| Noncash Capital and Related Financing Activity: | | |
| 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, 2019 (With Comparative Figures for 2018)

| | Vehicle Service | Warehouse | Self Insurance | Total 2019 | Total 2018 |
|--|----------------------|---------------------|-----------------------|---------------------|---------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Pooled cash and investments | \$ - | \$ - | \$ 2,937,387 | \$ 2,937,387 | \$ 4,277,000 |
| Accounts receivable | - | - | 1,028 | 1,028 | - |
| Other receivables | 296 | - | - | 296 | - |
| Prepaid expenses | - | - | - | - | 11,380 |
| Inventories | 473,315 | 681,730 | - | 1,155,045 | 880,588 |
| Total current assets | <u>473,611</u> | <u>681,730</u> | <u>2,938,415</u> | <u>4,093,756</u> | <u>5,168,968</u> |
| Noncurrent assets: | | | | | |
| Capital assets not being depreciated | 33,166 | - | - | 33,166 | 33,166 |
| Capital assets, net of accumulated depreciation | 11,826,270 | 1,211 | - | 11,827,481 | 9,213,204 |
| Total noncurrent assets | <u>11,859,436</u> | <u>1,211</u> | <u>-</u> | <u>11,860,647</u> | <u>9,246,370</u> |
| Total assets | <u>12,333,047</u> | <u>682,941</u> | <u>2,938,415</u> | <u>15,954,403</u> | <u>14,415,338</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred amounts related to other postemployment benefits | 21,988 | 6,757 | 9,975 | 38,720 | - |
| Deferred amounts related to pensions | 99,506 | 39,969 | 45,622 | 185,097 | 231,133 |
| Total deferred outflows of resources | <u>121,494</u> | <u>46,726</u> | <u>55,597</u> | <u>223,817</u> | <u>231,133</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 168,819 | 51,552 | 304,228 | 524,599 | 1,040,480 |
| Accrued expenses | 30,736 | 10,668 | 13,401 | 54,805 | 48,020 |
| Provision for insurance losses, current portion | - | - | 1,994,614 | 1,994,614 | 1,777,545 |
| Compensated absences payable, current portion | 8,811 | 6,271 | 2,108 | 17,190 | 15,105 |
| Due to other funds | 1,160,301 | 536,996 | - | 1,697,297 | 462,079 |
| Total current liabilities | <u>1,368,667</u> | <u>605,487</u> | <u>2,314,351</u> | <u>4,288,505</u> | <u>3,343,229</u> |
| Noncurrent liabilities: | | | | | |
| Provision for insurance losses, less current portion | - | - | 3,550,574 | 3,550,574 | 3,077,150 |
| Compensated absences payable, less current portion | 58,967 | 41,964 | 14,110 | 115,041 | 101,093 |
| Other postemployment benefits | 223,462 | 68,674 | 101,375 | 393,511 | 323,780 |
| Net pension liability | 446,092 | 198,933 | 227,065 | 872,090 | 555,403 |
| Total noncurrent liabilities | <u>728,521</u> | <u>309,571</u> | <u>3,893,124</u> | <u>4,931,216</u> | <u>4,057,426</u> |
| Total liabilities | <u>2,097,188</u> | <u>915,058</u> | <u>6,207,475</u> | <u>9,219,721</u> | <u>7,400,655</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred amounts related to other postemployment benefits | 4,582 | 1,408 | 2,078 | 8,068 | 10,191 |
| Deferred amounts related to pensions | - | 10,495 | 24,342 | 34,837 | 365,628 |
| Total deferred inflows of resources | <u>4,582</u> | <u>11,903</u> | <u>26,420</u> | <u>42,905</u> | <u>375,819</u> |
| NET POSITION (DEFICIT) | | | | | |
| Investment in capital assets | 11,859,436 | 1,211 | - | 11,860,647 | 9,246,370 |
| Unrestricted (deficit) | (1,506,665) | (198,505) | (3,239,883) | (4,945,053) | (2,376,373) |
| Total net position (deficit) | <u>\$ 10,352,771</u> | <u>\$ (197,294)</u> | <u>\$ (3,239,883)</u> | <u>\$ 6,915,594</u> | <u>\$ 6,869,997</u> |



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Internal Service Funds Combining Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | Vehicle Service | Warehouse | Self Insurance | Total 2019 | Total 2018 |
|---|----------------------|---------------------|-----------------------|---------------------|---------------------|
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 3,330,877 | \$ 379,133 | \$ 5,000,000 | \$ 8,710,010 | \$ 9,069,587 |
| Total operating revenues | <u>3,330,877</u> | <u>379,133</u> | <u>5,000,000</u> | <u>8,710,010</u> | <u>9,069,587</u> |
| OPERATING EXPENSES | | | | | |
| Personal services and benefits | 1,031,747 | 400,511 | 451,254 | 1,883,512 | \$ 1,461,288 |
| Supplies, services and claims | 2,602,944 | 33,129 | 5,779,200 | 8,415,273 | 8,032,433 |
| Depreciation and amortization | 4,030,965 | 1,275 | - | 4,032,240 | 3,783,380 |
| Total operating expenses | <u>7,665,656</u> | <u>434,915</u> | <u>6,230,454</u> | <u>14,331,025</u> | <u>13,277,101</u> |
| Operating loss | <u>(4,334,779)</u> | <u>(55,782)</u> | <u>(1,230,454)</u> | <u>(5,621,015)</u> | <u>(4,207,514)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Investment earnings | 13 | - | 18,953 | 18,966 | 4,190 |
| Gain on disposal of capital assets | 178,434 | - | - | 178,434 | 122,097 |
| Miscellaneous income | 140,450 | - | 330,660 | 471,110 | 206,870 |
| Total nonoperating revenues (expenses) | <u>318,897</u> | <u>-</u> | <u>349,613</u> | <u>668,510</u> | <u>333,157</u> |
| Loss before transfers | <u>(4,015,882)</u> | <u>(55,782)</u> | <u>(880,841)</u> | <u>(4,952,505)</u> | <u>(3,874,357)</u> |
| Transfers: | | | | | |
| Transfers in | 4,385,800 | - | 618,750 | 5,004,550 | 4,680,112 |
| Transfers out | - | (6,448) | - | (6,448) | (4,876) |
| Total transfers | <u>4,385,800</u> | <u>(6,448)</u> | <u>618,750</u> | <u>4,998,102</u> | <u>4,675,236</u> |
| Change in net position | 369,918 | (62,230) | (262,091) | 45,597 | 800,879 |
| Net position (deficit) - beginning of year, as originally reported | 9,982,853 | (135,064) | (2,977,792) | 6,869,997 | 6,382,563 |
| Restatement for implementation of GASB Statement 75 | - | - | - | - | (313,445) |
| Net position (deficit) - beginning of year, as restated | <u>9,982,853</u> | <u>(135,064)</u> | <u>(2,977,792)</u> | <u>6,869,997</u> | <u>6,069,118</u> |
| Net position (deficit) - end of year | <u>\$ 10,352,771</u> | <u>\$ (197,294)</u> | <u>\$ (3,239,883)</u> | <u>\$ 6,915,594</u> | <u>\$ 6,869,997</u> |



THE CITY OF BOYNTON BEACH

Internal Service Funds Combining Statement of Cash Flows For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | Vehicle Service | Warehouse | Self Insurance | Total 2019 | Total 2018 |
|---|---------------------|-----------------|---------------------|-----------------------|---------------------|
| Cash Flows From Operating Activities | | | | | |
| Receipts from interfund services provided | \$ 3,330,581 | \$ 379,133 | \$ 4,998,972 | \$ 8,708,686 | \$ 9,069,587 |
| Receipts from others | 140,450 | - | 330,660 | 471,110 | 206,870 |
| Payments to suppliers | (3,106,089) | (25,230) | (5,080,632) | (8,211,951) | (8,163,550) |
| Payments to employees | (1,021,072) | (345,407) | (433,395) | (1,799,874) | (1,568,090) |
| Payments for interfund services used | (214,685) | (2,048) | (137) | (216,870) | (156,644) |
| Net cash provided by (used in) operating activities | <u>(870,815)</u> | <u>6,448</u> | <u>(184,532)</u> | <u>(1,048,899)</u> | <u>(611,827)</u> |
| Cash Flows From Non-Capital Financing Activities | | | | | |
| Loans from other funds | 1,160,301 | - | - | 1,160,301 | - |
| Transfers in | 4,385,800 | - | 618,750 | 5,004,550 | 4,680,112 |
| Transfers out | - | (6,448) | - | (6,448) | (4,876) |
| Net cash provided by (used in) non-capital financing activities | <u>5,546,101</u> | <u>(6,448)</u> | <u>618,750</u> | <u>6,158,403</u> | <u>4,675,236</u> |
| Cash Flows From Capital and Related Financing Activities | | | | | |
| Acquisition of capital assets | (6,646,517) | - | - | (6,646,517) | (3,663,995) |
| Proceeds from sale of capital assets | 178,434 | - | - | 178,434 | 122,097 |
| Net cash used in capital and related financing activities | <u>(6,468,083)</u> | <u>-</u> | <u>-</u> | <u>(6,468,083)</u> | <u>(3,541,898)</u> |
| Cash Flows From Investing Activity | | | | | |
| Investment income | 13 | - | 18,953 | 18,966 | 4,190 |
| Net cash provided by investing activity | <u>13</u> | <u>-</u> | <u>18,953</u> | <u>18,966</u> | <u>4,190</u> |
| Increase (decrease) in cash and cash equivalents | (1,792,784) | - | 453,171 | (1,339,613) | 525,701 |
| Cash and cash equivalents - beginning of year | 1,792,784 | - | 2,484,216 | 4,277,000 | 3,751,299 |
| Cash and cash equivalents - end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,937,387</u> | <u>\$ 2,937,387</u> | <u>\$ 4,277,000</u> |
| Reconciliation of Operating Loss to Net Cash Provided By (Used In) Operating Activities: | | | | | |
| Operating loss | \$ (4,334,779) | \$ (55,782) | \$ (1,230,454) | \$ (5,621,015) | \$ (4,207,514) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities: | | | | | |
| Depreciation and amortization | 4,030,965 | 1,275 | - | 4,032,240 | 3,783,380 |
| Miscellaneous income | 140,450 | - | 330,660 | 471,110 | 206,870 |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable | - | - | (1,028) | (1,028) | - |
| Other receivable | (296) | - | - | (296) | - |
| Prepaid expenses | - | - | 11,380 | 11,380 | (11,380) |
| Inventories | (303,592) | 29,135 | - | (274,457) | 76,565 |
| Deferred amounts related to pensions | (152,329) | (58,610) | (73,816) | (284,755) | 18,266 |
| Deferred amounts related to other postemployment benefits | (23,193) | (7,128) | (10,522) | (40,843) | 10,191 |
| Accounts payable | (414,238) | (98,201) | (3,442) | (515,881) | (239,789) |
| Accrued expenses | 4,727 | 1,411 | 647 | 6,785 | 6,195 |
| Due to other funds | - | 74,917 | - | 74,917 | (190,363) |
| Provision for insurance losses | - | - | 690,493 | 690,493 | 77,206 |
| Compensated absences payable | 11,175 | 5,255 | (397) | 16,033 | 22,056 |
| Other postemployment benefits | 39,598 | 12,169 | 17,964 | 69,731 | 10,335 |
| Net pension liability | 130,697 | 102,007 | 83,983 | 316,687 | (173,845) |
| Total adjustments | <u>3,463,964</u> | <u>62,230</u> | <u>1,045,922</u> | <u>4,572,116</u> | <u>3,595,687</u> |
| Net cash provided by (used in) operating activities | <u>\$ (870,815)</u> | <u>\$ 6,448</u> | <u>\$ (184,532)</u> | <u>\$ (1,048,899)</u> | <u>\$ (611,827)</u> |
| Noncash Capital and Related Financing Activity: | | | | | |
| Gain on disposal of capital assets | \$ 178,434 | \$ - | \$ - | \$ 178,434 | \$ 122,097 |



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Vehicle Service Fund Statement of Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|---------------|--------------|
| ASSETS | | |
| Current assets: | | |
| Pooled cash and investments | \$ - | \$ 1,792,784 |
| Other receivables | 296 | - |
| Inventories | 473,315 | 169,723 |
| Total current assets | 473,611 | 1,962,507 |
| Noncurrent assets: | | |
| Capital assets not being depreciated | 33,166 | 33,166 |
| Capital assets, net of accumulated depreciation | 11,826,270 | 9,210,718 |
| Total noncurrent assets | 11,859,436 | 9,243,884 |
| Total assets | 12,333,047 | 11,206,391 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 21,988 | - |
| Deferred amounts related to pensions | 99,506 | 131,253 |
| Total deferred outflows of resources | 121,494 | 131,253 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 168,819 | 583,057 |
| Accrued expenses | 30,736 | 26,009 |
| Compensated absences payable, current portion | 8,811 | 7,358 |
| Due to other funds | 1,160,301 | - |
| Total current liabilities | 1,368,667 | 616,424 |
| Noncurrent liabilities: | | |
| Compensated absences payable, less current portion | 58,967 | 49,245 |
| Other postemployment benefits | 223,462 | 183,864 |
| Net pension liability | 446,092 | 315,395 |
| Total noncurrent liabilities | 728,521 | 548,504 |
| Total liabilities | 2,097,188 | 1,164,928 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 4,582 | 5,787 |
| Deferred amounts related to pensions | - | 184,076 |
| Total deferred inflows of resources | 4,582 | 189,863 |
| NET POSITION | | |
| Investment in capital assets | 11,859,436 | 9,243,884 |
| Unrestricted (deficit) | (1,506,665) | 738,969 |
| Total net position | \$ 10,352,771 | \$ 9,982,853 |



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Vehicle Service Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|---------------|--------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 3,330,877 | \$ 3,807,797 |
| Total operating revenues | 3,330,877 | 3,807,797 |
| OPERATING EXPENSES | | |
| Personal services and benefits | 1,031,747 | 840,946 |
| Supplies, services and claims | 2,602,944 | 2,833,021 |
| Depreciation and amortization | 4,030,965 | 3,782,208 |
| Total operating expenses | 7,665,656 | 7,456,175 |
| Operating loss | (4,334,779) | (3,648,378) |
| NONOPERATING REVENUES | | |
| Investment earnings | 13 | 1,662 |
| Gain on disposal of capital assets | 178,434 | 122,097 |
| Miscellaneous income | 140,450 | 522 |
| Total nonoperating revenues | 318,897 | 124,281 |
| Loss before transfers | (4,015,882) | (3,524,097) |
| Transfers: | | |
| Transfers in | 4,385,800 | 4,061,512 |
| Total transfers | 4,385,800 | 4,061,512 |
| Change in net position | 369,918 | 537,415 |
| Net position - beginning of year, as originally reported | 9,982,853 | 9,623,433 |
| Restatement for implementation of GASB Statement 75 | - | (177,995) |
| Net position - beginning of year, as restated | 9,982,853 | 9,445,438 |
| Net position - end of year | \$ 10,352,771 | \$ 9,982,853 |



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Vehicle Service Fund Statement of Cash Flows For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|----------------|----------------|
| Cash Flows From Operating Activities | | |
| Receipts from interfund services provided | \$ 3,330,581 | \$ 3,807,797 |
| Receipts from others | 140,450 | 522 |
| Payments to suppliers | (3,106,089) | (3,032,124) |
| Payments to employees | (1,021,072) | (909,066) |
| Payments for interfund services used | (214,685) | (154,445) |
| Net cash used in operating activities | (870,815) | (287,316) |
| Cash Flows From Non-Capital Financing Activities | | |
| Loans from other funds | 1,160,301 | - |
| Transfers in | 4,385,800 | 4,061,512 |
| Net cash provided by non-capital financing activities | 5,546,101 | 4,061,512 |
| Cash Flows From Capital and Related Financing Activities | | |
| Acquisition of capital assets | (6,646,517) | (3,662,278) |
| Proceeds from sale of capital assets | 178,434 | 122,097 |
| Net cash used in capital and related financing activities | (6,468,083) | (3,540,181) |
| Cash Flows From Investing Activity | | |
| Investment income | 13 | 1,662 |
| Net cash provided by investing activity | 13 | 1,662 |
| Increase (decrease) in cash and cash equivalents | (1,792,784) | 235,677 |
| Cash and cash equivalents - beginning of year | 1,792,784 | 1,557,107 |
| Cash and cash equivalents - end of year | \$ - | \$ 1,792,784 |
| Reconciliation of Operating Loss to Net Cash Used In Operating Activities: | | |
| Operating loss | \$ (4,334,779) | \$ (3,648,378) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation and amortization | 4,030,965 | 3,782,208 |
| Miscellaneous income | 140,450 | 522 |
| Changes in operating assets and liabilities: | | |
| Other receivable | (296) | - |
| Inventories | (303,592) | 21,482 |
| Deferred amounts related to pensions | (152,329) | 10,249 |
| Deferred amounts related to other postemployment benefits | (23,193) | 5,787 |
| Accounts payable | (414,238) | (375,030) |
| Accrued expenses | 4,727 | 1,889 |
| Compensated absences payable | 11,175 | 7,710 |
| Other postemployment benefits | 39,598 | 5,869 |
| Net pension liability | 130,697 | (99,624) |
| Total adjustments | 3,463,964 | 3,361,062 |
| Net cash used in operating activities | \$ (870,815) | \$ (287,316) |
| Noncash Capital and Related Financing Activity: | | |
| Gain on disposal of capital assets | \$ 178,434 | \$ 122,097 |



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Warehouse Fund Statement of Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|--------------|--------------|
| ASSETS | | |
| Current assets: | | |
| Inventories | \$ 681,730 | \$ 710,865 |
| Total current assets | 681,730 | 710,865 |
| Noncurrent assets: | | |
| Capital assets, net of accumulated depreciation | 1,211 | 2,486 |
| Total noncurrent assets | 1,211 | 2,486 |
| Total assets | 682,941 | 713,351 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 6,757 | - |
| Deferred amounts related to pensions | 39,969 | 40,336 |
| Total deferred outflows of resources | 46,726 | 40,336 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 51,552 | 149,753 |
| Accrued expenses | 10,668 | 9,257 |
| Compensated absences payable, current portion | 6,271 | 5,587 |
| Due to other funds | 536,996 | 462,079 |
| Total current liabilities | 605,487 | 626,676 |
| Noncurrent liabilities: | | |
| Compensated absences payable, less current portion | 41,964 | 37,393 |
| Other postemployment benefits | 68,674 | 56,505 |
| Net pension liability | 198,933 | 96,926 |
| Total noncurrent liabilities | 309,571 | 190,824 |
| Total liabilities | 915,058 | 817,500 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 1,408 | 1,779 |
| Deferred amounts related to pensions | 10,495 | 69,472 |
| Total deferred inflows of resources | 11,903 | 71,251 |
| NET POSITION (DEFICIT) | | |
| Investment in capital assets | 1,211 | 2,486 |
| Unrestricted (deficit) | (198,505) | (137,550) |
| Total net position (deficit) | \$ (197,294) | \$ (135,064) |



THE CITY OF BOYNTON BEACH

Warehouse Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|--------------|--------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 379,133 | \$ 361,787 |
| Total operating revenues | 379,133 | 361,787 |
| OPERATING EXPENSES | | |
| Personal services and benefits | 400,511 | 264,633 |
| Supplies, services and claims | 33,129 | 31,259 |
| Depreciation and amortization | 1,275 | 989 |
| Total operating expenses | 434,915 | 296,881 |
| Operating income (loss) | (55,782) | 64,906 |
| Transfers: | | |
| Transfers out | (6,448) | (4,876) |
| Total transfers | (6,448) | (4,876) |
| Change in net position | (62,230) | 60,030 |
| Net position (deficit) - beginning of year, as originally reported | (135,064) | (140,393) |
| Restatement for implementation of GASB Statement 75 | - | (54,701) |
| Net position (deficit) - beginning of year, as restated | (135,064) | (195,094) |
| Net position (deficit) - end of year | \$ (197,294) | \$ (135,064) |



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Warehouse Fund Statement of Cash Flows For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|-------------|------------|
| Cash Flows From Operating Activities | | |
| Receipts from interfund services provided | \$ 379,133 | \$ 361,787 |
| Payments to suppliers | (25,230) | (69,886) |
| Payments to employees | (345,407) | (283,273) |
| Payments for interfund services used | (2,048) | (2,035) |
| Net cash provided by operating activities | 6,448 | 6,593 |
| Cash Flows From Non-Capital Financing Activity | | |
| Transfers out | (6,448) | (4,876) |
| Net cash used in non-capital financing activity | (6,448) | (4,876) |
| Cash Flows From Capital and Related Financing Activity | | |
| 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 | \$ - | \$ - |
| Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities: | | |
| Operating income (loss) | \$ (55,782) | \$ 64,906 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,275 | 989 |
| Changes in operating assets and liabilities: | | |
| Inventories | 29,135 | 55,083 |
| Deferred amounts related to pensions | (58,610) | 3,295 |
| Deferred amounts related to other postemployment benefits | (7,128) | 1,779 |
| Accounts payable | (98,201) | 94,618 |
| Accrued expenses | 1,411 | 1,359 |
| Due to other funds | 74,917 | (190,363) |
| Compensated absences payable | 5,255 | 2,679 |
| Other postemployment benefits | 12,169 | 1,804 |
| Net pension liability | 102,007 | (29,556) |
| Total adjustments | 62,230 | (58,313) |
| Net cash provided by operating activities | \$ 6,448 | \$ 6,593 |



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Self Insurance Fund Statement of Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|----------------|----------------|
| ASSETS | | |
| Current assets: | | |
| Pooled cash and investments | \$ 2,937,387 | \$ 2,484,216 |
| Accounts receivable | 1,028 | - |
| Prepaid expenses | - | 11,380 |
| Total current assets | 2,938,415 | 2,495,596 |
| Total assets | 2,938,415 | 2,495,596 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 9,975 | - |
| Deferred amounts related to pensions | 45,622 | 59,544 |
| Total deferred outflows of resources | 55,597 | 59,544 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 304,228 | 307,670 |
| Accrued expenses | 13,401 | 12,754 |
| Provision for insurance losses, current portion | 1,994,614 | 1,777,545 |
| Compensated absences payable, current portion | 2,108 | 2,160 |
| Total current liabilities | 2,314,351 | 2,100,129 |
| Noncurrent liabilities: | | |
| Provision for insurance losses, less current portion | 3,550,574 | 3,077,150 |
| Compensated absences payable, less current portion | 14,110 | 14,455 |
| Other postemployment benefits | 101,375 | 83,411 |
| Net pension liability | 227,065 | 143,082 |
| Total noncurrent liabilities | 3,893,124 | 3,318,098 |
| Total liabilities | 6,207,475 | 5,418,227 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred amounts related to other postemployment benefits | 2,078 | 2,625 |
| Deferred amounts related to pensions | 24,342 | 112,080 |
| Total deferred inflows of resources | 26,420 | 114,705 |
| NET POSITION (DEFICIT) | | |
| Unrestricted (deficit) | (3,239,883) | (2,977,792) |
| Total net position (deficit) | \$ (3,239,883) | \$ (2,977,792) |



THE CITY OF BOYNTON BEACH

Self Insurance Fund Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 5,000,000 | \$ 4,900,003 |
| Total operating revenues | 5,000,000 | 4,900,003 |
| OPERATING EXPENSES | | |
| Personal services and benefits | 451,254 | 355,709 |
| Supplies, services and claims | 5,779,200 | 5,168,153 |
| Depreciation and amortization | - | 183 |
| Total operating expenses | 6,230,454 | 5,524,045 |
| Operating loss | (1,230,454) | (624,042) |
| NONOPERATING REVENUES | | |
| Investment earnings | 18,953 | 2,528 |
| Miscellaneous income | 330,660 | 206,348 |
| Total nonoperating revenues | 349,613 | 208,876 |
| Loss before transfers | (880,841) | (415,166) |
| Transfers: | | |
| Transfers in | 618,750 | 618,600 |
| Total transfers | 618,750 | 618,600 |
| Change in net position | (262,091) | 203,434 |
| Net position (deficit) - beginning of year, as originally reported | (2,977,792) | (3,100,477) |
| Restatement for implementation of GASB Statement 75 | - | (80,749) |
| Net position (deficit) - beginning of year, as restated | (2,977,792) | (3,181,226) |
| Net position (deficit) - end of year | \$ (3,239,883) | \$ (2,977,792) |



THE CITY OF BOYNTON BEACH

Self Insurance Fund Statement of Cash Flows For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|---|----------------|--------------|
| Cash Flows From Operating Activities | | |
| Receipts from interfund services provided | \$ 4,998,972 | \$ 4,900,003 |
| Receipts from others | 330,660 | 206,348 |
| Payments to suppliers | (5,080,632) | (5,061,540) |
| Payments to employees | (433,395) | (375,751) |
| Payments for interfund services used | (137) | (164) |
| Net cash used in operating activities | (184,532) | (331,104) |
| Cash Flows From Non-Capital Financing Activity | | |
| Transfers in | 618,750 | 618,600 |
| Net cash provided by non-capital financing activity | 618,750 | 618,600 |
| Cash Flows From Investing Activity | | |
| Investment income | 18,953 | 2,528 |
| Net cash provided by investing activity | 18,953 | 2,528 |
| Increase in cash and cash equivalents | 453,171 | 290,024 |
| Cash and cash equivalents - beginning of year | 2,484,216 | 2,194,192 |
| Cash and cash equivalents - end of year | \$ 2,937,387 | \$ 2,484,216 |
| Reconciliation of Operating Loss to Net Cash Used In Operating Activities: | | |
| Operating loss | \$ (1,230,454) | \$ (624,042) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation and amortization | - | 183 |
| Miscellaneous income | 330,660 | 206,348 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (1,028) | - |
| Prepaid expenses | 11,380 | (11,380) |
| Deferred amounts related to pensions | (73,816) | 4,722 |
| Deferred amounts related to other postemployment benefits | (10,522) | 2,625 |
| Accounts payable | (3,442) | 40,623 |
| Accrued expenses | 647 | 2,947 |
| Provision for insurance losses | 690,493 | 77,206 |
| Compensated absences payable | (397) | 11,667 |
| Other postemployment benefits | 17,964 | 2,662 |
| Net pension liability | 83,983 | (44,665) |
| Total adjustments | 1,045,922 | 292,938 |
| Net cash used in operating activities | \$ (184,532) | \$ (331,104) |





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, 2019 (With Comparative Figures for 2018)

| | General Employees' Pension Fund | Police Officers' Pension Fund | Firefighters' Pension Fund | Total 2019 | Total 2018 |
|--|---------------------------------------|-------------------------------------|-------------------------------|-----------------------|-----------------------|
| ASSETS | | | | | |
| Cash | \$ 1,185,981 | \$ 2,392 | \$ - | \$ 1,188,373 | \$ 1,189,529 |
| Investments: | | | | | |
| Money market mutual funds | 1,554,675 | - | 2,724,691 | 4,279,366 | 5,253,913 |
| U.S. Government and Agency obligations | 12,611,358 | - | 9,664,737 | 22,276,095 | 23,280,160 |
| Mortgage-backed securities | 2,898,940 | - | - | 2,898,940 | 3,819,593 |
| Corporate obligations | 9,856,395 | - | 5,900,335 | 15,756,730 | 11,604,631 |
| Equity securities | 58,022,572 | - | 33,918,890 | 91,941,462 | 94,988,032 |
| Equity mutual funds | 50,251,231 | - | - | 50,251,231 | 47,536,140 |
| Equity investment funds | 15,852,283 | 68,787,511 | 25,674,061 | 110,313,855 | 102,856,561 |
| International equity investment funds | - | - | 21,014,778 | 21,014,778 | 18,061,651 |
| Fixed income investment funds | - | 30,616,407 | 12,968,755 | 43,585,162 | 41,700,894 |
| Real estate investment funds | 32,090,565 | 7,071,372 | 10,820,467 | 49,982,404 | 45,791,573 |
| Contributions receivable | - | - | - | - | 789,121 |
| Interest and dividends receivable | 179,381 | - | 141,809 | 321,190 | 342,412 |
| Pending trades receivable | 139,140 | 547,827 | 10,800 | 697,767 | 643,976 |
| DROP loans | - | 283,627 | 175,089 | 458,716 | 366,066 |
| Prepaid expenses | 5,993 | 8,716 | 8,230 | 22,939 | 25,744 |
| Total assets | <u>184,648,514</u> | <u>107,317,852</u> | <u>123,022,642</u> | <u>414,989,008</u> | <u>398,249,996</u> |
| LIABILITIES | | | | | |
| Accounts payable | 293,396 | 171,736 | 65,013 | 530,145 | 507,976 |
| Pending trades payable | 336,734 | - | 165,273 | 502,007 | 635,153 |
| Total liabilities | <u>630,130</u> | <u>171,736</u> | <u>230,286</u> | <u>1,032,152</u> | <u>1,143,129</u> |
| NET POSITION | | | | | |
| Net position restricted for pension benefits | <u>\$ 184,018,384</u> | <u>\$ 107,146,116</u> | <u>\$ 122,792,356</u> | <u>\$ 413,956,856</u> | <u>\$ 397,106,867</u> |



THE CITY OF BOYNTON BEACH

Pension Trust Funds Combining Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | General Employees' Pension Fund | Police Officers' Pension Fund | Firefighters' Pension Fund | Total 2019 | Total 2018 |
|--|---------------------------------------|-------------------------------------|-------------------------------|-----------------------|-----------------------|
| ADDITIONS | | | | | |
| Contributions: | | | | | |
| Employer | \$ 7,320,463 | \$ 5,809,713 | \$ 5,627,597 | \$ 18,757,773 | \$ 17,909,417 |
| Plan members | 1,564,653 | 1,092,081 | 1,903,772 | 4,560,506 | 4,646,598 |
| State | - | 861,862 | 830,904 | 1,692,766 | 1,614,628 |
| Total contributions | <u>8,885,116</u> | <u>7,763,656</u> | <u>8,362,273</u> | <u>25,011,045</u> | <u>24,170,643</u> |
| Investment earnings: | | | | | |
| Net appreciation in fair value of investments | 2,968,800 | 6,124,070 | 5,159,423 | 14,252,293 | 27,368,956 |
| Interest and dividends | 3,960,572 | 845 | 2,019,009 | 5,980,426 | 5,352,569 |
| Miscellaneous | 16,763 | 450 | 7,958 | 25,171 | 39,333 |
| | <u>6,946,135</u> | <u>6,125,365</u> | <u>7,186,390</u> | <u>20,257,890</u> | <u>32,760,858</u> |
| Less investment expenses: | | | | | |
| Investment expenses | 830,995 | 698,910 | 350,840 | 1,880,745 | 1,909,703 |
| Net investment earnings | 6,115,140 | 5,426,455 | 6,835,550 | 18,377,145 | 30,851,155 |
| Total additions | <u>15,000,256</u> | <u>13,190,111</u> | <u>15,197,823</u> | <u>43,388,190</u> | <u>55,021,798</u> |
| DEDUCTIONS | | | | | |
| Benefits paid | 10,299,754 | 7,828,430 | 7,597,186 | 25,725,370 | 22,598,718 |
| Refunds of contributions | 261,878 | 19,613 | 26,917 | 308,408 | 386,991 |
| Administrative expenses | 141,005 | 178,668 | 184,750 | 504,423 | 442,573 |
| Total deductions | <u>10,702,637</u> | <u>8,026,711</u> | <u>7,808,853</u> | <u>26,538,201</u> | <u>23,428,282</u> |
| Change in plan net position | 4,297,619 | 5,163,400 | 7,388,970 | 16,849,989 | 31,593,516 |
| Net position restricted for pension benefits | | | | | |
| Beginning of year | 179,720,765 | 101,982,716 | 115,403,386 | 397,106,867 | 365,513,351 |
| End of year | <u>\$ 184,018,384</u> | <u>\$ 107,146,116</u> | <u>\$ 122,792,356</u> | <u>\$ 413,956,856</u> | <u>\$ 397,106,867</u> |



THE CITY OF BOYNTON BEACH

General Employees' Pension Fund Statement of Fiduciary Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| ASSETS | | |
| Cash | \$ 1,185,981 | \$ 1,187,353 |
| Investments: | | |
| Money market mutual funds | 1,554,675 | 2,632,734 |
| U.S. Government and Agency obligations | 12,611,358 | 11,582,223 |
| Mortgage-backed securities | 2,898,940 | 3,819,593 |
| Corporate obligations | 9,856,395 | 6,856,977 |
| Equity securities | 58,022,572 | 62,984,099 |
| Equity mutual funds | 50,251,231 | 47,536,140 |
| Equity investment funds | 15,852,283 | 14,641,778 |
| Real estate investment funds | 32,090,565 | 28,821,492 |
| Interest and dividends receivable | 179,381 | 206,357 |
| Pending trades receivable | 139,140 | 192,749 |
| Prepaid expenses | 5,993 | 8,793 |
| Total assets | 184,648,514 | 180,470,288 |
| LIABILITIES | | |
| Accounts payable | 293,396 | 269,605 |
| Pending trades payable | 336,734 | 479,918 |
| Total liabilities | 630,130 | 749,523 |
| NET POSITION | | |
| Net position restricted for pension benefits | \$ 184,018,384 | \$ 179,720,765 |



THE CITY OF BOYNTON BEACH

General Employees' Pension Fund Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 7,320,463 | \$ 7,110,298 |
| Plan members | 1,564,653 | 1,532,846 |
| Total contributions | 8,885,116 | 8,643,144 |
| Investment earnings: | | |
| Net appreciation in fair value of investments | 2,968,800 | 12,502,459 |
| Interest and dividends | 3,960,572 | 3,570,016 |
| Miscellaneous | 16,763 | 5,568 |
| | 6,946,135 | 16,078,043 |
| Less investment expenses: | | |
| Investment expenses | 830,995 | 827,688 |
| Net investment earnings | 6,115,140 | 15,250,355 |
| Total additions | 15,000,256 | 23,893,499 |
| DEDUCTIONS | | |
| Benefits paid | 10,299,754 | 9,810,800 |
| Refunds of contributions | 261,878 | 158,309 |
| Administrative expenses | 141,005 | 137,738 |
| Total deductions | 10,702,637 | 10,106,847 |
| Change in plan net position | 4,297,619 | 13,786,652 |
| Net position restricted for pension benefits - beginning of year | 179,720,765 | 165,934,113 |
| Net position restricted for pension benefits - end of year | \$ 184,018,384 | \$ 179,720,765 |



THE CITY OF BOYNTON BEACH

Police Officers' Pension Fund Statement of Fiduciary Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| ASSETS | | |
| Cash | \$ 2,392 | \$ 2,176 |
| Investments: | | |
| Equity investment funds | 68,787,511 | 65,545,141 |
| Fixed income investment fund | 30,616,407 | 29,173,271 |
| Real estate investment fund | 7,071,372 | 6,740,412 |
| Pending trades receivable | 547,827 | 439,048 |
| DROP loans | 283,627 | 254,315 |
| Prepaid expenses | 8,716 | 8,716 |
| Total assets | 107,317,852 | 102,163,079 |
| LIABILITIES | | |
| Accounts payable | 171,736 | 180,363 |
| Total liabilities | 171,736 | 180,363 |
| NET POSITION | | |
| Net position restricted for pension benefits | \$ 107,146,116 | \$ 101,982,716 |



THE CITY OF BOYNTON BEACH

Police Officers' Pension Fund Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 5,809,713 | \$ 5,355,058 |
| Plan members | 1,092,081 | 1,316,764 |
| State | 861,862 | 825,507 |
| Total contributions | 7,763,656 | 7,497,329 |
| Investment earnings: | | |
| Net appreciation in fair value of investments | 6,124,070 | 7,090,035 |
| Interest and dividends | 845 | 1,660 |
| Miscellaneous | 450 | 1,750 |
| | 6,125,365 | 7,093,445 |
| Less investment expenses: | | |
| Investment expenses | 698,910 | 714,381 |
| Net investment earnings | 5,426,455 | 6,379,064 |
| Total additions | 13,190,111 | 13,876,393 |
| DEDUCTIONS | | |
| Benefits paid | 7,828,430 | 6,817,205 |
| Refunds of contributions | 19,613 | 122,701 |
| Administrative expenses | 178,668 | 163,266 |
| Total deductions | 8,026,711 | 7,103,172 |
| Change in plan net position | 5,163,400 | 6,773,221 |
| Net position restricted for pension benefits - beginning of year | 101,982,716 | 95,209,495 |
| Net position restricted for pension benefits - end of year | \$ 107,146,116 | \$ 101,982,716 |



THE CITY OF BOYNTON BEACH

Firefighters' Pension Fund Statement of Fiduciary Net Position September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| ASSETS | | |
| Investments: | | |
| Money market mutual funds | \$ 2,724,691 | \$ 2,621,179 |
| U.S. Government and Agency obligations | 9,664,737 | 11,697,937 |
| Corporate obligations | 5,900,335 | 4,747,654 |
| Equity securities | 33,918,890 | 32,003,933 |
| Equity investment funds | 25,674,061 | 22,669,642 |
| International equity investment funds | 21,014,778 | 18,061,651 |
| Fixed income investment funds | 12,968,755 | 12,527,623 |
| Real estate investment funds | 10,820,467 | 10,229,669 |
| Contributions receivable | - | 789,121 |
| Interest and dividends receivable | 141,809 | 136,055 |
| Pending trades receivable | 10,800 | 12,179 |
| DROP loans | 175,089 | 111,751 |
| Prepaid expenses | 8,230 | 8,235 |
| Total assets | 123,022,642 | 115,616,629 |
| LIABILITIES | | |
| Accounts payable | 65,013 | 58,008 |
| Pending trades payable | 165,273 | 155,235 |
| Total liabilities | 230,286 | 213,243 |
| NET ASSETS | | |
| Net position restricted for pension benefits | \$ 122,792,356 | \$ 115,403,386 |



THE CITY OF BOYNTON BEACH

Firefighters' Pension Fund Statement of Changes in Fiduciary Net Position For the Year Ended September 30, 2019 (With Comparative Figures for 2018)

| | 2019 | 2018 |
|--|----------------|----------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 5,627,597 | \$ 5,444,061 |
| Plan members | 1,903,772 | 1,796,988 |
| State | 830,904 | 789,121 |
| Total contributions | 8,362,273 | 8,030,170 |
| Investment earnings: | | |
| Net appreciation in fair value of investments | 5,159,423 | 7,776,462 |
| Interest and dividends | 2,019,009 | 1,780,893 |
| Miscellaneous | 7,958 | 32,015 |
| | 7,186,390 | 9,589,370 |
| Less investment expenses: | | |
| Investment expenses | 350,840 | 367,634 |
| Net investment earnings | 6,835,550 | 9,221,736 |
| Total additions | 15,197,823 | 17,251,906 |
| DEDUCTIONS | | |
| Benefits paid | 7,597,186 | 5,970,713 |
| Refunds of contributions | 26,917 | 105,981 |
| Administrative expenses | 184,750 | 141,569 |
| Total deductions | 7,808,853 | 6,218,263 |
| Change in plan net position | 7,388,970 | 11,033,643 |
| Net position restricted for pension benefits - beginning of year | 115,403,386 | 104,369,743 |
| Net position restricted for pension benefits - end of year | \$ 122,792,356 | \$ 115,403,386 |





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.

| <u>Contents</u> | <u>Page</u> |
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| <u>Financial Trends</u> | |
| <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i> | |
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| Governmental Activities Tax Revenues by Source | III-8 |
| Fund Balance of Governmental Funds | III-9 |
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| <u>Revenue Capacity</u> | |
| <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i> | |
| Assessed Value and Estimated Actual Value of Taxable Property | III-13 |
| Property Tax Rates – Direct and Overlapping Governments | III-15 |
| Ten Principal Property Taxpayers | III-16 |
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| <u>Debt Capacity</u> | |
| <i>These schedules contain information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i> | |
| Ratios of Outstanding Debt by Type | III-18 |
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| <u>Demographics and Economic Information</u> | |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i> | |
| Demographic and Economic Statistics | III-24 |
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| <u>Operating Information</u> | |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i> | |
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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 | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2010 | 2011 | 2012 | 2013 |
| GOVERNMENTAL ACTIVITIES | | | | |
| Net investment in capital assets | \$ 47,320,741 | \$ 45,331,243 | \$ 43,154,695 | \$ 43,915,691 |
| Restricted | 29,793,106 | 3,289,038 | 6,184,429 | 4,772,382 |
| Unrestricted (deficit) | 14,751,944 | 38,199,258 | 38,808,332 | 37,408,798 |
| Total governmental activities net position | <u>\$ 91,865,791</u> | <u>\$ 86,819,539</u> | <u>\$ 88,147,456</u> | <u>\$ 86,096,871</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Net investment in capital assets | \$ 109,551,549 | \$ 113,343,953 | \$ 134,502,795 | \$ 135,724,154 |
| Restricted | 33,486,024 | 27,526,325 | 1,961,504 | 1,654,178 |
| Unrestricted | 31,932,723 | 31,595,279 | 30,656,355 | 27,799,397 |
| Total business-type activities net position | <u>\$ 174,970,296</u> | <u>\$ 172,465,557</u> | <u>\$ 167,120,654</u> | <u>\$ 165,177,729</u> |
| TOTAL PRIMARY GOVERNMENT | | | | |
| Net investment in capital assets | \$ 156,872,290 | \$ 158,675,196 | \$ 177,657,490 | \$ 179,639,845 |
| Restricted | 63,279,130 | 30,815,363 | 8,145,933 | 6,426,560 |
| Unrestricted (deficit) | 46,684,667 | 69,794,537 | 69,464,687 | 65,208,195 |
| Total primary government net position | <u>\$ 266,836,087</u> | <u>\$ 259,285,096</u> | <u>\$ 255,268,110</u> | <u>\$ 251,274,600</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 | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ 48,517,011 | \$ 49,878,248 | \$ 51,190,967 | \$ 51,655,230 | \$ 52,390,429 | \$ 61,899,426 |
| 3,817,815 | 3,334,645 | 3,035,739 | 6,209,514 | 9,814,156 | 12,041,320 |
| 36,496,158 | (51,459,872) | (47,642,113) | (40,423,781) | (34,845,281) | (33,014,470) |
| <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> | <u>\$ 40,926,276</u> |
| | | | | | |
| \$ 134,958,037 | \$ 135,846,516 | \$ 138,521,160 | \$ 137,638,134 | \$ 139,293,677 | \$ 142,047,633 |
| 1,846,079 | 2,042,671 | 2,239,433 | 2,213,359 | 2,299,384 | 2,501,622 |
| 25,930,440 | 14,643,361 | 14,525,497 | 15,690,560 | 13,419,107 | 13,762,598 |
| <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> | <u>\$ 158,311,853</u> |
| | | | | | |
| \$ 183,475,048 | \$ 185,724,764 | \$ 189,712,127 | \$ 189,293,364 | \$ 191,684,106 | \$ 203,947,059 |
| 5,663,894 | 5,377,316 | 5,275,172 | 8,422,873 | 12,113,540 | 14,542,942 |
| 62,426,598 | (36,816,511) | (33,116,616) | (24,733,221) | (21,426,174) | (19,251,872) |
| <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> | <u>\$ 199,238,129</u> |



THE CITY OF BOYNTON BEACH

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

| | Fiscal Year | | | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2010 | 2011 | 2012 | 2013 |
| EXPENSES | | | | |
| Governmental activities: | | | | |
| General government | \$ 18,737,298 | \$ 16,580,084 | \$ 16,628,649 | \$ 17,367,632 |
| Public safety | 51,742,281 | 49,820,122 | 48,264,463 | 49,943,737 |
| Physical environment | 2,049,821 | 1,922,230 | 1,883,613 | 1,985,677 |
| Economic environment | 5,742,630 | 4,612,914 | 1,768,934 | 2,856,423 |
| Culture and recreation | 10,958,549 | 10,424,628 | 9,624,728 | 9,972,236 |
| Interest on long-term debt | 2,722,629 | 2,663,153 | 2,534,797 | 2,183,781 |
| Total governmental activities expenses | <u>91,953,208</u> | <u>86,023,131</u> | <u>80,705,184</u> | <u>84,309,486</u> |
| Business-type activities: | | | | |
| Water and sewer | 35,340,105 | 35,460,168 | 36,182,879 | 34,194,478 |
| Sanitation | 7,384,218 | 7,470,324 | 7,333,593 | 7,591,901 |
| Golf course | 2,482,366 | 2,392,419 | 2,127,791 | 1,989,641 |
| Total business-type activities expenses | <u>45,206,689</u> | <u>45,322,911</u> | <u>45,644,263</u> | <u>43,776,020</u> |
| Total primary government expenses | <u>\$ 137,159,897</u> | <u>\$ 131,346,042</u> | <u>\$ 126,349,447</u> | <u>\$ 128,085,506</u> |
| PROGRAM REVENUES | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | \$ 4,545,268 | \$ 5,391,847 | \$ 5,968,670 | \$ 6,263,060 |
| Public safety | 8,918,145 | 9,317,546 | 10,924,447 | 5,786,137 |
| Physical environment | 150,423 | 104,047 | 193,742 | 221,175 |
| Economic environment | 54,599 | 122,296 | 10,472 | - |
| Culture and recreation | 985,278 | 1,110,191 | 1,149,664 | 1,203,181 |
| Operating grants and contributions: | | | | |
| General government | 176,136 | - | 23,704 | 42,685 |
| Public safety | 1,337,611 | 627,789 | 622,669 | 529,019 |
| Physical environment | 75,396 | 55,108 | 80,800 | - |
| Economic environment | 2,505,730 | 1,698,526 | 1,036,594 | 1,509,293 |
| Culture and recreation | 237,483 | 1,592,726 | 340,025 | 290,026 |
| Capital grants and contributions: | | | | |
| General government | - | - | - | - |
| Public safety | 35,002 | 256,307 | 56,986 | 59,101 |
| 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 | 58,092 |
| Total governmental activities program revenues | <u>19,596,865</u> | <u>21,471,589</u> | <u>20,545,047</u> | <u>15,961,769</u> |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water and sewer | 35,944,991 | 38,186,059 | 38,025,492 | 38,814,428 |
| Sanitation | 9,298,463 | 10,080,888 | 10,245,462 | 10,361,241 |
| Golf course | 2,036,328 | 1,967,363 | 1,816,629 | 1,721,776 |
| Operating grants and contributions: | | | | |
| Sanitation | 117,171 | 125,719 | - | - |
| Capital grants and contributions: | | | | |
| Water and sewer | 1,218,819 | 183,462 | 226,811 | 2,503,790 |
| Total business-type activities program revenues | <u>48,615,772</u> | <u>50,543,491</u> | <u>50,314,394</u> | <u>53,401,235</u> |
| Total primary government program revenues | <u>\$ 68,212,637</u> | <u>\$ 72,015,080</u> | <u>\$ 70,859,441</u> | <u>\$ 69,363,004</u> |
| NET (EXPENSE)/REVENUE | | | | |
| Governmental activities | \$ (72,356,343) | \$ (64,551,542) | \$ (60,160,137) | \$ (68,347,717) |
| Business-type activities | 3,409,083 | 5,220,580 | 4,670,131 | 9,625,215 |
| Total primary government net expense | <u>\$ (68,947,260)</u> | <u>\$ (59,330,962)</u> | <u>\$ (55,490,006)</u> | <u>\$ (58,722,502)</u> |



THE CITY OF BOYNTON BEACH

| Fiscal Year | | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ 16,991,337 | \$ 16,756,253 | \$ 17,446,178 | \$ 17,248,803 | \$ 21,534,502 | \$ 23,485,076 |
| 50,392,153 | 58,570,187 | 56,226,627 | 59,269,809 | 61,127,252 | 63,271,710 |
| 2,141,055 | 2,192,587 | 2,090,605 | 2,184,200 | 2,188,823 | 2,125,856 |
| 2,151,592 | 2,995,977 | 4,102,240 | 4,040,011 | 11,450,205 | 10,204,754 |
| 10,924,060 | 11,127,163 | 10,947,954 | 10,786,599 | 10,900,242 | 11,432,254 |
| 2,027,810 | 1,165,259 | 1,238,456 | 1,149,442 | 1,122,852 | 1,361,811 |
| <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> | <u>111,881,461</u> |
| 36,748,098 | 37,343,155 | 36,764,285 | 38,299,935 | 39,448,905 | 40,144,769 |
| 8,070,015 | 8,276,973 | 8,699,222 | 10,067,260 | 9,893,397 | 10,678,459 |
| 2,035,884 | 2,007,293 | 1,859,179 | 1,535,230 | 1,563,671 | 1,731,769 |
| <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>52,554,997</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> | <u>\$ 164,436,458</u> |
| | | | | | |
| \$ 6,219,554 | \$ 7,371,307 | \$ 7,045,867 | \$ 7,065,570 | \$ 10,313,177 | \$ 11,080,582 |
| 6,101,902 | 7,242,279 | 7,853,220 | 8,173,541 | 7,915,513 | 15,801,777 |
| 178,455 | 138,400 | 86,225 | 143,100 | 158,158 | 170,726 |
| - | - | - | 1,128 | 5,247 | - |
| 1,242,486 | 1,355,498 | 1,237,221 | 1,104,571 | 1,176,531 | 1,817,879 |
| 59,166 | 73,128 | 164,095 | 3,233,477 | 211,528 | 209,101 |
| 715,856 | 719,927 | 109,325 | 213,308 | 92,854 | 87,411 |
| - | - | - | - | - | - |
| 924,141 | 705,285 | 714,658 | 565,364 | 935,697 | 850,353 |
| 170,623 | 399,106 | 282,510 | 450,029 | 213,693 | 22,132 |
| - | - | - | - | - | - |
| 56,159 | 78,967 | - | - | 22,997 | 17,903 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 50,651 | 37,779 | 27,256 | 3,632 | 72,331 | 69,074 |
| <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> | <u>30,126,938</u> |
| | | | | | |
| 41,544,004 | 43,589,493 | 45,095,405 | 46,056,827 | 46,397,059 | 48,053,094 |
| 10,615,183 | 10,881,915 | 11,322,781 | 11,854,871 | 11,911,986 | 12,623,017 |
| 1,677,960 | 1,744,974 | 1,451,977 | 1,284,176 | 1,569,682 | 1,989,009 |
| - | - | - | - | - | - |
| 302,801 | 2,651,490 | 1,911,050 | 215,756 | 2,138,466 | 1,732,808 |
| <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>64,397,928</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> | <u>\$ 94,524,866</u> |
| | | | | | |
| \$ (68,909,014) | \$ (74,685,750) | \$ (74,531,683) | \$ (73,725,144) | \$ (87,206,150) | \$ (81,754,523) |
| 7,285,951 | 11,240,451 | 12,458,527 | 9,509,205 | 11,111,220 | 11,842,931 |
| <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> | <u>\$ (69,911,592)</u> |



THE CITY OF BOYNTON BEACH

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

| | Fiscal Year | | | |
|---|------------------------|-----------------------|-----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 25,838,049 | \$ 21,941,677 | \$ 22,600,580 | \$ 23,480,334 |
| Tax increment | 6,760,869 | 5,660,118 | 5,730,453 | 5,614,228 |
| Franchise taxes | 4,410,217 | 4,546,878 | 4,287,510 | 4,296,681 |
| Public service taxes | 5,882,533 | 5,899,255 | 5,928,449 | 6,395,124 |
| Communications services tax | 3,006,923 | 2,838,133 | 2,583,369 | 2,775,603 |
| Sales taxes | 4,094,172 | 4,294,745 | 4,462,768 | 4,702,203 |
| Gas taxes | 1,139,595 | 1,124,405 | 1,159,641 | 1,152,519 |
| Intergovernmental, unrestricted | 1,953,049 | 2,037,246 | 2,109,974 | 2,226,865 |
| Special assessments | - | - | - | 4,935,223 |
| Investment earnings (loss) | 1,608,128 | 990,738 | 614,233 | (47,898) |
| Gain on disposal of capital assets | - | - | - | - |
| Miscellaneous | 788,886 | 1,284,954 | 855,739 | 927,210 |
| Special item | (254,300) | - | - | - |
| Transfers | 7,841,596 | 8,887,141 | 11,155,338 | 10,286,077 |
| Total governmental activities | <u>63,069,717</u> | <u>59,505,290</u> | <u>61,488,054</u> | <u>66,744,169</u> |
| Business-type activities: | | | | |
| Investment earnings (loss) | 1,359,887 | 1,106,732 | 1,104,858 | (331,102) |
| Miscellaneous | 475,247 | 55,090 | 35,446 | 48,300 |
| Transfers | (7,841,596) | (8,887,141) | (11,155,338) | (10,286,077) |
| Total business-type activities | <u>(6,006,462)</u> | <u>(7,725,319)</u> | <u>(10,015,034)</u> | <u>(10,568,879)</u> |
| Total primary government | <u>\$ 57,063,255</u> | <u>\$ 51,779,971</u> | <u>\$ 51,473,020</u> | <u>\$ 56,175,290</u> |
| CHANGE IN NET POSITION (DEFICIT) | | | | |
| Governmental activities | \$ (9,286,626) | \$ (5,046,252) | \$ 1,327,917 | \$ 66,744,169 |
| Business-type activities | (2,597,379) | (2,504,739) | (5,344,903) | (10,568,879) |
| Total primary government | <u>\$ (11,884,005)</u> | <u>\$ (7,550,991)</u> | <u>\$ (4,016,986)</u> | <u>\$ 56,175,290</u> |



THE CITY OF BOYNTON BEACH

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ 25,080,586 | \$ 26,891,091 | \$ 29,642,316 | \$ 31,704,673 | \$ 33,819,753 | \$ 36,273,555 |
| 7,022,119 | 8,317,868 | 9,585,902 | 10,579,150 | 11,776,329 | 12,549,087 |
| 4,636,483 | 4,688,568 | 4,669,059 | 4,784,734 | 4,715,685 | 4,581,640 |
| 6,987,760 | 7,156,246 | 7,352,212 | 7,576,223 | 7,735,274 | 7,873,870 |
| 2,494,978 | 2,509,197 | 2,383,974 | 2,558,269 | 2,325,012 | 2,552,477 |
| 5,033,943 | 5,434,292 | 4,760,885 | 5,738,662 | 11,162,782 | 12,058,775 |
| 1,199,533 | 1,279,010 | 1,313,329 | 1,368,662 | 1,401,786 | 1,415,063 |
| 2,400,103 | 2,378,947 | 2,484,312 | 2,638,921 | 2,938,720 | 3,049,123 |
| 4,933,830 | 5,607,447 | 5,680,335 | 5,692,928 | 6,859,492 | - |
| 188,876 | 215,569 | 248,905 | 308,926 | 491,696 | 1,188,447 |
| - | - | - | - | - | 177,653 |
| 1,273,177 | 972,829 | 759,197 | 2,022,322 | 3,525,293 | 3,494,049 |
| - | - | - | - | - | - |
| 10,391,739 | 11,030,255 | 10,482,829 | 9,608,044 | 9,740,787 | 10,107,756 |
| <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> | <u>95,321,495</u> |
| 614,598 | 715,946 | 697,288 | 314,624 | 54,395 | 1,434,870 |
| 48,017 | 51,846 | 80,556 | 40,178 | 99,382 | 129,640 |
| <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>(10,107,756)</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>(8,543,246)</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> | <u>\$ 86,778,249</u> |
| \$ 2,734,113 | \$ 1,795,569 | \$ 4,831,572 | \$ 10,856,370 | \$ 9,286,459 | \$ 13,566,972 |
| (2,443,173) | 977,988 | 2,753,542 | 255,963 | 1,524,210 | 3,299,685 |
| <u>\$ 290,940</u> | <u>\$ 2,773,557</u> | <u>\$ 7,585,114</u> | <u>\$ 11,112,333</u> | <u>\$ 10,810,669</u> | <u>\$ 16,866,657</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 ⁽¹⁾ | Gas Taxes | Total |
|----------------|-------------------|--------------------|----------------------------|-------------------------------------|-------------------------------|--------------|---------------|
| 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 |
| 2019 | 48,822,642 | 4,581,640 | 7,873,870 | 2,552,477 | 12,058,775 | 1,415,063 | 77,304,467 |

(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 | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 |
| GENERAL FUND | | | | |
| Reserved | \$ 835,107 | \$ - | \$ - | \$ - |
| Unreserved | 7,586,374 | - | - | - |
| Nonspendable | | | | |
| Prepaid items | - | 208,867 | 143,862 | 106,222 |
| Committed to: | | | | |
| Emergency purposes | - | 6,514,230 | 6,882,152 | 7,126,713 |
| Assigned to: | | | | |
| Subsequent year's budget | - | 110,000 | 2,897,849 | 2,420,738 |
| Unassigned | - | 3,875,447 | 2,906,439 | 1,541,293 |
| Total general fund | <u>\$ 8,421,481</u> | <u>\$ 10,708,544</u> | <u>\$ 12,830,302</u> | <u>\$ 11,194,966</u> |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Reserved | \$ 26,975 | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | |
| Capital projects funds | 11,007,273 | - | - | - |
| Special revenue funds | 15,858,536 | - | - | - |
| Debt service funds | 5,133,488 | - | - | - |
| Nonspendable: | | | | |
| Prepaid items | - | 32,890 | 25,353 | 106,626 |
| Restricted for: | | | | |
| Economic development | - | - | - | - |
| Public safety | - | 915,644 | 888,052 | 652,154 |
| Grant programs | - | 1,565,960 | 1,569,109 | 1,652,063 |
| Debt service | - | 3,110,319 | 3,118,504 | 1,607,500 |
| Capital projects | - | 178,719 | 237,690 | 288,138 |
| Other purposes | - | 293,078 | 371,074 | 572,527 |
| Committed for: | | | | |
| Economic development | - | 835,299 | 467,783 | 336,446 |
| Debt service | - | - | - | 57,187 |
| Capital projects | - | 1,639,799 | 513,176 | 136,254 |
| Assigned to: | | | | |
| Economic development | - | 3,294,361 | 3,117,712 | 2,563,918 |
| Debt service | - | 2,021,514 | 1,832,634 | 2,018,843 |
| Public safety | - | 1,833 | 66,557 | 110,462 |
| Culture and recreation | - | 786,324 | 919,538 | 825,207 |
| Cemetery maintenance | - | 4,193,552 | 4,117,895 | 4,056,731 |
| Capital projects | - | 4,448,899 | 5,750,493 | 6,329,544 |
| Unassigned (deficit) | - | (473,938) | (431,343) | 187,983 |
| Total all other governmental funds | <u>\$ 32,026,272</u> | <u>\$ 22,844,253</u> | <u>\$ 22,564,227</u> | <u>\$ 21,501,583</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 | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 98,886 | 124,236 | 162,954 | 469,156 | 490,897 | 82,095 |
| 7,254,011 | 7,651,856 | 7,940,131 | 8,324,107 | 8,324,107 | 8,324,107 |
| 461,356 | 450,645 | 1,006,726 | 118,100 | - | 1,286,655 |
| 3,463,775 | 6,852,818 | 6,895,157 | 7,439,695 | 7,118,719 | 7,782,240 |
| <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> | <u>\$ 17,475,097</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 69,514 | 67,517 | 96,965 | 193,714 | 201,469 | 257,129 |
| - | - | - | 88,123 | - | - |
| 590,369 | 787,731 | 482,594 | 325,021 | 293,168 | 529,142 |
| 1,692,416 | 1,920,891 | 1,898,147 | 1,909,342 | 1,307,599 | 1,311,006 |
| 827,500 | - | - | - | 91,183 | 109,356 |
| 316,121 | 423,693 | 237,145 | 3,407,924 | 7,564,049 | 9,609,894 |
| 391,409 | 202,330 | 417,853 | 479,104 | 558,157 | 481,922 |
| 707,515 | 160,412 | 1,022,417 | 1,196,851 | 658,307 | 1,425,909 |
| 60,511 | 66,231 | 72,205 | 78,291 | - | - |
| 663,585 | 804,049 | 2,397,914 | 4,231,375 | 5,777,612 | 5,777,612 |
| 2,496,123 | 2,825,016 | 2,843,502 | 2,839,349 | 1,598,959 | 1,295,949 |
| 2,814,438 | 2,313,596 | 3,648,413 | 4,515,502 | 5,110,955 | 5,385,751 |
| 45,348 | - | 350,738 | 859,078 | 1,346,197 | 2,042,635 |
| 731,849 | 616,944 | 612,470 | 467,358 | 529,558 | 797,811 |
| 3,989,764 | 3,857,723 | 3,636,060 | 3,453,801 | 3,272,915 | 3,204,862 |
| 5,341,477 | 6,490,977 | 6,307,610 | 6,850,038 | 8,220,118 | 7,402,095 |
| (367,163) | 284,207 | 490,503 | (303,770) | (219,251) | (254,364) |
| <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> | <u>\$ 39,376,709</u> |



THE CITY OF BOYNTON BEACH

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

| | Fiscal Year | | | |
|--|------------------------|-----------------------|---------------------|-----------------------|
| | 2010 | 2011 | 2012 | 2013 |
| REVENUES | | | | |
| Taxes | \$ 43,964,625 | \$ 38,855,159 | \$ 39,365,949 | \$ 40,767,941 |
| Licenses and permits | 5,683,270 | 6,089,525 | 6,415,141 | 6,712,501 |
| Intergovernmental | 13,058,225 | 14,250,887 | 10,905,362 | 10,924,332 |
| Charges for services | 7,107,236 | 7,408,143 | 7,120,281 | 7,334,438 |
| Special assessments | 3,740,170 | 3,703,024 | 4,904,844 | 4,935,223 |
| Fines and forfeitures | 394,888 | 1,074,116 | 1,904,061 | 1,727,138 |
| Rents and royalties | 231,853 | 344,189 | 331,689 | 336,908 |
| Investment earnings (loss) | 1,457,025 | 862,490 | 537,604 | (20,813) |
| Donations | 94,909 | 63,130 | 183,587 | 339,365 |
| Miscellaneous | 499,170 | 751,004 | 278,182 | 447,344 |
| Total revenues | <u>76,231,371</u> | <u>73,401,667</u> | <u>71,946,700</u> | <u>73,504,377</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 15,472,894 | 14,530,115 | 13,376,103 | 14,555,256 |
| Public safety | 50,006,789 | 49,338,788 | 47,143,279 | 48,947,953 |
| Physical environment | 1,351,332 | 1,101,867 | 1,029,639 | 1,156,818 |
| Economic environment | 5,728,592 | 4,604,398 | 1,756,329 | 2,838,375 |
| Culture and recreation | 9,030,334 | 8,398,393 | 7,612,261 | 7,997,433 |
| Capital outlay | 7,531,836 | 5,088,656 | 3,007,837 | 2,462,094 |
| Debt service: | | | | |
| Principal | 2,990,151 | 2,623,120 | 2,527,960 | 2,790,006 |
| Interest and other fiscal charges | 2,825,933 | 2,716,951 | 2,614,668 | 3,252,592 |
| Debt issuance costs | - | - | - | - |
| Total expenditures | <u>94,937,861</u> | <u>88,402,288</u> | <u>79,068,076</u> | <u>84,000,527</u> |
| Revenues over (under) expenditures | <u>(18,706,490)</u> | <u>(15,000,621)</u> | <u>(7,121,376)</u> | <u>(10,496,150)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 31,349,899 | 31,519,453 | 27,695,921 | 22,002,164 |
| Transfers out | (24,490,157) | (22,870,189) | (18,732,813) | (14,248,994) |
| Proceeds from the sale of capital assets | - | - | - | - |
| Debt proceeds | - | - | - | 16,185,000 |
| Payment to refunded bond escrow agent | - | - | - | (16,140,000) |
| Total other financing sources (uses) | <u>6,859,742</u> | <u>8,649,264</u> | <u>8,963,108</u> | <u>7,798,170</u> |
| SPECIAL ITEM | | | | |
| Refund of permit fee | (254,300) | - | - | - |
| Net change in fund balance | <u>\$ (12,101,048)</u> | <u>\$ (6,351,357)</u> | <u>\$ 1,841,732</u> | <u>\$ (2,697,980)</u> |
| Debt service as a percentage of non-capital expenditures | <u>6.65%</u> | <u>6.41%</u> | <u>6.76%</u> | <u>7.41%</u> |



THE CITY OF BOYNTON BEACH

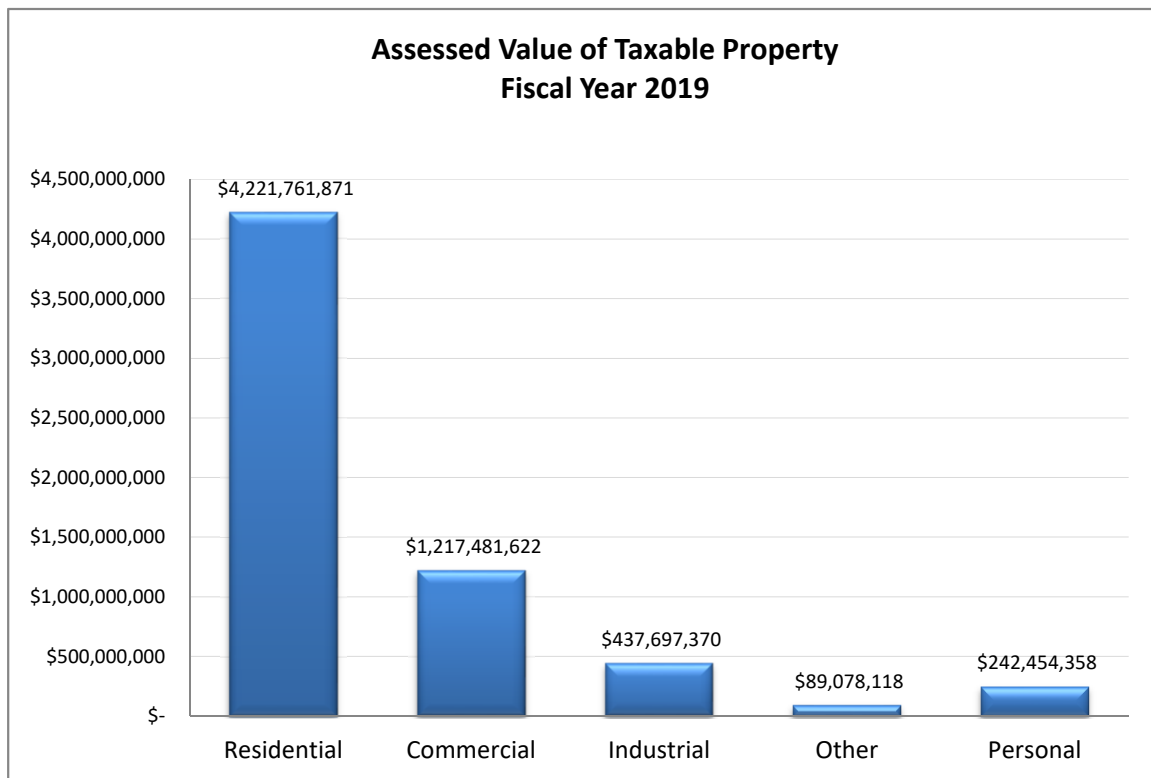
| Fiscal Year | | | | | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| \$ 44,217,234 | \$ 47,748,292 | \$ 51,917,489 | \$ 55,449,182 | \$ 58,760,618 | \$ 62,408,417 |
| 6,848,006 | 7,445,570 | 7,580,666 | 7,614,649 | 8,665,143 | 9,832,377 |
| 11,373,452 | 11,824,905 | 10,464,412 | 14,616,730 | 17,480,482 | 18,659,804 |
| 7,484,480 | 8,810,314 | 8,428,918 | 9,559,547 | 9,267,679 | 9,874,846 |
| 4,933,831 | 5,607,447 | 5,680,334 | 5,692,928 | 6,859,493 | 6,773,585 |
| 1,834,271 | 1,985,878 | 2,384,364 | 1,512,195 | 1,928,363 | 2,433,096 |
| 345,242 | 364,343 | 404,255 | 413,386 | 437,947 | 477,669 |
| 177,599 | 206,789 | 243,507 | 305,799 | 487,506 | 1,169,481 |
| 192,767 | 236,393 | 189,328 | 404,961 | 279,181 | 210,060 |
| 517,270 | 519,937 | 435,592 | 1,060,287 | 4,984,607 | 4,525,598 |
| <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> | <u>116,364,933</u> |
| 15,142,282 | 12,906,141 | 13,437,110 | 14,398,273 | 20,335,069 | 22,024,899 |
| 49,594,033 | 53,227,085 | 56,329,759 | 58,359,234 | 60,736,128 | 62,628,820 |
| 1,303,407 | 1,320,137 | 1,292,729 | 1,347,505 | 1,324,885 | 1,271,199 |
| 2,164,536 | 2,973,379 | 4,114,899 | 4,025,651 | 6,477,579 | 8,837,599 |
| 8,968,951 | 8,905,292 | 8,956,644 | 8,823,549 | 8,886,654 | 9,554,915 |
| 4,530,865 | 2,729,896 | 3,206,652 | 3,879,540 | 8,494,644 | 13,676,709 |
| 2,888,390 | 2,675,595 | 2,697,762 | 3,525,000 | 4,477,617 | 6,390,366 |
| 2,039,375 | 1,650,092 | 1,027,118 | 959,828 | 930,787 | 1,169,990 |
| - | 117,758 | - | - | - | - |
| <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>125,554,497</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> | <u>(9,189,564)</u> |
| 23,653,669 | 24,565,411 | 25,344,133 | 25,698,050 | 28,239,670 | 27,479,594 |
| (15,993,727) | (16,655,675) | (17,947,694) | (20,586,479) | (23,174,119) | (22,369,940) |
| - | - | 556,001 | - | 1,154,212 | - |
| - | 29,720,947 | - | - | 1,595,140 | 8,686,998 |
| - | (31,623,108) | - | - | - | - |
| <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>13,796,652</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>\$ 4,607,088</u> |
| <u>6.00%</u> | <u>5.17%</u> | <u>4.24%</u> | <u>4.90%</u> | <u>5.24%</u> | <u>6.76%</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 |
| 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 |
| 2019 | 4,221,761,871 | 1,217,481,622 | 437,697,370 | 89,078,118 | 242,454,358 |



Source: Palm Beach County Property Appraiser



THE CITY OF BOYNTON BEACH

| | Total Taxable Value ⁽¹⁾ | Total Direct Tax Rate ⁽²⁾ | | Total Actual Value ⁽³⁾ | Taxable Value as a % of Actual Value |
|----|--|--|----|---|---|
| \$ | 4,571,916,735 | 6.7626 | \$ | 6,392,264,269 | 71.52 % |
| | 3,889,479,697 | 6.7626 | | 5,380,721,213 | 72.29 |
| | 3,763,243,221 | 7.1941 | | 5,195,441,429 | 72.43 |
| | 3,677,646,538 | 7.6000 | | 5,037,982,238 | 73.00 |
| | 3,884,337,937 | 7.9000 | | 5,353,496,813 | 72.56 |
| | 4,646,176,798 | 7.9000 | | 6,786,463,694 | 68.46 |
| | 5,021,254,623 | 7.9000 | | 7,389,490,524 | 67.95 |
| | 5,414,030,684 | 7.9000 | | 7,952,133,115 | 68.08 |
| | 5,791,656,676 | 7.9000 | | 8,411,325,671 | 68.86 |
| | 6,208,473,339 | 7.9000 | | 8,960,659,593 | 69.29 |

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

²⁾ Includes debt service

³⁾ 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 ⁽¹⁾ | Total |
|-------------|-----------------------|--------------|------------|-------------------|--------------|--------------|-------------------|--------------|---------------|----------------------|---------|
| | Operating Millage | Debt Service | Total City | Operating Millage | Debt Service | Total County | Operating Millage | Debt Service | Total Schools | | |
| 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 |
| 2019 | 7.9000 | 0.0000 | 7.9000 | 4.7815 | 0.0765 | 4.8580 | 7.1640 | 0.0000 | 7.1640 | 1.6870 | 21.6090 |

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

⁽¹⁾ 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 | 2019 | | | | 2010 | | |
|-------------------------------------|----------------------|-------------------------|------|----------------|-------------------------|------|----------------|
| | City Tax | Taxable Value | | | Taxable Value | | |
| | Amount | Value | Rank | % | Value | Rank | % |
| Florida Power & Light Co. | \$ 859,296 | \$ 108,771,607 | 1 | 1.75% | \$ - | - | - |
| Hart Seabourn Cove LLC | 770,962 | 97,590,148 | 2 | 1.57% | - | - | - |
| CH Realty VII PSREG Boynton Beach | 687,300 | 87,000,000 | 3 | 1.40% | - | - | - |
| Duke PGC at Quantum 19 LLC | 463,549 | 58,677,045 | 4 | 0.95% | - | - | - |
| GSG Residential Savannah Lakes LLC | 464,611 | 58,811,497 | 5 | 0.95% | - | - | - |
| Morguard Boynton Town Center Inc. | 365,005 | 46,203,127 | 6 | 0.74% | - | - | - |
| RRPIV Cortina LLC | 426,600 | 54,000,000 | 7 | 0.87% | - | - | - |
| Compson Place Apartments LLC | 324,701 | 41,101,352 | 8 | 0.66% | - | - | - |
| Villas at Quantum Park | 295,666 | 37,426,059 | 9 | 0.60% | - | - | - |
| Boynton Beach Mall LLC | 262,286 | 33,200,811 | 10 | 0.53% | - | - | - |
| Boynton JCP Associates | - | - | - | - | 95,200,000 | 1 | 2.08% |
| City National Bank of Florida | - | - | - | - | 55,346,365 | 2 | 1.21% |
| Northland Lugano LLC | - | - | - | - | 40,911,000 | 3 | 0.89% |
| Hovstone Properties Florida LLC | - | - | - | - | 38,226,521 | 4 | 0.84% |
| EQR FREWAC 2008 Limited Partnership | - | - | - | - | 35,612,452 | 5 | 0.78% |
| Premier Gateway Center @ Quantum | - | - | - | - | 33,875,884 | 6 | 0.74% |
| Publix Super Markets, Inc. | - | - | - | - | 33,020,199 | 7 | 0.72% |
| 1950 Congress Ave LLC | - | - | - | - | 32,414,993 | 8 | 0.71% |
| DDRTC Boynton Commons LLC | - | - | - | - | 30,000,000 | 9 | 0.66% |
| Villas at Quantum Lakes Inc. | - | - | - | - | 28,953,987 | 10 | 0.63% |
| | <u>4,919,976</u> | <u>622,781,646</u> | | <u>10.02%</u> | <u>423,561,401</u> | | <u>9.26%</u> |
| Other | <u>40,750,956</u> | <u>5,585,691,693</u> | | <u>89.98%</u> | <u>4,148,355,334</u> | | <u>90.74%</u> |
| Total tax and final taxable value | <u>\$ 45,670,932</u> | <u>\$ 6,208,473,339</u> | | <u>100.00%</u> | <u>\$ 4,571,916,735</u> | | <u>100.00%</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 |
| 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% |
| 2019 | 45,592,732 | 45,670,932 | 100.2% | 65,903 | 45,736,835 | 100.3% |

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 Activities | Total Primary Government | Per Capita |
|---------------------------------------|-----------------------------|--|--------------------------------|-----------------|-----------------------------------|--------------------------------------|--------------------------------|---------------|
| | CRA Promissory Notes* | CRA Tax Increment Revenue Bonds/Note* | Public Service Tax Bonds | Note Payable | City Installment Agreements | Water & Sewer Revenue Bonds | | |
| 2010 | \$ 1,711,833 | \$ 25,775,000 | \$ 31,110,000 | \$ - | \$ - | \$ 59,628,876 | \$ 118,225,709 | \$ 1,733 |
| 2011 | 1,308,713 | 24,815,000 | 29,850,000 | - | - | 57,178,924 | 113,152,637 | 1,654 |
| 2012 | 1,075,753 | 23,820,000 | 28,550,000 | - | - | 76,179,187 | 129,624,940 | 1,849 |
| 2013 | 828,747 | 23,162,000 | 27,185,000 | - | - | 73,671,656 | 124,847,403 | 1,781 |
| 2014 | 567,357 | 21,965,000 | 25,755,000 | - | - | 70,529,795 | 118,817,152 | 1,678 |
| 2015 | 290,762 | 20,031,000 | 24,850,000 | - | - | 67,258,586 | 112,430,348 | 1,570 |
| 2016 | - | 18,744,000 | 23,730,000 | - | - | 63,843,581 | 106,317,581 | 1,461 |
| 2017 | - | 17,119,000 | 21,830,000 | - | - | 83,275,514 | 122,224,514 | 1,617 |
| 2018 | - | 15,449,000 | 19,890,000 | - | 727,523 | 90,610,047 | 126,676,570 | 1,649 |
| 2019 | - | 13,738,000 | 17,920,000 | 4,350,000 | 2,355,155 | 86,707,553 | 125,070,708 | 1,610 |

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 (CRA), 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 |
|---------------------------------------|------------|---------------------------------|--|---|-----------------------------------|--|---------------|
| 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 | 727,523 | - | 727,523 | 0.013% | 9.47 |
| 2019 | 77,696 | 6,208,473,339 | 2,355,155 | - | 2,355,155 | 0.038% | 30.31 |

Source: City of Boynton Beach Financial Services Department



THE CITY OF BOYNTON BEACH

Direct and Overlapping Governmental Activities Debt As of September 30, 2019

| | <u>Net Governmental Activities Debt</u> | <u>Estimated Percent Applicable</u> | <u>Direct and Overlapping Net General Obligation Debt</u> |
|---|---|---|---|
| Direct: | | | |
| City of Boynton Beach: | \$ 38,363,155 | 100.00% | \$ 38,363,155 |
| Overlapping: | | | |
| Palm Beach County: | | | |
| General obligation bonds | \$ 68,743,925 | 3.12% | 2,146,292 |
| Palm Beach County School District: | | | |
| Certificates of Participation | <u>1,273,887,122</u> | 3.12% | <u>39,772,737</u> |
| Total direct and overlapping bonded debt payable from taxes | <u>\$ 1,342,631,047</u> | | <u>\$ 80,282,184</u> |
| Boynton Beach estimated population | | | <u>77,696</u> |
| Direct and overlapping net debt per capita | | | <u>\$ 1,033.29</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 2019 Taxable Value \$198,852,147,603



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) |
|---------------------------------------|-------------------|--|-----------------------------------|---|
| 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 | - | 795,213,312 | 0.00% |
| 2018 | 841,132,567 | 727,523 | 840,405,044 | 0.00% |
| 2019 | 896,065,959 | 2,355,155 | 893,710,804 | 0.26% |

Legal Debt Margin Calculation for Fiscal Year 2019

| | | |
|---|--|--------------------------------|
| Assessed valuations: | | |
| Taxable value | | \$ 6,208,473,339 |
| Add back exempt property | | <u>2,752,186,254</u> |
| Total assessed value for debt limit | | <u><u>\$ 8,960,659,593</u></u> |
| Legal debt margin: | | |
| Debt limitation - 10% of total assessed value for debt limit | | <u>\$ 896,065,959</u> |
| Debt applicable to limitation: | | |
| Total general obligation debt | | 2,355,155 |
| Less: Amount available for repayment of general obligation debt | | <u>-</u> |
| Total net debt applicable to debt limit | | <u>2,355,155</u> |
| Legal debt margin | | <u><u>\$ 893,710,804</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.



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 | | | | | |
|---------------------------------------|-------------------------------|------------------------------------|------------------------------|-----------------------|--------------|-------------------------|
| | Revenues ⁽¹⁾ | Current Expenses ⁽¹⁾ | Net Available Revenues | Debt Service Payments | | Coverage ⁽²⁾ |
| | | | | Principal | Interest | |
| 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 |
| 2019 | 49,617,445 | 23,745,897 | 25,871,548 | 3,605,000 | 3,370,201 | 3.71 |

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 ⁽¹⁾ |
|---------------------------------------|-----------------------------------|--------------|--------------|-------------------------|
| | | Principal | Interest | |
| 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 |
| 2019 | 10,426,347 | 1,970,000 | 368,648 | 4.46 |

(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 ⁽¹⁾ | Per Capita Personal Income ⁽¹⁾ | Total Average School Enrollment ⁽²⁾ | Unemployment Rate ⁽³⁾ |
|-------------|---------------------------|---|--|----------------------------------|
| 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 | 70,800 | 50,561 | 195,289 | 3.5% |
| 2019 | 77,696 | 52,078 | 196,335 | 3.6% |

- (1) Source: University of Florida, Bureau of Business and Economic Research
Population for 2011 to 2019; 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 | 2019 | | | 2010 | | |
|----------------------------|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Bethesda Memorial Hospital | 2,579 | 1 | N/A | 2,300 | 1 | N/A |
| City of Boynton Beach | 827 | 2 | N/A | 905 | 2 | N/A |
| Totals | <u>3,406</u> | | <u>N/A</u> | <u>3,205</u> | | <u>N/A</u> |

Sources: InfoUSA (ReferenceUSA Database) and the Greater Boynton Beach Chamber of Commerce
 Only partial information for 2019 and 2010 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, | | | | | | | | | |
|-------------------------------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Government | | | | | | | | | | |
| Management Services | 22 | 22 | 19 | 19 | 17 | 17 | 19 | 18 | 18 | 18 |
| Financial Services | 16 | 15 | 13 | 13 | 13 | 13 | 14 | 14 | 15 | 15 |
| Information Technology | 17 | 14 | 15 | 15 | 15 | 15 | 14 | 14 | 15 | 15 |
| Human Resources | 9 | 9 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 |
| Planning and Zoning | 10 | 8 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Facilities Management | 14 | 12 | 10 | 11 | 11 | 11 | 11 | 11 | 12 | 12 |
| Public Safety | | | | | | | | | | |
| Police | 196 | 188 | 177 | 185 | 191 | 222 | 211 | 211 | 214 | 220 |
| Communications | 23 | 23 | 23 | 23 | 23 | - | - | - | - | - |
| Fire | 153 | 152 | 143 | 142 | 142 | 149 | 147 | 147 | 147 | 147 |
| Community Standards | - | - | - | - | - | - | 22 | 22 | 23 | 23 |
| Code Compliance | 14 | 13 | 11 | 11 | 11 | - | - | - | - | - |
| Animal Control | 3 | 2 | - | - | - | - | - | - | - | - |
| Building/Engineering/Licenses | 42 | 36 | 28 | 31 | 31 | 30 | 34 | 30 | 32 | 32 |
| Physical Environment | | | | | | | | | | |
| Forestry & Grounds | 9 | 8 | 9 | - | - | - | - | - | 20 | 20 |
| Roads & Streets | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 4 |
| Economic Environment | | | | | | | | | | |
| Community Improvement | 5 | 5 | 4 | 4 | 3 | 2 | 2 | 2 | 2 | 2 |
| Grants | 10 | 10 | 10 | 2 | 8 | 1 | 1 | 1 | 1 | 1 |
| Culture/Recreation | | | | | | | | | | |
| Library | 34 | 30 | 28 | 28 | 28 | 27 | 27 | 27 | 27 | 28 |
| Recreation and Parks | 79 | 72 | 65 | 70 | 70 | 70 | 68 | 72 | 53 | 52 |
| Public Art | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Internal Service Funds | | | | | | | | | | |
| Vehicle Service | 13 | 11 | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 12 |
| Warehouse | 5 | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Self Insurance | 4 | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 5 | 5 |
| Enterprise Funds | | | | | | | | | | |
| Water & Sewer Utility | 140 | 134 | 129 | 128 | 130 | 133 | 133 | 133 | 134 | 138 |
| Sanitation | 50 | 41 | 38 | 38 | 40 | 40 | 44 | 44 | 44 | 46 |
| Golf Course | 30 | 29 | 26 | 26 | 26 | 24 | 21 | 21 | 21 | 21 |
| Transportation | 5 | 5 | - | - | - | - | - | - | - | - |
| Total | 905 | 849 | 785 | 783 | 796 | 791 | 806 | 805 | 818 | 830 |

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 | | | | |
|---|-------------|---------|---------|---------|---------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| General Government | | | | | |
| Planning and Zoning | | | | | |
| Number of inspections | 18,388 | 11,790 | 22,405 | 15,079 | 16,077 |
| Building permits issued | 5,547 | 4,973 | 6,074 | 4,353 | 5,058 |
| Public Safety | | | | | |
| Police | | | | | |
| Physical arrests | 3,742 | 3,001 | 3,082 | 3,001 | 4,500 |
| Parking violations | 1,234 | 1,184 | 1,199 | 1,184 | 1,684 |
| Traffic violations | 13,775 | 12,316 | 12,491 | 12,316 | 13,325 |
| Fire | | | | | |
| Number of calls | 11,558 | 11,762 | 11,933 | 12,000 | 12,175 |
| Inspections | 6,950 | 6,603 | 8,123 | 8,126 | 8,373 |
| Code Compliance | | | | | |
| Code enforcement violations | 3,802 | 3,332 | 3,200 | 3,000 | 2,858 |
| Public Works | | | | | |
| Street resurfacing (miles) | 7.3 | 7.0 | - | - | - |
| Culture/Recreation | | | | | |
| Library | | | | | |
| Circulation | 374,277 | 357,416 | 356,454 | 374,287 | 267,381 |
| Cardholders | 43,964 | 48,008 | 44,030 | 44,910 | 43,888 |
| Leisure Services | | | | | |
| Camp program participants | 303 | 304 | 304 | 304 | 269 |
| Class participants | 5,855 | 5,647 | 5,647 | 5,600 | 4,531 |
| Water System | | | | | |
| Total meters | 34,918 | 34,965 | 34,990 | 34,918 | 34,918 |
| Total living units served | 55,859 | 56,370 | 56,385 | 55,859 | 57,176 |
| Avg. daily water consumption (thousand of gallons) | 13,864 | 13,171 | 13,184 | 13,000 | 13,210 |
| Sewer System | | | | | |
| Total connections | 32,677 | 32,712 | 32,699 | 32,677 | 33,083 |
| Total living units served | 53,664 | 54,550 | 54,450 | 53,664 | 55,489 |
| Sanitation | | | | | |
| Refuse collected (tons) | 63,975 | 60,443 | 62,312 | 67,384 | 67,500 |
| Recyclables collected (tons) | 5,476 | 4,972 | 5,097 | 5,765 | 6,000 |
| Golf Course | | | | | |
| Rounds played (Starts-9 or 18 hole) | 71,296 | 67,306 | 63,546 | 61,420 | 60,185 |

Sources: City Departments



THE CITY OF BOYNTON BEACH

| Fiscal Year | | | | |
|-------------|---------|---------|---------|---------|
| 2015 | 2016 | 2017 | 2018 | 2019 |
| 17,000 | 17,143 | 19,125 | 20,361 | 23,313 |
| 5,700 | 5,760 | 6,137 | 7,081 | 7,420 |
| 3,500 | 3,946 | 2,168 | 2,427 | 2,106 |
| 1,920 | 2,016 | 1,186 | 1,027 | 1,629 |
| 11,500 | 13,142 | 4,694 | 5,050 | 7,970 |
| 12,250 | 12,374 | 15,468 | 13,892 | 13,787 |
| 8,350 | 8,421 | 9,240 | 10,502 | 8,601 |
| 2,082 | 2,219 | 2,150 | 2,818 | 4,325 |
| - | - | - | 1.3 | - |
| 269,688 | 271,152 | 214,142 | 201,415 | 183,510 |
| 38,936 | 39,121 | 30,298 | 24,143 | 19,933 |
| 280 | 289 | 313 | 271 | 269 |
| 4,800 | 4,864 | 3,216 | 2,981 | 2,850 |
| 35,259 | 35,746 | 36,210 | 35,848 | 37,072 |
| 58,000 | 58,873 | 59,415 | 60,783 | 62,282 |
| 13,500 | 13,520 | 14,280 | 14,520 | 13,980 |
| 33,300 | 33,542 | 34,170 | 34,265 | 34,766 |
| 55,500 | 55,712 | 56,814 | 57,476 | 58,623 |
| 68,000 | 68,214 | 85,418 | 68,957 | 83,510 |
| 6,300 | 6,376 | 5,097 | 4,139 | 4,097 |
| 65,000 | 62,142 | 45,230 | 58,233 | 69,044 |



THE CITY OF BOYNTON BEACH

Capital Asset Statistics by Function/Program Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | |
|----------------------------|-------------|---------|---------|---------|---------|
| | 2010 | 2011 | 2012 | 2013 | 2014 |
| Public Safety | | | | | |
| Police | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 99 | 99 | 99 | 99 | 99 |
| Fire | | | | | |
| Stations | 5 | 5 | 5 | 5 | 5 |
| Trucks | 7 | 7 | 7 | 7 | 7 |
| ALS rescue vehicles | 7 | 7 | 7 | 7 | 7 |
| Sanitation | | | | | |
| Garbage trucks | 25 | 23 | 23 | 23 | 23 |
| Trash trucks | 10 | 7 | 7 | 7 | 7 |
| Public Works | | | | | |
| Street lights | 198 | 209 | 209 | 209 | 209 |
| Lane miles | 252 | 252 | 252 | 252 | 252 |
| Culture/Recreation | | | | | |
| Library | | | | | |
| Books | 138,217 | 139,830 | 143,888 | 151,081 | 141,832 |
| 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 |
| Water/Sewer Utility | | | | | |
| Water mains (miles) | 400 | 400 | 400 | 410 | 410 |
| Sanitary sewers (miles) | 325 | 325 | 325 | 325 | 325 |
| Storm sewers (miles) | 65 | 65 | 73 | 73 | 73 |
| Fire hydrants | 3,850 | 3,900 | 3,900 | 3,915 | 3,915 |
| Lift Stations | 160 | 160 | 162 | 162 | 162 |

Sources: City Departments
N/A - Information not available.



THE CITY OF BOYNTON BEACH

| Fiscal Year | | | | |
|-------------|---------|---------|---------|---------|
| 2015 | 2016 | 2017 | 2018 | 2019 |
| 1 | 1 | 1 | 1 | 1 |
| 99 | 99 | 99 | 99 | 109 |
| 5 | 5 | 5 | 5 | 5 |
| 7 | 7 | 7 | 7 | 8 |
| 7 | 7 | 7 | 7 | 7 |
| 23 | 23 | 23 | 22 | 23 |
| 7 | 7 | 7 | 9 | 10 |
| 209 | 209 | 209 | 209 | 209 |
| 252 | 252 | 252 | 252 | 252 |
| 138,473 | 141,214 | 135,552 | 128,977 | 128,584 |
| 6 | 6 | 6 | 6 | 6 |
| 14 | 14 | 14 | 14 | 15 |
| 16 | 16 | 16 | 16 | 16 |
| 8 | 8 | 8 | 8 | 8 |
| 29 | 29 | 29 | 29 | 29 |
| 29 | 29 | 29 | 29 | 31 |
| 8 | 8 | 8 | 6 | 6 |
| 410 | 410 | 410 | 449 | 459 |
| 325 | 325 | 325 | 346 | 346 |
| 73 | 73 | 73 | 73 | 86 |
| 3,920 | 3,920 | 3,920 | 4,045 | 4,224 |
| 162 | 162 | 162 | 162 | 165 |





COMPLIANCE SECTION



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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, 2019, 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 March 12, 2020. 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*.

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
March 12, 2020



THE CITY OF BOYNTON BEACH

Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2019

| Federal Grantor/Pass-Through Grantor Program or Cluster Title | CFDA Number | Contract / Grant Number | Federal Expenditures | Transfers to Subrecipients |
|--|----------------|---------------------------------------|-------------------------|-------------------------------|
| U.S. Department of Housing and Urban Development | | | | |
| Direct Award | | | | |
| Community Development Block Grants/Entitlement Grants | 14.218 | B-18-MC-12-0043 | \$ 374,887 | \$ 161,659 |
| Total U.S. Department of Housing and Urban Development | | | 374,887 | 161,659 |
| U.S. Department of Justice | | | | |
| Direct Awards | | | | |
| Bulletproof Vest Partnership Program | 16.607 | 17090826 | 5,881 | - |
| Bulletproof Vest Partnership Program | 16.607 | 18095819 | 2,032 | - |
| Pass-through Award from State of Florida, Office of the Attorney General | | | | |
| Crime Victim Assistance | 16.575 | VOCA-2018-City of Boynton Beach-00319 | 57,226 | - |
| Total U.S. Department of Justice | | | 65,139 | - |
| U.S. Department of Transportation | | | | |
| Pass-through Award from State of Florida, Florida Department of Transportation | | | | |
| Highway Safety Cluster | | | | |
| State and Community Highway Traffic Safety Program | 20.600 | G1112 | 24,730 | - |
| National Priority Safety Program (Impaired Driving) | 20.616 | G1154 | 19,811 | - |
| National Priority Safety Program (Occupant Protection) | 20.616 | G1013 | 14,716 | - |
| Total Highway Safety Cluster | | | 59,257 | - |
| Total U.S. Department of Transportation | | | 59,257 | - |
| U.S. Institute of Museum and Library Services | | | | |
| Pass-through Award from State of Florida, Department of State, Division of Library and Information Services | | | | |
| Florida Department of State, Library Services and Technology Act Grant | 45.310 | 18-LSTA-D-03 | 2,875 | - |
| Total U.S. Institute of Museum and Library Services | | | 2,875 | - |
| U.S. Department of Health and Human Services | | | | |
| Pass Through from State of Florida Department of Health | | | | |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | R19-025 | 1,149 | - |
| Total U.S. Department of Health and Human Services | | | 1,149 | - |
| U.S. Department of Homeland Security | | | | |
| Direct Award | | | | |
| Assistance to Firefighters Grant (AFG) | 97.044 | EMW-2017-FO-00229 | 80,801 | - |
| Pass-through Award from Florida Division of Emergency Management | | | | |
| Disaster Grants Public Assistance (Hurricane Irma) | 97.036 | DR-4337 | 375,698 | - |
| Total U.S. Department of Homeland Security | | | 456,499 | - |
| Total Federal Awards | | | \$ 959,806 | \$ 161,659 |

See notes to schedule of expenditures of federal awards.



**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2019**

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the Federal grant activity of the City of Boynton Beach, Florida (the “City”), under programs of the Federal government for the year ended September 30, 2019. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or changes in net position, or cash flows of the City. Expenditures of State financial assistance for the year ended September 30, 2019 did not exceed the \$750,000 threshold for a State Single Audit.

2. Summary of Significant Accounting Policies

- (a) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditure relating to U.S. Department of Homeland Security, Federal Emergency Management Agency (“FEMA”) CFDA 97.036 – Disaster Grants Public Assistance (Hurricane Irma), are reported when 1) FEMA has approved the project worksheet, and 2) eligible expenditures have been incurred in accordance with FEMA regulations (See Note 5).
- (b) The City made subrecipient payments totaling \$161,659 from Federal awards to various local non-profit organizations for the year ended September 30, 2019.
- (c) Pass-through entity identifying numbers were not available for pass-through awards listed in the Schedule for the year ended September 30, 2019.

3. Indirect Cost Rate

The City did not elect to charge the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

4. Contingency

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the City for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable Federal laws and regulations.

5. Expenditures Incurred in Prior Years

Amounts reported in the Schedule of Expenditures of Federal Awards for U.S. Department of Homeland Security, Disaster Grants Public Assistance (Hurricane Irma) include expenditures of \$375,698 that were incurred in a prior year.





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**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Boynton Beach, Florida (the "City"), with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended September 30, 2019. The City's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2019.



Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City of Boynton Beach, Florida, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

West Palm Beach, Florida
March 12, 2020



THE CITY OF BOYNTON BEACH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS For the Year Ended September 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|------------------------------------|
| Type of auditor's report issued: | <i>Unmodified Opinion</i> |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | ___ Yes <u> X </u> No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | ___ Yes <u> X </u> None reported |
| Noncompliance material to financial statements noted? | ___ Yes <u> X </u> No |

Federal Award Programs

| | |
|---|------------------------------------|
| Internal control over major Federal Award Programs: | |
| Material weakness(es) identified? | ___ Yes <u> X </u> No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | ___ Yes <u> X </u> None reported |

| | |
|---|---------------------------|
| Type of auditor's report issued on compliance for major Federal Award Programs: | <i>Unmodified Opinion</i> |
|---|---------------------------|

| | |
|--|-------------------------|
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | <u> X </u> Yes ___ No |
|--|-------------------------|

Identification of Major Programs:

| <u>Major Federal Award Program</u> | <u>CFDA No.</u> |
|--|-------------------------|
| U.S. Department of Housing and Urban Development Community Development Block Grants/Entitlement Grants | 14.218 |
| U.S. Department of Homeland Security Assistance to Firefighters Grant (AFG) | 97.044 |
| Dollar threshold used to distinguish between Type A and Type B Federal award programs: | <u> \$ 750,000 </u> |
| Auditee qualified as low-risk auditee? | ___ Yes <u> X </u> No |

SECTION II - FINANCIAL STATEMENT FINDINGS

None



THE CITY OF BOYNTON BEACH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS (Continued) For the Year Ended September 30, 2019

SECTION III - FEDERAL AWARD PROGRAMS – FINDINGS AND QUESTIONED COSTS

| <u>Finding Number</u> | <u>Finding</u> | <u>Questioned Costs</u> |
|---------------------------|----------------|-----------------------------|
|---------------------------|----------------|-----------------------------|

| | | |
|-----------------|---|-------------|
| 2019-001 | Assistance to Firefighters Grant CFDA 97.044 (Reporting) Grant No. EMW-2017-FO-00229 | None |
|-----------------|---|-------------|

Criteria: The City is required to submit Semi-Annual Federal Financial Reports (SF-425) to the grantor not later than thirty days after the grantee’s first semi-annual period.

Condition: The City did not timely file the Semi-Annual Federal Financial Report (SF-425) for the period ended December 31, 2018 within thirty days after the end of the fiscal period or by January 31, 2019.

Effect: The City was not in compliance with the reporting requirements of this program.

Cause: The City inadvertently filed the report late.

Recommendation: We recommend that staff file required reports as required by the grant agreement.

Views of Responsible Officials and Planned Corrective Actions: The City realizes these reports should be completed within thirty days after the City’s first semi-annual period and intends to file the Federal Financial Report (SF-425) in a timely manner in the future.



THE CITY OF BOYNTON BEACH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS (Continued) For the Year Ended September 30, 2019

SECTION III - FEDERAL AWARD PROGRAMS – FINDINGS AND QUESTIONED COSTS (Continued)

| Finding Number | Finding | Questioned Costs |
|-------------------|---------|---------------------|
|-------------------|---------|---------------------|

| | | |
|----------|---|------|
| 2019-002 | Community Development Block Grant (CDBG) CFDA 14.218 (Reporting) Grant No. B-18-MC-12-0043 | None |
|----------|---|------|

Criteria: The quarterly Federal Financial Reports (SF-425) are required to be submitted to the grantor not later than thirty days after the grantee’s quarterly reporting period end date.

Condition: The City did not file two quarterly Federal Financial Reports (SF-425) within thirty days after the City’s quarterly reporting periods ended December 31, 2018 and March 31, 2019. The December 31, 2018 report was due on January 31, 2019 and the March 31, 2019 report was due on April 30, 2019. Both reports were filed on September 10, 2019.

Effect: The City was not in compliance with the reporting requirements of this program.

Cause: It appears the reports were not submitted timely due to employee turnover.

Recommendation: We recommend that staff file the Financial Reports by the required due dates.

Views of Responsible Officials and Planned Corrective Actions: The City realizes these reports should be completed within thirty days after the City’s quarterly reporting period end date and intends to file the Federal Financial Report (SF-425) in a timely manner in the future.



THE CITY OF BOYNTON BEACH

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARD PROGRAMS (Continued) For the Year Ended September 30, 2019

SECTION III - FEDERAL AWARD PROGRAMS – FINDINGS AND QUESTIONED COSTS (Continued)

| <u>Finding Number</u> | <u>Finding</u> | <u>Questioned Costs</u> |
|-------------------------------|--|-----------------------------|
| 2019-003 | <p>Community Development Block Grant (CDBG) CFDA 14.218 (Activities Allowed or Unallowed & Allowable Costs) Grant No. B-18-MC-12-0043</p> <p><i>Criteria:</i> 2 CFR Section 200.430 states that charges to Federal Awards for salaries and wages must be based on records that accurately reflect the work performed. Such records may require personnel activity reports (time reports), including prescribed certifications, or equivalent documentation.</p> <p>Section 200.430 requires that such documentation support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on: a) more than one Federal award; b) a Federal award and non-Federal award; c) an indirect cost activity and a direct cost activity; d) two or more indirect activities which are allocated using different allocation bases; or e) an unallowable activity and a direct or indirect cost activity.</p> <p><i>Condition:</i> For salaries and wages charged to this program, the employee timesheet we reviewed did not indicate what grant or program the employee worked on nor was there any certification documentation indicating that 100% of the employee's time was spent on this grant.</p> <p><i>Effect:</i> The City may not be charging the grant the correct amount for salaries and benefits based on actual employee activity from the time reports.</p> <p><i>Cause:</i> The City has had turnover in the grant department staff and payroll certifications were not prepared.</p> <p><i>Recommendation:</i> We recommend that salaries and wages for employees working on multiple grant activities be supported by personal activity reports (time reports) or equivalent documentation as required by Section 200.430.</p> <p><i>Views of Responsible Officials and Planned Corrective Actions:</i> The City employees in question devoted 100% of their time to the CDBG grant program. The City will obtain the necessary certification of the employees' time for future grant years.</p> | <p>\$ 83,811</p> |
| Total Questioned Costs | | \$ <u>83,811</u> |



**CORRECTIVE ACTION PLAN
For the Year Ended September 30, 2019**

The City of Boynton Beach, Florida, respectfully submits the following corrective action plan for the fiscal year ended September 30, 2019. The findings from the Schedule of Findings and Questioned Costs for the year ended September 30, 2019, are discussed below. The findings are numbered consistently with the number assigned in the schedule of findings and questioned costs.

FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS

| <u>Finding Number</u> | <u>Finding</u> |
|------------------------------|--|
| 2019-001 | <p>Assistance to Firefighters Grant CFDA 97.044 (Reporting) Grant No. EMW-2017-FO-00229</p> <p><i>Criteria:</i> The City is required to submit Semi-Annual Federal Financial Reports (SF-425) to the grantor not later than thirty days after the grantee’s first semi-annual period.</p> <p><i>Condition:</i> The City did not timely file the Semi-Annual Federal Financial Report (SF-425) for the period ended December 31, 2018 within thirty days after the end of the fiscal period or by January 31, 2019.</p> <p><i>Effect:</i> The City was not in compliance with the reporting requirements of this program.</p> <p><i>Cause:</i> The City inadvertently filed the report late.</p> <p><i>Recommendation:</i> We recommend that staff file required reports as required by the grant agreement.</p> <p><i>Action Taken:</i> The City intends to file all required reports in a timely manner in the future.</p> |



**CORRECTIVE ACTION PLAN (Continued)
For the Year Ended September 30, 2019**

FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS (Continued)

| <u>Finding Number</u> | <u>Finding</u> |
|------------------------------|--|
| 2019-002 | <p>Community Development Block Grant (CDBG) CFDA 14.218 (Reporting) Grant No. B-18-MC-12-0043</p> <p><i>Criteria:</i> The quarterly Federal Financial Reports (SF-425) are required to be submitted to the grantor not later than thirty days after the grantee’s quarterly reporting period end date.</p> <p><i>Condition:</i> The City did not file two quarterly Federal Financial Reports (SF-425) within thirty days after the City’s quarterly reporting periods ended December 31, 2018 and March 31, 2019. The December 31, 2018 report was due on January 31, 2019 and the March 31, 2019 report was due on April 30, 2019. Both reports were filed on September 10, 2019.</p> <p><i>Effect:</i> The City was not in compliance with the reporting requirements of this program.</p> <p><i>Cause:</i> It appears the reports were not submitted timely due to employee turnover.</p> <p><i>Recommendation:</i> We recommend that staff file the Financial Reports by the required due dates.</p> <p><i>Action Taken:</i> The City intends to file all required reports in a timely manner in the future.</p> |



THE CITY OF BOYNTON BEACH

CORRECTIVE ACTION PLAN (Continued) For the Year Ended September 30, 2019

FINDINGS AND QUESTIONED COSTS – FEDERAL AWARD PROGRAMS (Continued)

**Finding
Number**

Finding

2019-003

**Community Development Block Grant (CDBG)
CFDA 14.218 (Activities Allowed or Unallowed & Allowable Costs)
Grant No. B-18-MC-12-0043**

Criteria: 2 CFR Section 200.430 states that charges to Federal Awards for salaries and wages must be based on records that accurately reflect the work performed. Such records may require personnel activity reports (time reports), including prescribed certifications, or equivalent documentation.

Section 200.430 requires that such documentation support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on: a) more than one Federal award; b) a Federal award and non-Federal award; c) an indirect cost activity and a direct cost activity; d) two or more indirect activities which are allocated using different allocation bases; or e) an unallowable activity and a direct or indirect cost activity.

Condition: For salaries and wages charged to this program, the employee timesheet we reviewed did not indicate what grant or program the employee worked on nor was there any certification documentation indicating that 100% of the employee's time was spent on this grant.

Effect: The City may not be charging the grant the correct amount for salaries and benefits based on actual employee activity from the time reports.

Cause: The City has had turnover in the grant department staff and payroll certifications were not prepared.

Recommendation: We recommend that salaries and wages for employees working on multiple grant activities be supported by personal activity reports (time reports) or equivalent documentation as required by Section 200.430.

Action Taken: The City will implement the necessary payroll certification procedures.

If you have any additional questions concerning this corrective action plan adopted by the City, please call me at (561) 742-6310.

Sincerely,

Mara Frederiksen

Mara Frederiksen
Director of Financial Services







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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, 2019, and have issued our report thereon dated March 12, 2020. 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. This management letter does not include any matters reported on separately by those other auditors in their management letter, if any.

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); 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*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; 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 and schedule, which are dated March 12, 2020, 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 our prior year management letter dated April 26, 2019 was addressed in the current year or no longer applies: 2018-001 IT System Improvements.

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, 2019.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures to the City as of September 30, 2019. 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 audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within 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 matters identified in our audit and reported in the schedule of findings and questioned costs are 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.

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

West Palm Beach, Florida
March 12, 2020







City of Boynton Beach, Florida

100 East Boynton Beach Boulevard, Boynton Beach, FL 33435
Phone: (561) 742-6310 Internet: www.boynton-beach.org

March 18, 2020

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 Findings
Comprehensive Annual Financial Report – September 30, 2019

Our response to the findings and recommendations reported in the schedule of findings and questioned costs for the current year is as follows:

2019-001 Assistance to Firefighters Grant - The City realizes these reports should be completed within thirty days after the City's first semi-annual period and intends to file the Federal Financial Report (SF-425) in a timely manner in the future.

2019-002 Community Development Block Grant - The City realizes these reports should be completed within thirty days after the City's quarterly reporting period end date and intends to file the Federal Financial Report (SF-425) in a timely manner in the future.

2019-003 Community Development Block Grant - The City employees in question devoted 100% of their time to the CDBG grant program. The City will obtain the necessary certification of the employees' time for future grant years.

Sincerely,

Mara Frederiksen

Mara Frederiksen
Director of Financial Services







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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, 2019. 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, as of and for the year ended September 30, 2019.

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
March 12, 2020







America's Gateway to the Gulfstream



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