

City of Deerfield Beach

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2020





CITY OF DEERFIELD BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by the Department of Financial Services

City of Deerfield Beach, Florida

Comprehensive Annual Financial Report
For the Year Ended September 30, 2020

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting.....	vi
Organizational Chart.....	vii
List of Elected and Appointed Officials.....	viii
FINANCIAL SECTION	
Independent Auditors' Report.....	4
Management's Discussion and Analysis (Required Supplementary Information).....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	17
Statement of Activities.....	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statement of Net Position - Proprietary Funds.....	25
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	27
Statement of Cash Flows.....	28
Statement of Fiduciary Net Position - Fiduciary Funds.....	30
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	31
Notes to the Financial Statements.....	32
Required Supplementary Information (Unaudited):	
General Fund Budgetary Comparison Schedule.....	82
Community Redevelopment Agency Fund Budgetary Comparison Schedule.....	83
Notes to Budgetary Schedules.....	84
Schedule of Changes in City's Net Pension Liability, and Related Ratios - Fire Pension Fund.....	85
Schedule of City Contributions - Fire Pension Fund.....	86
Schedule of Changes in Net Pension Liability and Related Ratios - Police Pension Fund.....	87
Schedule of City Contributions - Police Pension Fund.....	88
Schedule of Changes in City's Net Pension Liability and Related Ratios - Non-Uniformed Pension Fund.....	89
Schedule of City Contributions - Non-Uniformed Pension Fund.....	90
Schedules of City's Proportionate Share of the Net Pension Liability and Contribution- FRS.....	91
Schedules of City's Proportionate Share of the Net Pension Liability and Contribution - HIS.....	92
Schedule of Changes in City's Total OPEB Liability and Related Ratios.....	93
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds.....	94
Combining Balance Sheet - Nonmajor Governmental Funds.....	96

City of Deerfield Beach, Florida

Comprehensive Annual Financial Report For the Year Ended September 30, 2020

TABLE OF CONTENTS

	PAGE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds.....	97
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	100
Budget and Actual - Road and Bridge Tax Fund.....	102
Budget and Actual - Community Development Block Grant Fund.....	103
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Pension Trust Funds.....	104
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds.....	105
 STATISTICAL SECTION (Unaudited)	
Financial Trends:	
Net Position by Component.....	109
Changes in Net Position.....	110
Governmental Activities Tax Revenues by Source.....	112
Fund Balances of Governmental Funds.....	113
Changes in Fund Balances of Governmental Funds.....	114
Revenue Capacity:	
General Governmental Tax Revenues by Source.....	115
Assessed Value and Estimated Actual Value of Taxable Property.....	116
Direct and Overlapping Property Tax Rates.....	117
Principal Property Taxpayers.....	118
Property Tax Levies and Collections.....	119
Water Sold by Type of Customer.....	120
Water and Sewer Rates.....	121
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	122
Ratios of General Bonded Debt Outstanding.....	123
Direct and Overlapping Governmental Activities Debt.....	124
Water and Sewer Pledged-Revenue Coverage.....	125
Non-Ad Valorem Revenue Anti-Dilution Test.....	126
Demographic and Economic Information:	
Demographic and Economic Statistics.....	127
Principal Employers.....	128
Operating Information:	
Full-Time Equivalent City Government Employees by Function.....	129
Operating Indicators by Function.....	130
Capital Asset Statistics by Function.....	131
 OTHER REPORTS	
Compliance Reports.....	132



June 30, 2021

Citizens of Deerfield Beach
Honorable Mayor and Members of the City Commission

It is our pleasure to submit to you the Comprehensive Annual Financial Report of the City of Deerfield Beach, Florida for the fiscal year ended September 30, 2020.

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

This report consists of management's representations concerning the finances of the City. Consequently, the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to safeguard City assets from loss, theft or misappropriation and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. The cost of an internal control should not exceed the benefits to be derived; therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe that the data as presented is accurate in all material aspects; that it fairly presents the City's financial position and the results of operations and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Marcum LLP, a firm of licensed certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Deerfield Beach for the fiscal year ended September 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City of Deerfield Beach's financial statements for the fiscal year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit was also designed to meet the special needs of federal and state grantor agencies as provided for in the Federal Single Audit Act, Office of Management and Budget (OMB) Uniform Guidance and Florida Single Audit Act in accordance with Chapter 10.550, Rules of the Auditor General. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal

and state awards. These reports are available in the City of Deerfield Beach's separately issued Compliance Reports.

This letter of transmittal is designed to complement Management's Discussion & Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report on the basic financial statements.

Profile of the City of Deerfield Beach

Incorporated in 1925, the City of Deerfield Beach operates under the commission/manager form of government. The City Commission develops legislation and policies to direct the City but employs a professional City Manager to oversee operations. The Mayor, elected at-large to a four-year term, acts as the formal representative of the City and presides over Commission meetings. The public elects four City Commissioners who serve four-year terms.

The City of Deerfield Beach provides a broad range of municipal services. These services include:

- Public Safety
- Solid Waste Collection and Disposal Services
- Water Production and Distribution
- Wastewater Distribution System Maintenance and Construction
- Stormwater Management
- Coastal and Environmental Protection and Management
- Road and Bridge Maintenance and Construction
- Grounds Maintenance and Beautification
- Planning and Zoning Management
- Public Land/Open Space Management
- Community and Social Services
- Recreational, Leisure, and Cultural Programs and Activities
- General Administrative Services

The City government does not provide primary or secondary education or health care, as these are the responsibility of the Broward County School District and Broward Health, respectively. Both entities are independent special districts that are not part of the City of Deerfield Beach. As such, financial data for them or for any other government has not been included in the financial statements in this report.

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

For financial planning and control, the City prepares and adopts an annual operating budget in accordance with Florida Statute Chapter 166.241. The legally adopted budget is at the departmental level for current expenditures with separate appropriations established for debt service, interfund transfers, intergovernmental expenditures and miscellaneous fiscal transactions. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the CRA Fund, this comparison is presented on pages 82 and 83, respectively, as part of the required supplementary information. For governmental funds, other than the General and CRA funds, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules.

Factors Affecting Economic Condition

Local Economy

Home to over 80,000 residents, Deerfield Beach is a medium-size coastal city located on the east coast of Florida in Broward County. The City is a diverse residential community with complimentary

mix of commercial development such as shopping and retail facilities, office buildings, restaurants, tourist lodgings, distribution, warehousing, manufacturing, and light industry.

On March 13, 2020, the City declared a state of local emergency in response to the COVID-19 public health crisis and executed emergency operations. On March 16, 2020, local schools were closed and did not reopen for classroom instruction for the remainder of the school year. As a result of social distancing, business closures, and stay-at-home mandates meant to curb the virus spread, economic activity nearly grinded to a halt. Operations were closed or severely modified and most activities were postponed or canceled due to the pandemic. Police, Fire & Rescue, and most Public Works, Utilities, and Administrative operations continued throughout the shutdown. The Executive Team, which includes the City Manager's Office and department directors, began meeting (virtually) daily assessing the ever-changing situation. Following CDC guidelines, the Team implemented safety measures needed to protect the employees and citizens doing business with the City. Investments were made to provide personal protective equipment (PPE), expand sanitation protocols, implement remote working, and provide essential programs and services virtually or in a non-touch, socially distant environment.

Due to the uncertainty both from a public health and economic perspective, as well as entering predicted higher than normal hurricane season, the City took a proactive approach and implemented several austerity measures including a hiring freeze, furloughs, and postponement of capital and maintenance repairs and replacements projects. Discussion around use of the emergency reserves or unassigned fund balance in excess of the policy limits were considered.

With the ongoing negative outcomes from the COVID Economy - high unemployment rate, lack of travel and tourism, modified shutdowns, stay at home orders, and uncertainty regarding vaccine development and distribution – priorities were re-evaluated during FY2021 budget planning process. Revenue projection was challenging to say the least and therefore the most conservative approach was taken. Cost containment measures continued with deferring unfunded capital and maintenance, repair, and replacement projects, and a hiring slowdown along with no compensation increases.

Late into the 4th quarter of FY2020, the City was notified of eligibility to submit COVID related expenses of up to \$4.8M covering the period from March 2020 through December 2020 for reimbursement through the CARES Act. The CARES Act funding was designed to reimburse for pandemic related expenses such as medical, public health, facilitate compliance expenses, economic support, payroll expenses as it relates to public safety, public health, healthcare, and human services. The City's final allocation and reimbursement was approximately \$2.8M in COVID related expenses of which \$1.3M was recognized in FY2020.

The results of the cost containment measures along with the CARES Act reimbursement ultimately kept the General Fund ending the Fiscal Year 2020 structurally sound and with a fund balance to support the fiscal year 2021 budget.

Long-Term Financial Planning

The City maintained its credit rating of "AA" for its General Obligation Refunding Bonds, Series 2012B-2. The City's credit rating for its debt secured by its covenant-to-budget and appropriate non-ad valorem revenue was recently upgraded from "AA-" to "AA" by Standard & Poor's Global Ratings. The City's credit profile for its covenant-to-budget and appropriate debt from Fitch Ratings remained the same at "AA-."

The City has taken steps to prepare estimates of its future budgetary needs. During the upcoming fiscal year, the City will employ a multi-year financial planning approach, similar to the City's multi-year Capital Improvement Plan (CIP), which will enable staff to better determine if activities being undertaken are sustainable in the long run. The City's CIP document is updated and adopted on an annual basis. The CIP prioritizes major capital projects and identifies revenue sources available to finance the improvements. For fiscal years 2021 – 2025, the City Commission adopted a CIP budget of approximately \$124.8 million.

Major Initiatives

For Fiscal Year 2021, the City has several initiatives and staffing reorganizations that are in alignment with the strategic priority of providing the same or enhanced quality of services to our citizens and business owners:

- Enterprise Resource Planning (ERP) System implementation to manage business and administrative functions and to automate many back-office functions primarily related to finance, technology, customer services, and human resources.
- Design and construction of the new Center for Active Aging, Johnny Tigner Center, and City Hall Renovations.
- Development of a five-year strategic plan (2022-2027) that will establish the major objective of the city for the next five years.
- Design and permitting of a regional beach Re-nourishment project.
- Construction and completion of the Energy Performance Contract to further the City's goal toward sustainability by building infrastructure initiatives using smart and energy efficient technologies.
- Design and construction of the Phase II Arboretum Rainforest.
- Adopted a revised Parks and Recreation Fee Schedule to enhance revenue opportunities and provide deeper discounts to city residents.
- Successfully administered the CARES Act program resulting in reimbursement of 97% of all expense requests.
- Assisted more than 11,000 residents during 25 City sponsored food distribution events throughout the year for those financially impacted by the COVID-19 pandemic.
- Completed the Stormwater Master Plan that will establish the capital needs and priorities of the City's stormwater infrastructure.

In addition, organizational changes include the establishment of the Department of Legislative Affairs and Community Development, formerly Community Development. This change represents the responsibilities and operations of the department, which have expanded to include community support programs and services, education outreach and advocacy, and intergovernmental relations. The Division of Purchasing and Contracts and the Division of Budget and Performance are being consolidated into the Department of Financial Services to create synergy and increase coordination amongst the finance, procurement, and budget functions. Lastly, the Sanitation Division has been eliminated, and staff and operations have been redistributed to more appropriate functional divisions. We will continue to evaluate and revise our policies and organization to enhance transparency, efficiency, while maintaining compliancy with all Federal, State, and Local requirements.

Awards and Acknowledgements

The City of Deerfield Beach's Utilities Division receiving an award from the American Public Works Association for the best project of the year, and an award from the American Water Works Association for most improved class "A" water treatment plant.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Deerfield Beach for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 40th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual financial report. This report satisfied both GAAP and applicable legal requirements.

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

Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2020 for the 24th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient


in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Thank you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. This report could not have been prepared without the dedicated service of all of the employees of the Department of Financial Services as well as the support of the other City departments.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "D. Santucci", with a long horizontal flourish extending to the right.

David Santucci
City Manager

A handwritten signature in black ink, appearing to read "S. Tinsley", with a long horizontal flourish extending to the right.

Stephanie Tinsley
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Deerfield Beach
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

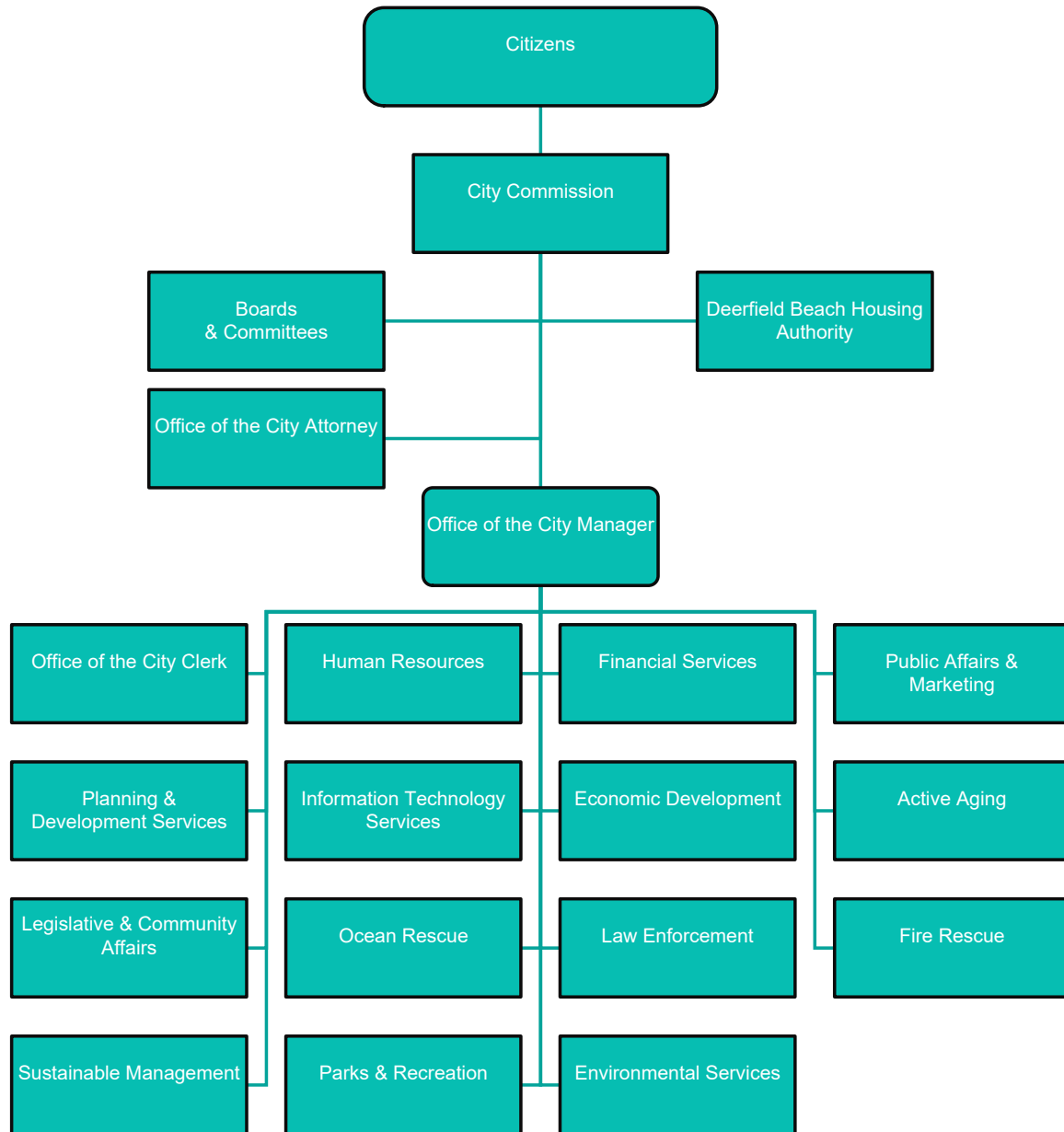
September 30, 2019

Christopher P. Morill

Executive Director/CEO

City of Deerfield Beach

Organization Chart



City of Deerfield Beach, Florida
List of Elected and Appointed Officials
September 30, 2020

Elected Officials

Mayor	Bill Ganz
Vice Mayor	Bernie Parness
Commissioner	Todd Drosky
Commissioner	Michael Hudak
Commissioner	Ben Preston

Appointed Officials

City Manager	David Santucci
Assistant City Manager	Tom Good
Assistant City Manager	Angelia Adediran
City Attorney	Weiss Serota Helfman Cole & Berman ± Anthony Soroka
City Clerk	Samantha Gillyard
Director of Community Development	Vickki Placide-Pickard
Chief Financial Officer	Stephanie Tinsley
Chief Human Resources Officer	Amanda Robin
Chief Information Officer	Ronald McKenzie
Director of Parks & Recreation	vacant
Director of Environmental Services	Priscilla Cygielnik
Director of Planning & Development Services	Eric Power
Director of Active Aging	Donna DeFronzo
Director of Sustainable Management	Chad Grecsek
Director of Public Affairs & Marketing	Rebecca Medina-Stewart
Director Economic Development	Kristin Mory
Fire Chief	Matthew Pellitteri
Police Chief	Rodney Brimlow
Ocean Rescue Chief	Michael Brown

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represents 92%, 94% and 68%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, the schedules of changes in the city's net pension liability and related ratios, the schedules of city contributions, schedule of city's proportionate share of net pension liability, schedule of changes in the city's total OPEB liability and related ratios, and budgetary comparison schedules for the general fund and major special revenue funds on pages 82 through 93 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 the other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our and other auditors inquiries, the basic financial statements, and other knowledge we obtained during our audit and the other auditors audit of the basic financial statements. We and the other auditors, do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
June 30, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A)**

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

This section of the report is intended to give readers a narrative overview to facilitate both a short and long-term analysis of the financial activities of the City for the fiscal year ended September 30, 2020. This Management's Discussion and Analysis is based on currently known facts, decisions and conditions that existed as of the date of the independent auditors' report. The information presented is in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34) as amended. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report.

Financial Highlights

- The total assets on the Government-wide basis of the City of Deerfield Beach at September 30, 2020 decreased \$9 million from \$324.2 million to \$315.0 million, or 2.82% from the prior year.
- The City's total liabilities on a Government-wide basis increased by \$1.2 million, from \$217.9 million to \$219.1 million from the prior year.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$95.2 million (net position). Of this amount, \$28.3 million was from governmental activities and \$66.9 million was from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$81.9 million, an increase of \$5.6 million, in comparison with the amount reported for the prior fiscal year. Of this amount, \$1.9 million was non-spendable, \$46.7 million was restricted, \$11.9 million was assigned, and \$21.5 million was unassigned and therefore available for spending at the government's discretion.
- At the end of the fiscal year, unassigned fund balance in the General Fund was \$21.7 million, or 20.9% of total General Fund expenditures and transfers. The City has a reserve policy of maintaining an amount in reserves that is at least 10% and 5% of total General Fund expenditures and transfers for unassigned and assigned emergency reserves respectively.

Overview of the Financial Statements

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

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

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Overview of the Financial Statements

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period. Examples of such items include earned but uncollected grant funds and earned, but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the City of Deerfield Beach that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, economic environment, public safety, human services, physical environment, transportation, and culture and recreation. The business-type activities of the City of Deerfield Beach include water and sewer, stormwater utility, and solid waste services.

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

The government-wide financial statements can be found on pages 17 - 18 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Deerfield Beach uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Overview of the Financial Statements

The City of Deerfield Beach maintains governmental funds for various sources of revenues. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City as a whole. These financial statements report three major funds: general fund and community redevelopment agency fund, and the general construction fund. Data from the non-major governmental funds are combined into a single, aggregated presentation. Individual fund information for each of these nonmajor governmental funds is provided in the form of combining statements that are found on pages 96 - 105 of this report.

The City of Deerfield Beach adopts an annual appropriated budget for its General and CRA funds. A budgetary comparison statement has been provided for the General and CRA funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 19 - 24 of this report.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements with greater detail. The City of Deerfield Beach uses enterprise funds to account for its water and sewer, stormwater utility as well as its solid waste activities. The enterprise funds, which are considered to be major funds of the City, are reported separately as proprietary fund financial statements in the basic financial statements.

The basic proprietary fund financial statements can be found on pages 25 - 29 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds (Pension Trust Funds) are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Deerfield Beach's own programs. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30 - 31 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 - 81 of this report and should be read in conjunction with the City's financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City of Deerfield Beach's progress in funding its obligation to provide pension and other post-employment benefits to its employees, budgetary comparisons for the general fund and the CRA Special Revenue Fund. RSI can be found on pages 82 - 93 of this report.

The combining and individual fund statement and schedules referred to earlier in connection with nonmajor funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 94 - 105 of this report.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Deerfield Beach, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$95.2 million at the close of fiscal year 2020.

The largest portion of the City of Deerfield Beach's net position of \$110.4 million, or 116.00% of total net position, reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, utility plants and infrastructure), less any related debt and deferred inflows/outflows used to acquire those assets that are still outstanding. The City of Deerfield Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Deerfield Beach's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 92,240,155	\$ 95,217,155	\$ 45,089,777	\$ 53,239,255	\$ 137,329,933	\$ 148,456,410
Capital assets, Net	<u>104,000,271</u>	<u>103,232,148</u>	<u>73,686,194</u>	<u>72,471,529</u>	<u>177,686,465</u>	<u>175,703,677</u>
Total assets	<u>196,240,426</u>	<u>198,449,303</u>	<u>118,775,971</u>	<u>125,710,784</u>	<u>315,016,398</u>	<u>324,160,087</u>
Deferred outflows of resources	<u>17,973,970</u>	<u>16,812,732</u>	<u>2,419,606</u>	<u>2,331,048</u>	<u>20,393,576</u>	<u>19,143,780</u>
Other liabilities	8,005,270	12,985,693	4,889,610	4,693,617	12,894,880	17,679,310
Non-current liabilities	<u>164,163,970</u>	<u>156,624,615</u>	<u>42,010,731</u>	<u>43,571,419</u>	<u>206,174,701</u>	<u>200,196,034</u>
Total liabilities	<u>172,169,240</u>	<u>169,610,308</u>	<u>46,900,341</u>	<u>48,265,036</u>	<u>219,069,581</u>	<u>217,875,344</u>
Deferred inflows of resources	<u>13,700,383</u>	<u>19,746,462</u>	<u>7,414,440</u>	<u>9,666,934</u>	<u>21,114,823</u>	<u>29,413,396</u>
Net position:						
Net investment in capital assets	63,275,945	65,413,462	47,108,607	53,984,687	110,384,552	119,398,149
Restricted	21,768,711	21,139,007	1,178,354	1,174,491	22,947,065	22,313,498
Unrestricted	<u>(56,699,883)</u>	<u>(60,647,204)</u>	<u>18,593,835</u>	<u>14,950,684</u>	<u>(38,106,048)</u>	<u>(45,696,520)</u>
Total net position	<u>\$ 28,344,773</u>	<u>\$ 25,905,265</u>	<u>\$ 66,880,796</u>	<u>\$ 70,109,862</u>	<u>\$ 95,225,569</u>	<u>\$ 96,015,127</u>

An additional portion of the City of Deerfield Beach's net position, approximately 24.1%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a deficit of \$38.1 million, continues to be impacted by the implementation of GASB Statement No. 75 which had a significant negative impact on the City's unrestricted net position for the governmental activities but is recovering.

The net position of business-type activities decreased by \$3.2 million to \$66.9 million in 2020. This decrease was primarily due to increase of personnel cost in all three enterprise funds due to OPEB obligations, a 9% increase in solid waste contractual service and 40% increase in vehicle maintenance of Solid Waste trucks.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Government-wide Financial Analysis

The City's current and other assets decreased by \$11.1 million from \$148.5 million to \$137.3 million due to write off of receivables deemed uncollectible (ambulance services) and liquidation of some investments to aid in working capital during slow collection period while the office was closed. Capital assets also increased by \$2.0 million from \$175.7 million to \$177.7 million, or 1.1% from the prior year primarily due to completed infrastructural projects.

Current liabilities decreased from \$17.7 million to \$12.9 million. This decrease was primarily attributable to release of retainage on completed projects. The City's total noncurrent liabilities increased from \$200.2 million to \$206.2 million, or approximately 3.0%, from the prior year, due largely to an increase in compensated absences due and an increase in medical claims for the period.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Government-wide Financial Analysis

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 36,415,177	\$ 39,210,397	\$ 43,622,214	\$ 47,283,181	\$ 80,037,391	\$ 86,493,578
Operating grants and contributions	5,879,144	5,551,403	126,990	-	6,006,134	5,551,403
Capital grants and contributions	-	50,000	-	-	-	50,000
General revenue						
Taxes	70,189,823	68,599,878	-	-	70,189,823	68,599,878
Miscellaneous revenues	2,128,836	1,454,300	77,650	-	2,206,486	1,454,300
Grants and contributions not restricted to specific programs	1,715,329	1,983,976	-	-	1,715,329	1,983,976
Unrestricted investment earnings	1,325,584	2,403,213	708,660	1,112,087	2,034,244	3,515,300
Total revenues	<u>117,653,893</u>	<u>119,253,167</u>	<u>44,535,513</u>	<u>48,395,268</u>	<u>162,189,407</u>	<u>167,648,435</u>
Expenses:						
General government	13,200,897	10,139,309	-	-	13,200,897	10,139,309
Economic environment	3,006,189	1,831,573	-	-	3,006,189	1,831,573
Public safety	75,166,877	67,759,892	-	-	75,166,877	67,759,892
Human services	2,258,427	352,258	-	-	2,258,427	352,258
Physical environment	6,966,270	3,903,291	-	-	6,966,270	3,903,291
Transportation	5,683,850	5,293,134	-	-	5,683,850	5,293,134
Culture and recreation	5,717,348	4,525,216	-	-	5,717,348	4,525,216
Interest on long term debt	3,369,738	3,614,126	-	-	3,369,738	3,614,126
Water and sewer	-	-	24,985,191	24,088,048	24,985,191	24,088,048
Solid waste	-	-	21,697,597	15,522,046	21,697,597	15,522,046
Stormwater Utility	-	-	926,581	1,222,265	926,581	1,222,265
Total expenses	<u>115,369,596</u>	<u>97,418,799</u>	<u>47,609,369</u>	<u>40,832,359</u>	<u>162,978,965</u>	<u>138,251,158</u>
Change in net position before transfers	2,284,297	21,834,368	(3,073,855)	7,562,909	(789,558)	29,397,277
Transfers	155,211	270,961	(155,211)	(270,961)	-	-
Change in net position	<u>2,439,508</u>	<u>22,105,329</u>	<u>(3,229,066)</u>	<u>7,291,948</u>	<u>(789,558)</u>	<u>29,397,277</u>
Net position, beginning	25,905,265	3,799,936	70,109,862	62,817,914	96,015,127	66,617,850
Net position, ending	<u>\$ 28,344,773</u>	<u>\$ 25,905,265</u>	<u>\$ 66,880,796</u>	<u>\$ 70,109,862</u>	<u>\$ 95,225,569</u>	<u>\$ 96,015,127</u>

Governmental activities. Governmental activities increased the City's net position by \$2.4 million. The City's total revenues amounted to \$117.7 million in governmental activities. Of these revenues, 59.7% is generated from taxes, 31.0% is from charges for services, operating grants/contributions comprise 5.0%, grants and contributions not restricted to specific programs and miscellaneous revenues are 3.3%, and unrestricted investment earnings generates approximately 1.1%. Most of the increase in the City's net position mentioned above was primarily due to an increase in the taxable values of properties, realization of deferred revenues and an increase in miscellaneous revenues received through the Cares Act.

The City's expenses cover a broad range of services, with approximately 65.2% of governmental activity expenses related to public safety (fire/rescue and police protection). Public safety expenses constitute the largest component of total expenses due to the service level requirements. Public Safety consists of Broward Sheriff's Office Law Enforcement, Fire Rescue, and Emergency Services, and Ocean Rescue. The City's governmental and business-type activities had 18.4% and 15.6% less expenses than revenues, respectively. However, when compared with the previous year, expenses increased in both the governmental and business type fund. A significant portion of these increases were as a direct result of the

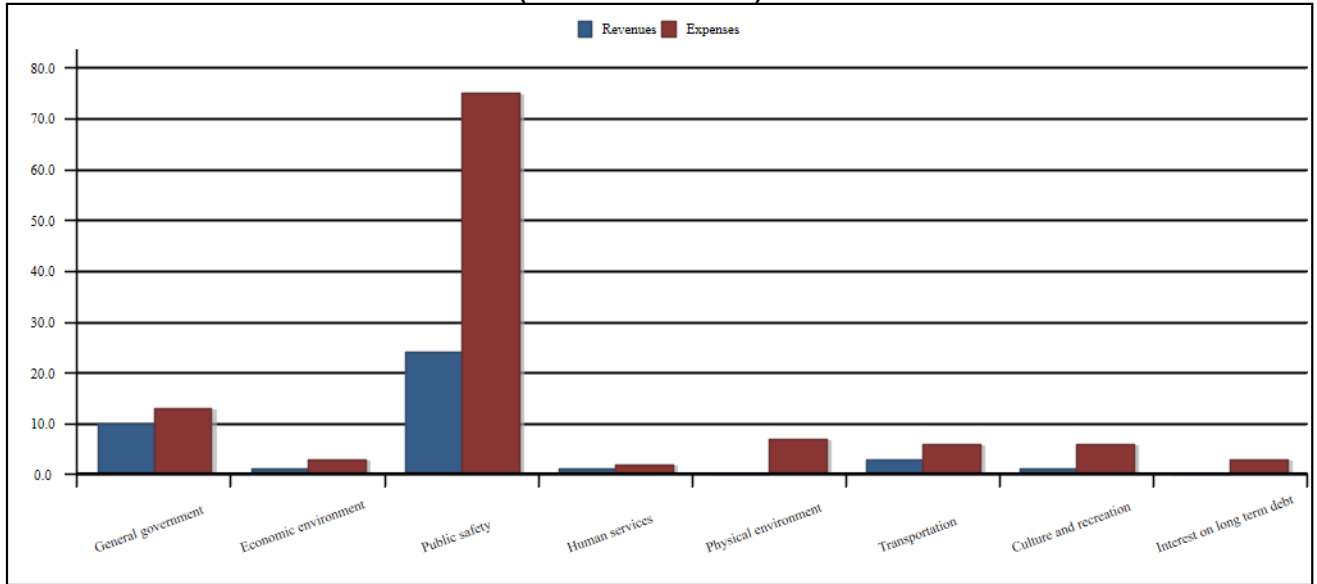
City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Government-wide Financial Analysis

extra hygiene practices, technological upgrades and purchase of personal protective equipment to aid staff remote work and social distancing for critical staff who remain on duty.

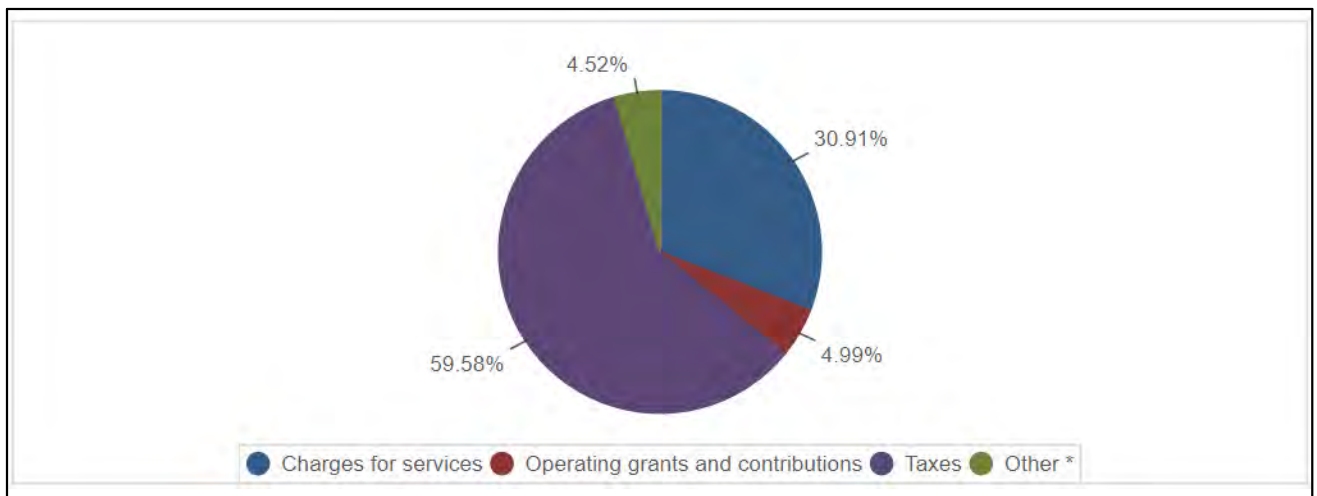
The next chart compares program revenues and expenses for the individual governmental activities for the fiscal year. As the chart reflects, all governmental activities relied on general revenues to support the function.

Governmental Activities - Expenses and Program Revenues
(Dollars in Millions)



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

Governmental Activities Revenues by Source



* Other includes all revenues under 2% as displayed in the Statement of Activities.

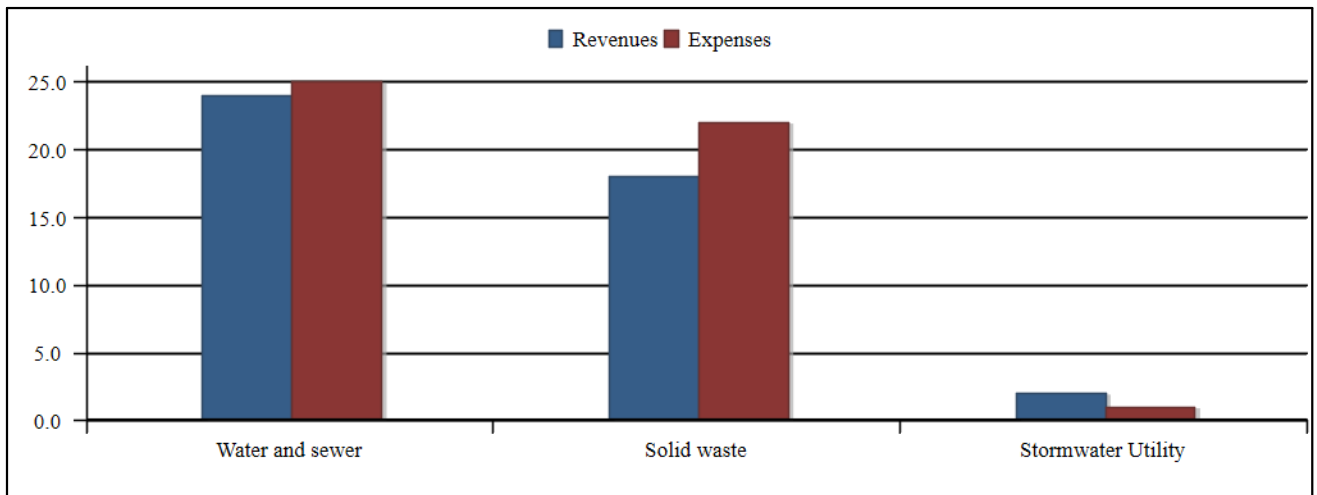
City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Government-wide Financial Analysis

Business-type activities. Business-type activities decreased the City's net position by \$3.2 million. This decrease in the net position of business-type activities was due primarily to contractual services for an energy use audit of the business facilities.

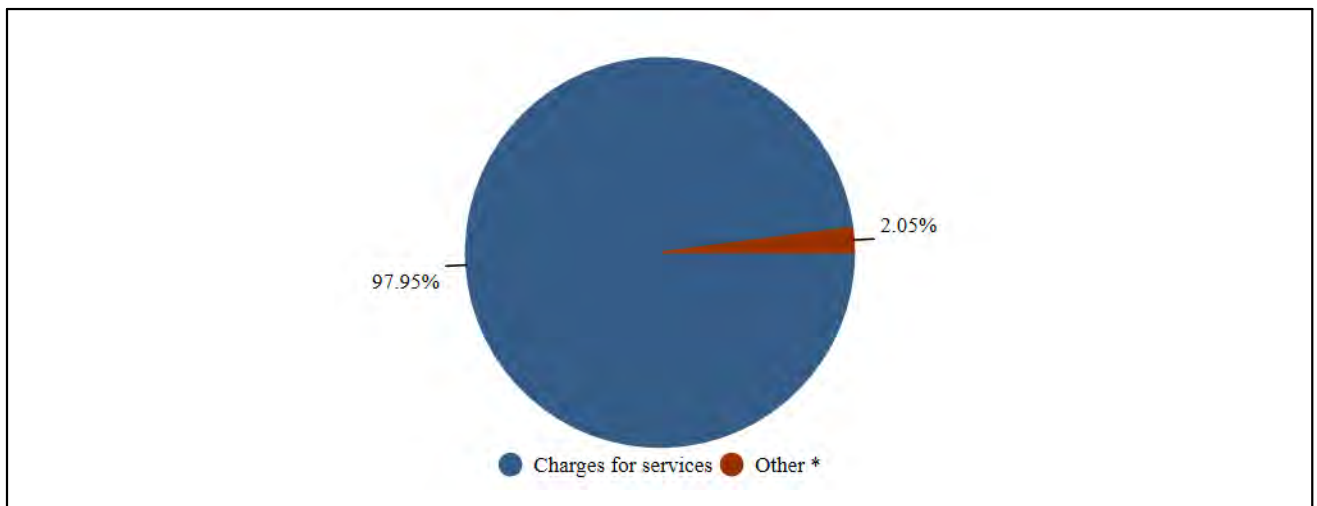
The following chart compares program revenues to expenses by individual business-type activity for the current year. These business-type activities recover more costs through program revenues than governmental activities and the water and sewer fund, generating sufficient revenues to cover current expenses.

Business-type Activities - Expenses and Program Revenues
(Dollars in Millions)



The following chart shows that 97.9% of revenues from business-type activities are generated by charges for services.

Business-type Activities Revenues by Source



* Other includes all revenues under 2% as displayed in the Statement of Activities.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Financial Analysis of the City's Funds

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

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

As of the end of the fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$81.9 million, an increase of \$5.6 million from the prior year's ending balances of \$76.3 million. Approximately 22.6%, \$21.5 million of the combined fund balances constitute *unassigned fund balance* that is available to meet the City's current and future needs. The remainder of fund balance is *non-spendable, restricted, committed and assigned* to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$21.7 million, while total fund balance was \$31.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 20.8% of total general fund expenditures and transfers, while total fund balance represents approximately 30.4% of that same amount.

The total fund balance of the City of Deerfield Beach's General Fund increased by \$4.9 million during the fiscal year. Some key factors in this increase relate to the increases cost control measures taken by leadership team once a global pandemic was declared. Several capital improvement projects were paused to limit cash outlay. Employees were furloughed for a brief period and a hiring freeze was implemented.

The General Construction Fund decreased due to the withdrawal of investment funds to cover street repairs and general construction. The lower investment balance resulted in a decrease in interest income and a net decrease of \$2.3 million in fund balance.

The Community Redevelopment Agency Fund accounts for revenues collected from and expenditures incurred within the community redevelopment area which borders Federal Highway to the west and State Road A1A to the east. At the end of the fiscal year, the restricted and total fund balance in this fund amounted to \$3.9 million.

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

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$25.5 million. The Solid Waste Fund had an unrestricted net position deficit of \$8.1 million at the end of the fiscal year. Factors concerning the finances of these two funds have already been addressed in the discussion of the City of Deerfield Beach's business-type activities.

Capital Assets and Debt Administration

Capital assets. The City of Deerfield Beach's capital assets for its governmental and business-type activities as of September 30, 2020, amounted to \$177.7 million (net of accumulated depreciation). These capital assets include land, buildings, improvements other than building (such as improvements to parks), equipment, utility plants in service and infrastructure (roads, highways, bridges, etc.). The total increase in the City's capital assets for the current fiscal year was 1.1%, (0.7)% for governmental activities and 2.0% for business-type activities) due to increase building improvements and infrastructure. The following table summarizes the City's capital assets.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Capital Assets and Debt Administration

**Schedule of Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 17,523,810	\$ 17,523,810	\$ 50,531	\$ 50,531	\$ 17,574,341	\$ 17,574,341
Buildings	22,108,186	23,066,561	555,538	470,934	22,663,724	23,537,495
Improvements other than buildings	9,809,444	8,521,361	43,684,143	42,462,280	53,493,587	50,983,641
Equipment	5,279,715	4,976,675	6,791,762	6,826,708	12,071,477	11,803,383
Utility plants in service	-	-	20,772,084	22,165,854	20,772,084	22,165,854
Infrastructure	30,955,164	32,195,135	-	-	30,955,164	32,195,135
Construction in progress	18,323,952	16,948,607	1,832,136	495,221	20,156,088	17,443,828
Total	\$ 104,000,271	\$ 103,232,149	\$ 73,686,194	\$ 72,471,528	\$ 177,686,465	\$ 175,703,677

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

- Energy performance Siemens Industry Project at 1.7 million and the Kirk Cottrell Pavilion Improvement for 2.7 million.

Additional information on the City of Deerfield Beach's capital assets can be found in Note III (C) on pages 54 - 55 of this report.

Long-term debt. At year-end, the City of Deerfield Beach had \$12.9 million in general obligation bonds outstanding. The City also had \$48.9 million in outstanding covenant bonds (for which the City must "covenant" and appropriate funds necessary to pay the annual debt service), but which are primarily backed by sources other than ad valorem taxes. The business-type activities had \$9.7 million outstanding in revenue bonds and \$5.9 million in loans payable as well as \$10.3 million in capital leases outstanding at the end of the fiscal year.

The City maintained its credit rating of "AA" for its General Obligation Refunding Bonds, Series 2012B-2. The City's credit rating for its debt secured by its covenant-to-budget and appropriate non-ad valorem revenue was recently upgraded from "AA-" to "AA" by Standard & Poor's Global Ratings. The City's credit profile for its covenant-to-budget and appropriate debt from Fitch Ratings remained the same at "AA-."

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2020

Capital Assets and Debt Administration

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

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds (backed by the City)	\$ 12,877,338	\$ 13,973,948	\$ -	\$ -	\$ 12,877,338	\$ 13,973,948
Revenue bonds	-	-	9,678,126	10,595,004	9,678,126	10,595,004
Covenant bonds	48,925,000	50,150,000	-	-	48,925,000	50,150,000
Add/(subtract) premium/(discount)	6,228,304	6,325,119	-	-	6,228,304	6,325,119
Capital leases	3,458,318	601,070	10,309,198	9,696,445	13,767,516	10,297,515
Loan payable	-	-	5,882,575	7,579,659	5,882,575	7,579,659
Total bonds, loans and leases payable	<u>\$ 71,488,960</u>	<u>\$ 71,050,137</u>	<u>\$ 25,869,899</u>	<u>\$ 27,871,108</u>	<u>\$ 97,358,859</u>	<u>\$ 98,921,245</u>

The City's general obligation debt per capita, excluding enterprise fund debt, was \$159 at the end of fiscal year 2020. The City's outstanding net general obligation debt was 0.13% of the City's assessed property value. The City's debt policy requires that its net general obligation bonded debt not exceed two (2) percent of the assessed valuation of taxable property within the City, unless otherwise directed by the city commission. Net reduction is due to the pay down of principal debt service obligations.

Additional information on the City of Deerfield Beach's long-term debt can be found in Note III (I) on pages 57 - 61 of this report.

Economic Factors and Next Year's Budget and Rates

The ensuing fiscal year's budget was refocused to mitigate negative long-term impacts on the level of service to residents and the retention and safety of staff. Attention was given to the national and local economies in setting priorities and re-apportioning resources. The following are the major assumptions used in formulating the fiscal year 2021 budget:

- Local economies will continue to be impacted from the effects of the pandemic, forcing austerity measures to maintain service levels with reduced operational income.
- The City's population will experience growth, some from pandemic relocations.
- Salaries and related benefits will remain constant and hiring limited to critical personnel.
- No increase in the millage or utility rates.

During the current fiscal year, total fund balance in the General Fund amounted to \$25.9 million. The City plans to utilize \$1,710,202 of its available General Fund balance for spending in Fiscal Year 2021.

Request for Information

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

BASIC FINANCIAL STATEMENTS

City of Deerfield Beach, Florida
Statement of Net Position
September 30, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 4,320,135	\$ 1,758,864	\$ 6,078,999
Investments	36,294,106	34,054,815	70,348,921
Receivables (net of allowances)	7,725,382	6,455,199	14,180,581
Due from other governments	986,127	140,577	1,126,704
Inventories	166,558	176,299	342,857
Prepaid items	236,231	44,193	280,424
Restricted assets			
Temporarily restricted:			
Cash and cash equivalents	4,287,947	2,459,830	6,747,777
Investments	34,435,068	-	34,435,068
Due from other governments	1,328,931	-	1,328,931
Permanently restricted:			
Investments	2,459,670	-	2,459,670
Capital assets			
Non-depreciable	35,847,762	1,882,667	37,730,429
Capital assets, being depreciated	68,152,509	71,803,527	139,956,036
Total assets	196,240,426	118,775,971	315,016,397
Deferred outflows of resources			
Pensions	16,301,055	1,359,438	17,660,493
OPEB	1,672,915	1,060,168	2,733,083
Total deferred outflows of resources	17,973,970	2,419,606	20,393,576
Liabilities			
Accounts payable	3,701,869	3,463,689	7,165,558
Accrued payroll	798,336	443,672	1,242,008
Accrued interest payable	1,338,330	410,326	1,748,656
Due to other governments	85,833	-	85,833
Unearned revenue	219,040	-	219,040
Other liabilities	200,000	-	200,000
Payable from restricted assets			
Accounts payable	1,834,184	-	1,834,184
Accrued payroll	27,678	-	27,678
Customer deposit	-	571,923	571,923
Non-current liabilities:			
Due within one year:			
Compensated absences	189,054	581,759	770,813
Insurance claims payable	1,029,797	-	1,029,797
Bonds, loans and leases payable	2,756,419	2,806,217	5,562,636
Due in more than one year:			
Compensated absences	1,347,893	711,902	2,059,795
Insurance claims payable	6,347,605	-	6,347,605
Bonds, loans and leases payable	68,732,541	23,063,682	91,796,223
Total OPEB liability	19,616,623	12,431,524	32,048,147
Net pension liability	63,944,038	2,415,647	66,359,685
Total liabilities	172,169,240	46,900,341	219,069,581
Deferred inflows of resources			
Pensions	2,080,889	280,882	2,361,771
OPEB	11,256,569	7,133,558	18,390,127
Deferred amount on bond refunding	362,925	-	362,925
Total deferred inflows of resources	13,700,383	7,414,440	21,114,823
Net position			
Net investment in capital assets	63,275,945	47,108,607	110,384,552
Restricted net position:			
Debt service	4,252,912	1,178,354	5,431,266
Perpetual care:			
Nonexpendable	1,467,471	-	1,467,471
Expendable	25,076	-	25,076
Economic environment	4,998,995	-	4,998,995
Public safety	2,975,856	-	2,975,856
Human services	3,751,196	-	3,751,196
Physical environment	1,640,017	-	1,640,017
Transportation	2,470,041	-	2,470,041
Parks and recreation	187,147	-	187,147
Unrestricted	(56,699,883)	18,593,835	(38,106,048)
Total net position	\$ 28,344,773	\$ 66,880,796	\$ 95,225,569

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

City of Deerfield Beach, Florida
Statement of Activities
For the Year Ended September 30, 2020

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 13,200,897	\$ 10,448,831	\$ -	\$ -	\$ (2,752,066)	\$ -	\$ (2,752,066)
Economic environment	3,006,189	-	1,477,926	-	(1,528,263)	-	(1,528,263)
Public safety	75,166,877	22,395,951	1,882,572	-	(50,888,354)	-	(50,888,354)
Human services	2,258,427	196,219	1,158,043	-	(904,165)	-	(904,165)
Physical environment	6,966,270	350,471	-	-	(6,615,799)	-	(6,615,799)
Transportation	5,683,850	1,978,435	1,185,442	-	(2,519,973)	-	(2,519,973)
Culture and recreation	5,717,348	1,045,270	175,161	-	(4,496,917)	-	(4,496,917)
Interest on long term debt	3,369,738	-	-	-	(3,369,738)	-	(3,369,738)
Total general government	<u>115,369,596</u>	<u>36,415,177</u>	<u>5,879,144</u>	<u>-</u>	<u>(73,075,275)</u>	<u>-</u>	<u>(73,075,275)</u>
Business-type activities:							
Water and sewer	24,985,197	23,932,893	126,990	-	-	(925,314)	(925,314)
Solid waste	21,697,597	17,456,238	-	-	-	(4,241,359)	(4,241,359)
Stormwater Utility	926,581	2,233,083	-	-	-	1,306,502	1,306,502
Total business-type activities	<u>47,609,375</u>	<u>43,622,214</u>	<u>126,990</u>	<u>-</u>	<u>-</u>	<u>(3,860,171)</u>	<u>(3,860,171)</u>
Total	\$ 162,978,971	\$ 80,037,391	\$ 6,006,134	\$ -	(73,075,275)	(3,860,171)	(76,935,446)

General Revenues:			
General property taxes		44,281,635	44,281,635
Incremental property taxes		4,027,757	4,027,757
Utility taxes		8,421,784	8,421,784
Sales taxes		4,803,143	4,803,143
Franchise taxes		7,365,570	7,365,570
Motor fuel taxes		1,203,827	1,203,827
Alcoholic beverage/mobile home license taxes		86,107	86,107
Grants and contributions not restricted to specific programs		1,715,329	1,715,329
Unrestricted investment earnings		1,325,584	2,034,250
Miscellaneous revenues		2,128,836	2,206,486
Transfers		155,211	-
Total general revenues and transfers		<u>75,514,783</u>	<u>76,145,888</u>
Change in net position		2,439,508	(789,558)
Net position - beginning		25,905,265	96,015,127
Net position - ending		<u>\$ 28,344,773</u>	<u>\$ 95,225,569</u>

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

City of Deerfield Beach, Florida
Governmental Funds
Balance Sheet
September 30, 2020

	<u>General Fund</u>	<u>Community Redevelopment Agency</u>	<u>General Construction Fund</u>
Assets			
Cash and cash equivalents	\$ 2,261,360	\$ 1,721,103	\$ 74,114
Investments	36,294,106	2,662,589	28,065,366
Restricted Investments	-	-	-
Receivables, net of allowances:			
Accounts	7,625,701	-	-
Assessments	842	-	-
Interest	46,493	3,971	17,895
Due from other funds	4,603,959	-	5,600,000
Due from other governments	979,770	-	622,626
Inventories	166,558	-	-
Prepaid items	236,231	-	-
Total assets	<u>\$ 52,215,020</u>	<u>\$ 4,387,663</u>	<u>\$ 34,380,001</u>
Liabilities			
Accounts payable	\$ 2,662,316	\$ 475,599	\$ 334,841
Accrued payroll	779,592	14,076	-
Due to other funds	14,341,000	-	2,036,606
Unearned revenue	973	-	-
Due to other governments	85,833	-	-
Customer deposits	70,699	-	-
Total liabilities	<u>17,940,413</u>	<u>489,675</u>	<u>2,371,447</u>
Deferred Inflows of Resources			
Unavailable revenue	<u>2,663,640</u>	<u>-</u>	<u>622,626</u>
Fund Balances			
Nonspendable	402,789	-	-
Restricted	-	3,897,988	31,385,928
Assigned	9,543,562	-	-
Unassigned	21,664,616	-	-
Total fund balances	<u>31,610,967</u>	<u>3,897,988</u>	<u>31,385,928</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,215,020</u>	<u>\$ 4,387,663</u>	<u>\$ 34,380,001</u>

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

City of Deerfield Beach, Florida
Governmental Funds
Balance Sheet (Continued)

September 30, 2020

	<u>Nonmajor Governmental Funds</u>		<u>Total Governmental Funds</u>
\$	4,551,505	\$	8,608,082
	301,212		67,323,273
	5,865,571		5,865,571
	254		7,625,955
	-		842
	30,226		98,585
	8,741,000		18,944,959
	712,662		2,315,058
	-		166,558
	-		236,231
	<u>20,202,430</u>		<u>\$ 111,185,114</u>
\$	2,063,296	\$	5,536,052
	32,346		826,014
	2,567,354		18,944,960
	147,368		148,341
	-		85,833
	-		70,699
	<u>4,810,364</u>		<u>25,611,899</u>
	<u>349,553</u>		<u>3,635,819</u>
	1,492,547		1,895,336
	11,417,539		46,701,455
	2,341,276		11,884,838
	(208,849)		21,455,767
	<u>15,042,513</u>		<u>81,937,396</u>
\$	<u>20,202,430</u>	\$	<u>111,185,114</u>

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

City of Deerfield Beach, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2020

Fund balances, total governmental funds:		\$ 81,937,396
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	197,076,993	
Accumulated depreciation	<u>(93,076,722)</u>	
Net capital assets		104,000,271
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and are not reported in the funds.		
Interest payable	(1,338,330)	
Bonds payable	(61,802,338)	
Capital lease payable	(3,458,318)	
Insurance claims payable	(7,377,402)	
Compensated absences payable	(1,536,947)	
Total OPEB liabilities	(19,937,104)	
Net pension liabilities	<u>(63,623,557)</u>	
Total		(159,073,996)
Deferred outflows and inflows of resources related to pensions and OPEB are recorded in the statement of net position.		
Deferred outflows related to pensions	16,301,055	
Deferred inflows related to pensions	<u>(2,080,889)</u>	
Total		14,220,166
Deferred outflows from OPEB	1,672,915	
Deferred inflows from OPEB	<u>(11,256,569)</u>	
Total		(9,583,654)
Revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. They are, however, recognized in the governmental activities.		3,635,819
Other liabilities		(200,000)
Bond premiums and discounts, gains, and losses related to the issuance of long-term debt are charged to "Other Financing Sources and Uses" when debt is issued in the governmental funds. These items, however, are capitalized and amortized over the life of the bonds in the government-wide financial statements.		
Bond premiums on refunding	(6,228,304)	
Amortized premium/deferred gain on refunding	<u>(362,925)</u>	
Unamortized premium/deferred gain on refunding		<u>(6,591,229)</u>
Net position of governmental activities		<u>\$ 28,344,773</u>

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

City of Deerfield Beach, Florida
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2020

	General Fund	Community Redevelopment Agency	General Construction Fund
Revenues			
Property taxes	\$ 44,281,635	\$ 4,027,757	\$ -
Sales and use taxes	6,179,244	-	-
Fire assessment fees	13,687,279	-	-
Franchise fees	7,365,570	-	-
Utility taxes	8,421,784	-	-
Local option gas tax	-	-	-
Alcoholic beverage/mobile home license taxes	86,107	-	-
Local business taxes/permits	1,280,574	-	-
Intergovernmental	3,645,627	283,147	-
Charges for services	8,757,750	-	-
Fines and forfeitures	1,040,747	-	-
Impact fees	-	-	-
Investment earnings	641,338	36,497	549,805
Miscellaneous:			
Cemetery plot sales	-	-	-
Donations/contributions	380,706	12	-
Administrative fees	8,111,049	-	-
Other	270,884	-	-
Total revenues	<u>104,150,294</u>	<u>4,347,413</u>	<u>549,805</u>
Expenditures			
Current:			
General government	14,636,010	-	-
Economic environment	1,034,871	840,462	-
Public Safety	65,338,558	52,711	-
Human services	2,502,215	-	-
Physical environment	6,075,119	-	-
Transportation	653,398	-	-
Culture and recreation	4,337,443	62,409	-
Capital outlay	1,694,318	1,621,705	2,937,566
Debt service:			
Principal retirement	331,712	835,000	-
Interest and fiscal charges	7,349	-	-
Total expenditures	<u>96,610,993</u>	<u>3,412,287</u>	<u>2,937,566</u>
Excess (deficiency) of revenues over expenditures	<u>7,539,301</u>	<u>935,126</u>	<u>(2,387,761)</u>
Other Financing Sources (Uses)			
Transfers in	1,552,392	-	-
Transfers out	(7,391,557)	(1,094,181)	-
CARES act funds	1,374,764	-	-
Capital lease proceeds	1,838,622	-	-
Total other financing sources (uses)	<u>(2,625,779)</u>	<u>(1,094,181)</u>	<u>-</u>
Net change in fund balances	4,913,522	(159,055)	(2,387,761)
Fund balances - beginning	26,697,445	4,057,043	33,773,689
Fund balances, end of year	<u>\$ 31,610,967</u>	<u>\$ 3,897,988</u>	<u>\$ 31,385,928</u>

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

City of Deerfield Beach, Florida
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
For the Year Ended September 30, 2020

Nonmajor Governmental Funds	<u>Total</u>
\$ -	\$ 48,309,392
-	6,179,244
-	13,687,279
-	7,365,570
-	8,421,784
1,203,827	1,203,827
-	86,107
6,063,883	7,344,457
2,703,515	6,632,289
247,967	9,005,717
729,842	1,770,589
664,558	664,558
97,944	1,325,584
175,560	175,560
28,224	408,942
431,177	8,542,226
99,500	370,384
12,445,997	121,493,509
-	14,636,010
1,582,348	3,457,681
5,885,732	71,277,001
18,727	2,520,942
63,016	6,138,135
1,844,520	2,497,918
224,462	4,624,314
1,447,310	7,700,899
1,486,483	2,653,195
3,666,605	3,673,954
16,219,203	119,180,049
(3,773,206)	2,313,460
7,133,715	8,686,107
(45,159)	(8,530,897)
-	1,374,764
-	1,838,622
7,088,556	3,368,596
3,315,350	5,682,056
11,727,163	76,255,340
\$ 15,042,513	\$ 81,937,396

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

City of Deerfield Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020

Net Change in Fund Balances - Total Governmental Funds		\$ 5,682,056
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported in depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay	6,202,961	
Governmental Depreciation	<u>(5,113,162)</u>	1,089,799
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(5,725,307)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the funds.</p>		
Insurance claims and benefits expense	859,611	
Other postemployment benefit expense	2,551,881	
Pension Expense	<u>(2,926,783)</u>	484,709
<p>In the statement of activities, certain operating expenses - compensated absences (sick and vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually used (paid).</p>		
Compensated absences expense		210,752
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Long term debt proceeds	(1,838,622)	
Long-term debt principal repayments	2,653,195	
Bond premium	<u>119,025</u>	933,598
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The interest expense reported in the statement of activities is the result of accrued interest on bonds, leases and loans payable.</p>		
		<u>185,405</u>
Change in net position of governmental activities		<u>\$ 2,439,508</u>

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

City of Deerfield Beach, Florida
Proprietary Funds
Statement of Net Position
September 30, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,575,972	\$ 516	\$ 182,376	\$ 1,758,864
Investments	31,505,943	2,548,872	-	34,054,815
Restricted cash and cash equivalents:				
Customer deposits	566,925	4,998	-	571,923
Revolving loan covenant accounts	1,178,354	-	-	1,178,354
Receivables, net of allowances:				
Accounts	3,734,836	2,198,976	153,953	6,087,765
Delinquent assessments	52,991	-	-	52,991
Interest	314,443	-	-	314,443
Due from other funds	254,920	694,653	1,682,000	2,631,573
Due from other governments	-	140,577	-	140,577
Inventories	176,299	-	-	176,299
Prepaid items	44,193	-	-	44,193
Total current assets	39,404,876	5,588,592	2,018,329	47,011,797
Noncurrent assets:				
Restricted cash and cash equivalents:				
Bond construction accounts	709,553	-	-	709,553
Capital assets:				
Land	50,531	-	-	50,531
Construction in Progress	-	1,832,136	-	1,832,136
Buildings	2,254,294	-	-	2,254,294
Utility plants in service	46,054,250	-	-	46,054,250
Improvements other than buildings	92,214,623	113,696	986,031	93,314,350
Equipment	9,241,772	15,676,477	29,120	24,947,369
Less: accumulated depreciation	(83,648,239)	(11,088,860)	(29,637)	(94,766,736)
Total capital assets (net of accumulated depreciation)	66,167,231	6,533,449	985,514	73,686,194
Total noncurrent assets	66,876,784	6,533,449	985,514	74,395,747
Total assets	106,281,660	12,122,041	3,003,843	121,407,544
Deferred outflows of resources				
Pensions	919,514	416,733	23,191	1,359,438
OPEB	537,117	498,383	24,668	1,060,168
Total deferred outflows of resources	1,456,631	915,116	47,859	2,419,606

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

City of Deerfield Beach, Florida
Proprietary Funds
Statement of Net Position (Continued)
September 30, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Liabilities				
Current liabilities:				
Accounts payable	\$ 848,436	\$ 2,592,469	\$ 22,783	\$ 3,463,688
Accrued payroll	213,562	220,027	10,083	443,672
Due to other funds	694,653	1,682,000	254,920	2,631,573
Customer deposits	566,925	4,998	-	571,923
Compensated absences	243,514	320,481	17,764	581,759
Accrued interest payable	182,659	227,667	-	410,326
Capital lease payable, current	-	144,468	-	144,468
Bonds payable, current	944,678	-	-	944,678
Loans payable, current	1,717,071	-	-	1,717,071
Total current liabilities	<u>5,411,498</u>	<u>5,192,110</u>	<u>305,550</u>	<u>10,909,158</u>
Noncurrent liabilities:				
Compensated absences	349,136	310,284	52,482	711,902
Total OPEB liability	6,298,230	5,844,035	289,259	12,431,524
Net pension liability	1,705,139	672,020	38,488	2,415,647
Capital leases payable	830,846	9,333,884	-	10,164,730
Bonds payable	8,733,448	-	-	8,733,448
Loans payable	4,165,504	-	-	4,165,504
Total noncurrent liabilities	<u>22,082,303</u>	<u>16,160,223</u>	<u>380,229</u>	<u>38,622,755</u>
Total liabilities	<u>27,493,801</u>	<u>21,352,333</u>	<u>685,779</u>	<u>49,531,913</u>
Deferred Inflows of Resources				
OPEB	3,614,102	3,353,471	165,985	7,133,558
Pensions	142,304	132,042	6,536	280,882
Total deferred inflows of resources	<u>3,756,406</u>	<u>3,485,513</u>	<u>172,521</u>	<u>7,414,440</u>
Net Position				
Net investment in capital assets	49,775,684	(3,652,591)	985,514	47,108,607
Restricted for Debt service	1,178,354	-	-	1,178,354
Unrestricted	25,534,046	(8,148,098)	1,207,888	18,593,836
Total net position	<u>\$ 76,488,084</u>	<u>\$ (11,800,689)</u>	<u>\$ 2,193,402</u>	<u>\$ 66,880,797</u>

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

City of Deerfield Beach, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Operating Revenues:				
Charges for sales and services:				
Water sales pledged as security for revolving loans	\$ 15,212,931	\$ -	\$ -	\$ 15,212,931
Sewer charges pledged as security for revolving loans	8,351,282	-	-	8,351,282
Solid waste charges	-	17,355,699	-	17,355,699
Stormwater fees	-	-	2,233,083	2,233,083
Engineering fees	255,258	-	-	255,258
Miscellaneous	113,422	100,539	-	213,961
Total operating revenues	23,932,893	17,456,238	2,233,083	43,622,214
Operating expenses:				
Personal services	3,922,775	4,653,330	364,924	8,941,029
Contractual services	959,814	5,866,248	195,412	7,021,474
Electricity	725,337	-	-	725,337
Insurance	2,861,464	1,382,706	27	4,244,197
Fixed charges	41,931	19,393	22,424	83,748
County wastewater charge	5,072,319	-	-	5,072,319
County raw water charge	58,362	-	-	58,362
Disposal fees	-	4,498,861	-	4,498,861
General administrative charge	4,865,110	3,006,240	278,055	8,149,405
Commodities	1,829,129	1,636,468	30,324	3,495,921
Depreciation	3,996,134	634,340	29,070	4,659,544
Total operating expenses	24,332,375	21,697,586	920,236	46,950,197
Operating income (loss)	(399,482)	(4,241,348)	1,312,847	(3,327,983)
Non-operating Income/(Expenses):				
Investment earnings	596,119	112,547	-	708,666
Interest charges	(420,439)	(232,392)	(6,346)	(659,177)
Tap fees	126,990	-	-	126,990
Proceeds from sale of assets	-	77,650	-	77,650
Total non-operating income/(expenses)	302,670	(42,195)	(6,346)	254,129
Income(loss) before capital contributions and transfers	(96,812)	(4,283,543)	1,306,501	(3,073,854)
Transfers in	-	258,192	-	258,192
Transfers out	(41,601)	(371,802)	-	(413,403)
Change in net position	(138,413)	(4,397,153)	1,306,501	(3,229,065)
Total net position - beginning	76,626,497	(7,403,536)	886,901	70,109,862
Total net position - ending	\$ 76,488,084	\$ (11,800,689)	\$ 2,193,402	\$ 66,880,797

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

City of Deerfield Beach, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 23,454,509	\$ 17,177,769	\$ 2,248,162	\$ 42,880,440
Payments from (to) other funds	-	(1,363,333)	(123,746)	(1,487,079)
Receipts from other governments	-	(8,831)	-	(8,831)
Payments to suppliers	(17,431,869)	(15,316,442)	(612,403)	(33,360,714)
Receipts from other funds	3,169,079	-	(1,682,000)	1,487,079
Payments to employees	(5,402,536)	(5,063,781)	(337,947)	(10,804,264)
Net cash provided (used) by operating activities	<u>3,789,183</u>	<u>(4,574,618)</u>	<u>(507,934)</u>	<u>(1,293,369)</u>
Cash flows from noncapital financing activities				
Transfers from other funds	1,250,002	308,190	-	1,558,195
Transfers to other funds	(1,291,600)	(421,802)	-	(1,713,402)
Tap fees	126,990	-	-	126,990
Net cash provided (used) by noncapital financing activities	<u>85,392</u>	<u>(113,612)</u>	<u>-</u>	<u>(28,217)</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(3,379,762)	(2,052,183)	(442,264)	(5,874,213)
Repayment of capital lease	830,846	(218,092)	-	612,754
Repayment on loans	(2,641,762)	-	-	(2,641,762)
Interest payable loan	(445,479)	(4,726)	(6,345)	(456,549)
Proceeds/(loss) from retirement of assets	-	77,650	-	77,650
Net cash provided (used) by capital and related activities	<u>(5,636,157)</u>	<u>(2,197,351)</u>	<u>(448,609)</u>	<u>(8,282,119)</u>
Cash flows from investing activities				
Investment income	549,684	112,547	-	662,231
Liquidated investments	2,578,214	6,772,955	-	9,351,169
Net cash provided (used) by investing activities	<u>3,127,898</u>	<u>6,885,502</u>	<u>-</u>	<u>10,013,400</u>
Net increase (decrease) in cash and cash equivalents	1,366,316	(79)	(956,543)	409,694
Cash and cash equivalents, beginning of year	<u>2,664,488</u>	<u>5,593</u>	<u>1,138,919</u>	<u>3,809,000</u>
Cash and cash equivalents, end of year	<u>\$ 4,030,804</u>	<u>\$ 5,514</u>	<u>\$ 182,376</u>	<u>\$ 4,218,694</u>

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

City of Deerfield Beach, Florida
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended September 30, 2020

	Water and Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	Total Proprietary Funds
Cash and cash equivalents	\$ 1,575,972	\$ 516	182,376	\$ 1,758,864
Cash and cash equivalents - restricted (current)	1,745,279	4,998	-	1,750,277
Cash and cash equivalents - restricted (noncurrent)	709,553	-	-	709,553
Cash and cash equivalents, end of year	<u>\$ 4,030,804</u>	<u>\$ 5,514</u>	<u>\$ 182,376</u>	<u>\$ 4,218,694</u>
Reconciliation data of changes in net position to operating activities				
Operating Income(loss)	\$ (399,483)	\$ (4,241,348)	\$ 1,312,847	\$ (3,327,984)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities				
Depreciation expense	3,996,134	634,340	29,070	4,659,544
Changes in assets, liabilities and deferred inflows/outflows:				
(Increase) decrease in accounts receivable, net of allowance	(473,437)	(278,275)	15,077	(736,635)
(Increase) decrease in inventories	(96)	-	-	(96)
(Increase) decrease in due from other funds	3,169,079	-	(1,682,000)	1,487,079
(Increase) decrease in due from other governments	-	(8,831)	-	(8,831)
Increase(decrease) in accounts payable	(1,018,305)	1,093,475	(87,101)	(11,931)
Increase(decrease) in deposits payable	(4,950)	(200)	-	(5,150)
Increase(decrease) in salaries and benefits payable	(12,229)	21,340	1,334	10,445
Increase(decrease) in compensated absences payable	35,974	18,638	6,809	61,421
(Increase) decrease in due to other funds	-	(1,363,333)	(123,746)	(1,487,079)
Increase(decrease) in net pension liability	(255,686)	(117,307)	38,488	(334,505)
Increase(decrease) in deferred inflows pension	(292,252)	(46,359)	6,536	(332,075)
Increase(decrease) in deferred outflows pension	31,805	(29,352)	(23,191)	(20,738)
Increase(decrease) in total OPEB liability	165,109	543,092	(2,057)	706,144
Increase(decrease) in deferred inflows OPEB	(1,135,990)	(752,100)	-	(1,888,090)
(Increase) decrease in deferred outflows OPEB	(16,490)	(48,398)	-	(64,888)
Net cash provided (used) by operating activities	<u>\$ 3,789,183</u>	<u>\$ (4,574,618)</u>	<u>\$ (507,934)</u>	<u>\$ (1,293,369)</u>

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

**Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2020**

	<u>Pension Trust Funds</u>
Assets	
Investments:	
Money market funds	\$ 3,752,403
Fixed income	23,097,256
U. S. government and agency securities	19,350,755
Equity securities	122,772,449
Corporate bonds	14,609,937
Real estate funds	31,415,335
Self directed DROP accounts	3,129,730
Hedge fund	<u>3,492,573</u>
Total investments	<u>221,620,438</u>
Receivables:	
Interest and dividends	210,306
Contributions receivable (state)	747,017
Pending trades	<u>484,818</u>
Total receivables	<u>1,442,141</u>
Total assets	<u>223,062,579</u>
Liabilities	
Accounts payable	228,588
Share plan distributions payable	537,968
Accounts payable - purchase of investments	<u>303,175</u>
Total liabilities	<u>1,069,731</u>
Deferred inflows	<u>50,804</u>
Net Position Restricted for pension benefits	
Net position restricted for defined benefits	160,095,681
Net position restricted for share benefits	<u>61,846,363</u>
Total net position restricted for pension benefits	<u>\$ 221,942,044</u>

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

City of Deerfield Beach, Florida
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2020

	<u>Pension Trust Funds</u>
Additions	
Contributions	
Employer	\$ 9,678,742
Plan members	799,948
State (from the General Fund)	<u>1,376,101</u>
Total contributions	<u>11,854,791</u>
Investment earnings	
Interest and investment revenue	5,899,524
Net appreciation in the fair value of investments	<u>9,999,753</u>
Total investment earnings	15,899,277
Less: investment expense	<u>(900,227)</u>
Net investment earnings	<u>14,999,050</u>
Miscellaneous	<u>1,608</u>
Total additions	<u>26,855,449</u>
Deductions	
Benefits paid	20,758,144
Administrative expenses	<u>340,018</u>
Total deductions	<u>21,098,162</u>
Change in net position	5,757,287
Net Position Restricted for Pension Benefits	
Beginning of year	<u>216,184,757</u>
End of year	<u>\$ 221,942,044</u>

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

City of Deerfield Beach, Florida
Index to Notes to the Financial Statements
September 30, 2020

	PAGE
Notes to the Financial Statements	
NOTE I. Summary of Significant Accounting Policies.....	34
A. Financial Reporting Entity.....	34
B. Government-wide and Fund Financial Statements.....	35
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	35
D. New Accounting Pronouncements Adopted.....	37
E. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position or Equity.....	37
NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY.....	42
A. Excess of Expenditures Over Appropriations.....	42
B. Deficit Fund Equity.....	42
NOTE III. DETAILED NOTES ON ALL FUNDS.....	42
A. Deposits and Investments.....	42
B. Receivables and Payables.....	52
C. Capital Assets.....	54
D. Encumbrances.....	55
E. Construction Commitments.....	55
F. Unearned/Unavailable Revenue.....	55
G. Interfund Receivables, Payables and Transfers.....	56
H. Capital Leases.....	56
I. Long-Term Debt.....	57
NOTE IV. OTHER INFORMATION.....	62
A. Restricted Assets.....	62
B. Restricted Net Position.....	62
C. Risk Management.....	63
D. Contingent Liabilities.....	63
E. Defined Benefit Pension Plans.....	63
F. Defined Contribution Plan.....	71
G. Deferred Compensation Plan.....	72
H. Community Redevelopment Agency.....	72
NOTE V. COST SHARING DEFINED BENEFIT PLANS.....	73
A. Plan Description.....	73
B. Benefits Provided.....	74
C. Contributions.....	74
D. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions.....	75
E. Actuarial Assumptions.....	76
F. Long-term Expected Rate of Return.....	76
G. Discount Rate.....	77
H. Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate.....	77
I. Pension Plan Fiduciary Net Position.....	77
J. Summary of Pension Expense, Deferred Outflows/Inflows of Resources Related to all Pensions of the City.....	78

City of Deerfield Beach, Florida
Index to Notes to the Financial Statements
September 30, 2020

NOTE VI. OTHER POST EMPLOYMENT BENEFITS.....78

- A. Plan Description.....73
- B. Schedule of Changes in Total OPEB Liability.....79
- C. Discount Rate and Sensitivity Disclosures.....79
- D. Actuarial Assumptions and Other Inputs80
- E. Statement of OPEB Expense and Deferred Outflows/Inflows of Resources
Related to OPEB under GASB Statement No. 75.....81

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

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

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

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

A. Financial Reporting Entity

The City of Deerfield Beach is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the state. Originally incorporated in June 1925, the Town of Deerfield was formed under the provisions of Chapter 10462, Special Acts of the 1925 Legislature. In June 1951, Chapter 27503, laws of the State of Florida, created a new charter abolishing the Town and changing its name to City of Deerfield Beach. Today, the City is approximately 16.3 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 78,573, residents, the City operates water, sewer, stormwater, and solid waste enterprises. The City does not provide educational or hospital facilities. Those services are provided by the School Board of Broward County and the Broward Health North District, respectively.

The financial reporting entity covered by this report includes the City and its component unit. The reporting entity has been defined by GASB Statement No. 14 (as amended by GASB Statements No. 39, 61 and 80) as the primary government and those component units for which the primary government is financially accountable. Financial accountability exists when a primary government appoints a voting majority of an organization's governing board and may either impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the primary government. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and so information for these entities is combined with information of the primary government.

The Deerfield Beach Community Redevelopment Agency (the "CRA"), a separate legal entity, which is largely responsible for redevelopment of the area that encompasses most of the beach district and the area along Hillsboro Boulevard from Federal Highway to the intracoastal waterway, was established in November 1999. The CRA is governed by a board which is comprised of the City's elected officials, and management of the City has operational responsibility of the CRA. The CRA is also fiscally dependent upon the City. Accordingly, the CRA is a blended component unit and is presented as a special revenue fund. The CRA has a September 30 year-end. Separate financial statements for the CRA are available.

The Deerfield Beach Housing Authority (the "Housing Authority") is a related organization because the mayor, with the concurrence of the City Commission, has the responsibility of appointing the members of the Housing Authority Board. Its operations are conducted within City boundaries. However, it is not included as a part of the financial reporting entity because it is fiscally independent and it has no financial accountability to the City. The Housing Authority's autonomy prohibits it from providing any financial benefit or imposing a financial burden upon the City. The Housing Authority is not exclusively for the benefit of City residents and the City Commission cannot impose its will over operations, cannot hire, reassign or dismiss management, and cannot remove Housing Authority board members without cause. The Housing Authority is responsible for ensuring that a complete and full financial accounting and an audit is made biennially by a certified public accountant.

The Northeast Focal Point Children, Alzheimer's, Senior, Adult Services, Inc. (hereinafter referred to as

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

A. Financial Reporting Entity

“CASA”), is a nonprofit entity organized under the laws of the State of Florida in September 1986. This organization raises funds and makes yearly pledges to the City to subsidize the costs of operating the City’s children’s, Alzheimer’s, senior and adult day care facilities. GASB requires that a legally separate, tax-exempt organization should be reported as a component unit of the City, if the primary government is the sole corporate member of the nonprofit or if all of the following are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the City; (2) the City is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by the separate organization are significant to the City. The City believes that conditions (1) and (2) apply to CASA. However, the City does not believe that the economic resources held/received by that entity is “significant” to the City’s operations and the City is not the sole corporate member of CASA. As such, it is not included as a part of the financial reporting entity.

B. Government-wide and Fund Financial Statements

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

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

The **General Construction Fund** accounts for all the City's capital projects.

The City reports the following major proprietary funds:

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

The **Storm Water Utility Fund** accounts for the operations and maintenance of the City's stormwater system, such as storm drains, pipes, catch basins, and other stormwater-related infrastructure.

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

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

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

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

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

D. New Accounting Pronouncements Adopted

The City implemented GASB Statements number 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt.

This Statement defines debt for purpose of disclosure in notes to the financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledge as collateral for the 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 clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City has established an investment policy in accordance with Section 218.415, Florida Statutes that allows the City to invest in relatively low-risk securities, such as the State Treasurer's Investment Pool, and U.S. Government and Agencies securities. In accordance with GASB all investments of the City have been reported at fair value except money market funds and the State Treasurer's Investment Pool which its reported value is the same as the value of the pool shares and is recorded at amortized cost. Resources of all funds, with the exception of the pension trust funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized gains and losses on investments. Net appreciation (depreciation) in the fair value of investments is comprised of unrealized gains and losses on investments. Investment earnings on pooled investments are allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with investments on the balance sheet at year-end. In addition, the pension trust funds are authorized to invest in corporate bonds, stocks, money market funds, mortgages and notes.

2. Receivables and Payables

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

All trade and property tax receivables are shown net of allowance for uncollectibles. Management determines the allowance for uncollectible accounts, based upon a review of the accounts and its knowledge of the debtor's ability to pay. Property taxes are levied as of October 1 on property values assessed as of January 1 of the same year. The tax levy is divided into two billings: the first billing (mailed during September) is an estimate of the current year's levy based on the prior year's taxes; the second billing (mailed on November 1) reflects adjustments to the current year's actual levy. The billings are considered past due on April 1 of the subsequent year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Amounts reflected as "due from other governments" in the government-wide and the fund financial statements represent amounts that are owed to the City by other governmental entities for services

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

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

2. Receivables and Payables

rendered by the City in the capacity of a vendor or for amounts to be reimbursed in connection with grants and other cooperative agreements.

Water and sewer and solid waste charges to customers are based on actual consumption. Consumption is determined on a monthly basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30.

3. Inventories and Prepaid Items

Inventories consisting principally of expendable items held for consumption, are stated at lower of average cost. The consumption method is used for all inventories and prepaid items, that is, items of inventory/prepays are expended when they are consumed rather than when they are purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted Assets

Certain resources of the City's Water and Sewer enterprise fund are classified as restricted assets on the statement of net position because they are maintained in separate accounts and their uses are limited by applicable bond covenants and loan agreements. The state revolving loan sinking fund account is used to segregate resources that are accumulated for the payment of principal and interest on the City's revolving loans with the Florida Department of Environmental Protection.

The "general obligation bond construction account" is used to report those proceeds of general obligation bonds that are restricted for use in the construction of specified projects, as outlined in the bond covenants.

5. Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned on related debt proceeds, during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed. The City had no capitalized interest costs for this fiscal year.

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

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

5. Capital Assets

Asset Type	Years
Buildings	40
Building improvements	20
Roads	40
Bridges	50
Other infrastructure	20 - 50
Equipment	5 - 10

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

6. Deferred Outflows/Inflows of Resources

The statements of net position and fund financial statements require the inclusion of a separate section for deferred outflows of resources. A deferred outflow of resources represents the usage of net position that is applicable to future periods.

The statements of net position and fund financial statements, also include a separate section for deferred inflows of resources, which represent the acquisition of net position which is applicable to future periods that will be recognized as revenue (or serve as a reduction of expenses) in a future period.

The City reports within its government-wide statement of net position as deferred outflows amounts that were related to pensions and OPEB during fiscal year 2020 into the pension plans as a result of the net pension liability and total OPEB liability associated with the plans measured as of September 30, 2019. The amounts paid during fiscal year 2020 to the plan will be reflected within the City's pension expense and related liability when the net pension liability is measured for the next fiscal year.

The City reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its OPEB and pension plans. The amounts will be amortized over a five year closed period beginning in the year in which the difference occurred or over the remaining service lives of all employees, as applicable, and deferred amount on a bond refunding which is being amortized over the remaining life of the debt.

Also, in the governmental fund financial statements the City reported deferred inflows for amounts not recorded within the period of availability.

7. Compensated Absences

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

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

8. Long-term Obligations

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

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

9. Fund Equity/Net Position

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

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

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

9. Fund Equity/Net Position

necessary public services.

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

The following table shows the City's fund balance classification for the governmental funds as of September 30, 2020.

	Governmental Funds				Total Governmental Funds
	General Fund	Community Redevelopment Agency	General Construction Fund	Nonmajor Governmental Funds	
Nonspendable:					
Inventory	\$ 166,558	\$ -	\$ -	\$ -	\$ 166,558
Prepays	236,231	-	-	-	236,231
Perpetual care and cemetery operation	-	-	-	1,492,547	1,492,547
Restricted:					
Community Redevelopment programs	-	3,897,988	-	-	3,897,988
Debt service	-	-	-	4,252,912	4,252,912
General construction projects	-	-	31,385,928	-	31,385,928
Roadway improvement projects	-	-	-	1,757,728	1,757,728
Grants and special programs	-	-	-	281,676	281,676
Beautification and landscape projects	-	-	-	584,880	584,880
Public safety programs	-	-	-	2,975,856	2,975,856
Parking improvements	-	-	-	82,768	82,768
Recreation programs	-	-	-	1,227,761	1,227,761
Restricted for building permits	-	-	-	253,958	253,958
Assigned to:					
Assigned Emergency reserve	3,474,378	-	-	-	3,474,378
Subsequent year's Budget	5,735,816	-	-	-	5,735,816
Endowment	99,108	-	-	-	99,108
Tam O' Shanter project	234,260	-	-	-	234,260
Assigned to General fund	-	-	-	2,341,276	2,341,276
Unassigned:					
General fund operations	21,664,616	-	-	-	21,664,616
Miscellaneous grant and special programs	-	-	-	(208,849)	(208,849)
Total fund balances	\$ 31,610,967	\$ 3,897,988	\$ 31,385,928	\$ 15,042,513	\$ 81,937,396

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

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

The government-wide statement of net position reports \$22,947,065 of restricted net position.

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

10. Estimates

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE I. Summary of Significant Accounting Policies

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

10. Estimates

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

11. Property Taxes

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

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

For the year ended September 30, 2020, expenditures exceeded appropriations in 3 of the City's departments. The Central service, Fire/rescue, and Sustainable management, departments exceeded their budgets by \$139,828 \$950,753, \$94,882, respectively. These overages were a direct result of increase in utilities due to enhanced cleaning introduced during the pandemic and purchase of personal protective equipment for fire personnel. These over-expenditures were covered by positive budget variances in other departments as well as positive revenue variances.

B. Deficit Fund Equity

At September 30, 2020, the Community Development Block Grant Fund, Law Enforcement Trust Fund and Capital Grants Projects Funds had deficit fund balances of \$59,015, \$55,153, and \$3,476 respectively. This deficit is expected to be funded by future grant reimbursements, which were not susceptible to accrual at September 30, 2020.

The Solid Waste Fund also experience a deficit in net position of \$1,207,888 as of September 30, 2020 due the Energy Performance Efficiency audit. Management has undertaken to re-assess the cost of this contract to the benefits received by multiple Funds.

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Deposits

The City maintains a common cash and cash equivalents pool for use by all non-fiduciary funds. Deposits of the City, including time deposit accounts, demand deposit accounts and certificates of deposit, are defined as public deposits. Pursuant to the City's policies, all of the City's deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having fair value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in fault. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss. At September 30, 2020, the carrying amount of the City's deposits totaled \$11,014,229.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

Authorized Investments

The City's investments are categorized as investments for the City as a whole (hereinafter referred to as "general City investments") and those of its various defined benefit pension plans. The City is authorized by statute and policy to invest public funds (general City investments) in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit that are fully insured and collateralized; high-grade commercial paper, repurchase agreements having a defined termination date and collateralized by U.S. Treasury obligations; and Local Government Surplus Trust Funds, as administered by the Florida State Board of Administration ("SBA"). The City invested funds throughout the year in the Florida PRIME, which is not Securities and Exchange Commission ("SEC") registered, but which qualifies as a fluctuating net asset value ("NAV") pool. The City's investment in the SBA at September 30, 2020 represented less than 1% of the total investment assets of the SBA. The City of Deerfield Beach invests in the pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2020, the City's investment in the SBA was \$28,737,394.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the City's investments in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The Florida Municipal Investment Trust (as administered by the Florida League of Cities) is an authorized investment under Section 218.415(115), Florida Statutes, for units of local government in Florida. The operation and administration of the Trust is the responsibility of a Board of Trustees, who are selected from the ranks of elected officials of governmental entities participating in the Trust. The fair value of the City's position in the Trust is the same as the value of the pool share, \$19,924,300.

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

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

As of September 30, 2020, the City and the Plans had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida PRIME	\$ -	\$ 28,737,729	\$ 28,737,729
Investment in Florida Municipal Investment Trust	-	4,636,457	4,636,457
Money market funds	3,752,403	43,592,919	47,345,322
Mutual funds	23,097,256	-	23,097,256
Self directed DROP accounts	3,129,730	-	3,129,730
U.S. Government and agency securities	19,350,755	30,132,594	49,483,349
Corporate bonds and notes	14,609,937	-	14,609,937
Hedge fund	3,492,573	-	3,492,573
Real estate funds	31,415,335	-	31,415,335
Corporate equities	122,772,449	-	122,772,449
Total	\$ 221,620,438	\$ 107,099,699	\$ 328,720,137

Interest Rate Risk

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

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

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

(City General Investments)

Investment Type	Value	Maturities (in Years)	
		Less Than 1	1-5
FL Municipal Investment Trust	\$ 33,373,850	\$ 28,737,393	\$ 4,636,457
Money market funds	43,592,919	43,592,919	-
U.S. Agencies	30,132,594	29,071,581	1,061,013
Total	\$ 107,099,363	\$ 101,401,893	\$ 5,697,470

(Pension Trust Funds)

Investment Type	Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Bond funds	\$ 2,420,279	\$ -	\$ 398,977	\$ 1,169,327	\$ 851,975
Mutual funds	23,097,256	759,191	12,849,345	8,365,184	1,123,536
U.S. Treasuries	5,345,535	73,355	1,811,357	2,339,596	1,121,227
U.S. Agencies	11,584,941	2,620,867	1,171,990	951,297	6,840,787
Corporate bonds and notes	14,609,937	135,748	3,774,970	7,924,921	2,774,298
Total	\$ 57,057,948	\$ 3,589,161	\$ 20,006,639	\$ 20,750,325	\$ 12,711,823

Credit Risk

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

The following table discloses credit ratings by investment type, at September 30, 2020, as applicable:

	Quality Credit Rating	Fair Value
	<u>Moody's</u>	<u>Fair Value</u>
	Aaa	44,971,354
	Aa1	69,838
	Aa3	254,064
	Aa+	1,784,531
	Aa	910,805
	A+	229,145
	A	2,404,244
	A-	625,478
	A1	910,322
	A2	2,775,636
	A3	2,174,281
	Baa1	1,878,697
	Baa2	80,151
	Bbb+	2,596,416
	Bbb	1,063,539
	Bb	2,121,689
	B	1,499,419
	Caa1	2,725,351
	C	129,993
	Not rated	<u>64,531,660</u>
Total credit risk securities		133,736,613
U.S. treasuries and agency securities explicitly guaranteed		<u>30,420,698</u>
Total fixed income/credit risk securities		<u>\$ 164,157,311</u>
Total fixed income/credit risk securities - City		\$ 107,099,363
Total fixed income securities - pension trust funds		<u>57,057,948</u>
Total		<u>\$ 164,157,311</u>

Concentration of Credit Risk

The City limits its investments in any one issuer to no more than 5% of total investments, except for investments issued or explicitly guaranteed by the government and investments in mutual funds, external investment pools, and other pooled investments, which are excluded from this requirement. There were no individual investments that represented 5% or more of the City's total investments at September 30, 2020. The three pension plans limit their exposure by limiting their investments in any one issuer to no more than 5% of plan net position other than those issued by the US Government or its agencies. None of the plans had holdings that exceeded the 5% limit.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

2. Investments

Custodial Credit Risk

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

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Investments traded in an active market with available quoted prices for identical assets as of the reporting date.

Level 2 - Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 - Inputs to the valuation methodology are based upon unobservable inputs.

Fire Pension

The following is a description of the valuation methodologies used for assets measured at fair value for the plan:

Common stock: Valued at the closing price reported on the New York Stock Exchange.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Hedge funds: Value based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investments.

Real estate: Valued at the net asset value of shares held by the Plan at year end. The Plan has investments in private market real estate investments for which no liquid public market exists.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Total	*Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Common stocks	\$ 36,449,408	\$ 36,449,408	\$ -	\$ -
Mutual funds	33,964,830	33,964,830	-	-
Total equity securities	70,414,238	70,414,238	-	-
Debt securities:				
Corporate bonds	6,984,696	-	6,984,696	-
U.S. treasury securities	2,045,310	2,045,310	-	-
U.S. agency securities	6,755,153	-	6,755,153	-
Fixed income mutual funds	18,246,752	18,246,752	-	-
Total debt securities	34,031,911	20,292,062	13,739,849	-
Self directed DROP accounts	3,129,730	-	3,129,730	-
Total investments by fair value level	107,575,879	\$ 90,706,300	\$16,869,579	\$ -
Investments measured at the net asset Value (NAV)				
Real estate funds	18,895,772			
Hedge fund	765,411			
Total investments measured at the NAV	19,661,183			
Money market funds (exempt)	2,576,856			
Total investments	\$ 129,813,918			

* Investment type descriptions mirror audited pension plan financial statements.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 10,491,930	\$ -	Quarterly	90 Days
Real estate fund (2)	3,936,676	-	Quarterly	10 Days
Real estate fund (3)	4,467,166	-	Quarterly	90 Days
Hedge fund (3)	765,411	-	Quarterly	90 Days
Total investments measured at the NAV	\$ 19,661,183	\$ -		

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 90 days prior to quarter end.
2. Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.
3. Hedge fund: The fund is a multi-strategy fund of hedge funds that aims to pursue varying strategies in order to diversify risk and reduce volatility. The fund is a diversified portfolio offering investment solutions through activist long/short equity hedge funds, event driven hedge funds and multi-strategy hedge funds. The investment is valued at NAV and holder of capital, upon at least 90 days prior written notice, may request to redeem a minimum of \$100,000 of their capital shares, as of the close of business on the last business day of each calendar year, by giving irrevocable written notice.

Police Pension

The following is a description of the valuation methodologies used for assets measured at fair value for the plan:

Debt Securities: Debt securities consist primarily of negotiable obligations of the U.S. government and U.S. government-sponsored agencies, corporations, securitized offerings backed by residential and commercial mortgages, TIPS, and foreign debt securities. These securities can be typically be valued using the close or last traded price on a specific date (quoted prices in active markets). When quoted prices are not available, fair value is determined based on valuation models that use inputs that include market observable inputs. These inputs included recent trades, yields, price quotes, cash flows, maturity, credit ratings, and other assumptions based upon the specifics of the investment type.

Equity securities: These include domestic and international equities. Domestic securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. International equities are valued based upon quoted foreign market prices and translated into U.S. dollars at the exchange rate in effect at year end. Securities which are not traded on a national security exchange are valued by the respective fund manager or other third parties based on yields currently available on comparable securities of issuers with similar credit ratings.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Total	*Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identifiable Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Equity mutual funds	\$ 24,555,013	\$ 24,555,013	\$ -	\$ -
Debt securities:				
U.S. treasury securities	272,965	272,965	-	-
U.S. agency securities	1,008,413	-	1,008,413	-
Fixed income mutual funds	4,850,504	4,850,504	-	-
Corporate bonds	1,658,923	-	1,658,923	-
Total debt securities	<u>7,790,805</u>	<u>5,123,469</u>	<u>2,667,336</u>	<u>-</u>
Total investments by fair value	<u>32,345,818</u>	<u>\$ 29,678,482</u>	<u>\$ 2,667,336</u>	<u>\$ -</u>
Investments measured at the net asset value (NAV)				
Real estate funds	<u>7,346,971</u>			
Money market funds (exempt)	<u>343,388</u>			
Total investments	<u>\$ 40,036,177</u>			

* Investment type descriptions mirror audited pension plan financial statements.

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 1,399,946	\$ -	Quarterly	10 Days
Real estate fund (2)	5,947,025	-	Quarterly	90 days
Total investments measured at the NAV	<u>\$ 7,346,971</u>	<u>\$ -</u>		

1. Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.
2. Real estate: This fund is an open-end comingled real estate fund that invests in a pool of real estate assets that are diversified by geography and property type, with a focus of yield-driven investments and, to a lesser extent, on value-added investments. The investment is valued at NAV and redemption requests must be received by the fund 90 days prior to quarter end.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Non-Uniformed Pension

The following is a description of the valuation methodologies used for assets measured at fair value for the plan:

Common stocks: Valued at the closing price reported on the New York Stock Exchange.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Hedge fund: Valued based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

Real estate fund: Valued at the net asset value of shares held by the Plan at year end. The Plan has an investment in a private market real estate investment for which no liquid public market exists.

	Total	*Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Common stocks	\$ 27,803,198	\$ 27,803,198	\$ -	\$ -
Debt securities:				
U.S. treasury securities	3,027,260	2,660,995	366,265	-
U.S. agency securities	3,821,375	-	3,821,375	-
Municipal bonds	2,420,279	-	2,420,279	-
Corporate bonds	5,966,318	-	5,966,318	-
Total debt securities	15,235,232	2,660,995	12,574,237	-
Total investments by fair value level	43,038,430	\$ 30,464,193	\$ 12,574,237	-
Investments measured at the net asset value (NAV)				
Real estate fund	5,172,592			
Hedge fund	2,727,162			
Total investments measured at the NAV	7,899,754			
Money market funds (exempt)	832,159			
Total investments	\$ 51,770,343			

* Investment type descriptions mirror audited pension plan financial statements.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 5,172,592	\$ -	Quarterly	45 Days
Hedge Fund (2)	1,340,204	-	Daily	1-2 days
Hedge Fund (3)	1,386,958	-	Daily	1-2 days
Total investments measured at the NAV	<u>\$ 7,899,754</u>	<u>\$ -</u>		

1. Real estate fund: This fund is an open-end core real estate fund with a diversified portfolio of multifamily, office, industrial and retail properties. The fund seeks to provide for the preservation of capital, stable income and modest appreciation over the mid- to long-term. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to quarter end.
2. Hedge fund: This fund aims to pursue varying strategies in order to diversify risks and reduce volatility. The fund invests with hedge funds and other portfolio managers or otherwise utilizes the services of investment advisors or other investment managers employing a variety of trading styles or strategies, including, but not limited to, direct lending, convertible arbitrage, merger or risk arbitrage and other event-driven investing, distressed and long/short credit, long/short equity, multi-strategy and other relative value strategies. The investment is valued at NAV and redemption requests must be received by the fund 1 or 2 days prior to redemption date of June 30 or December 31.
3. Hedge fund: This hedge fund is an open-end fund incorporated in the United States/ The fund seeks capital appreciation by investing its assets among a variety of non-traditional or alternative investment strategies. The investment is valued at NAV and redemption requests may be received 1 or 2 days in advance.

B. Receivables and Payables

The City reports the General, Community Redevelopment Agency (CRA), General Construction, Water & Sewer, Stormwater Utility and Solid Waste funds as major funds. Receivables at September 30, 2020 were as follows:

Governmental Activities

	General	CRA	General Construction Fund	Nonmajor Governmental Funds	Total
Receivables:					
Accounts receivable	\$ 7,625,701	\$ -	\$ -	\$ 254	\$ 7,625,955
Assessments	842	-	-	-	842
Interest	46,493	3,971	17,895	30,226	98,585
Receivables	<u>\$ 7,673,036</u>	<u>\$ 3,971</u>	<u>\$ 17,895</u>	<u>\$ 30,480</u>	<u>\$ 7,725,382</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

B. Receivables and Payables

Business-type Activities

	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Stormwater</u>	<u>Total</u>
Receivables:				
Accounts	\$ 4,232,089	\$ 2,327,946	\$ 153,953	\$ 6,713,988
Delinquent assessments	52,991	-	-	52,991
Interest	314,443	-	-	314,443
	<u>4,599,523</u>	<u>2,327,946</u>	<u>153,953</u>	<u>7,081,422</u>
Less: allowance for uncollectibles	<u>(497,253)</u>	<u>(128,970)</u>	<u>-</u>	<u>(626,223)</u>
Net receivables	<u>\$ 4,102,270</u>	<u>\$ 2,198,976</u>	<u>\$ 153,953</u>	<u>\$ 6,455,199</u>

Receivables of the Water and Sewer and Solid Waste Enterprise Funds are reported net of uncollectible amounts, and are as follows:

Uncollectible related to water sales	\$ 318,318
Uncollectible related to sewer charges	178,935
Uncollectible related to solid waste charges	<u>128,970</u>
Total uncollectible for the current fiscal year	<u>\$ 626,223</u>

Accounts payables at September 30, 2020 are as follows:

	<u>Vendors</u>	<u>Retainage</u>	<u>Total Payables</u>
Governmental activities:			
General Fund	\$ 2,662,316	\$ -	\$ 2,662,316
Community Redevelopment Agency	253,357	222,242	475,599
General Construction Fund	298,714	36,127	334,841
Nonmajor Governmental Funds	2,063,296	-	2,063,296
	<u>\$ 5,277,683</u>	<u>\$ 258,369</u>	<u>\$ 5,536,052</u>
Business-type activities:			
Water and Sewer Fund	\$ 848,436	\$ -	\$ 848,436
Solid Waste Fund	1,884,781	707,688	2,592,469
Stormwater Utility Fund	22,783	-	22,783
	<u>\$ 2,756,000</u>	<u>\$ 707,688</u>	<u>\$ 3,463,688</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

C. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2020:

Governmental activities:	Beginning Balance	Increases	Decreases/ Transfers	Total
Capital assets not being depreciated:				
Land	\$ 17,523,810	\$ -	\$ -	\$ 17,523,810
Construction in progress	16,948,607	1,838,094	(462,749)	18,323,952
Total capital assets not being depreciated	<u>34,472,417</u>	<u>1,838,094</u>	<u>(462,749)</u>	<u>35,847,762</u>
Capital assets being depreciated:				
Buildings	39,472,183	18,111	-	39,490,294
Improvements other than buildings	12,130,122	1,400,508	462,749	13,993,379
Equipment	23,681,081	1,438,557	1,799,593	23,200,045
Infrastructure	83,231,119	1,194,394	-	84,425,513
Total capital assets being depreciated	<u>158,514,505</u>	<u>4,051,570</u>	<u>1,336,844</u>	<u>161,229,231</u>
Less: accumulated depreciation for:				
Buildings	16,405,622	976,485	-	17,382,107
Improvements other than buildings	3,608,761	575,174	-	4,183,935
Equipment	18,704,407	1,127,138	1,791,214	18,040,331
Infrastructure	51,035,984	2,434,365	-	53,470,349
Total accumulated depreciation	<u>89,754,774</u>	<u>5,113,162</u>	<u>1,791,214</u>	<u>93,076,722</u>
Total capital assets being depreciated, net	<u>68,759,731</u>	<u>(1,061,592)</u>	<u>454,370</u>	<u>68,152,509</u>
Governmental activities capital assets, net	<u>\$ 103,232,148</u>	<u>\$ 776,502</u>	<u>\$ 8,379</u>	<u>\$ 104,000,271</u>

Business-type activities:	Beginning Balance	Increases	Decreases	Total
Capital assets not being depreciated:				
Land	\$ 50,531	\$ -	\$ -	\$ 50,531
Construction in progress	495,221	1,336,915	-	1,832,136
Total capital assets not being depreciated	<u>545,752</u>	<u>1,336,915</u>	<u>-</u>	<u>1,882,667</u>
Capital assets being depreciated:				
Buildings	2,100,358	153,936	-	2,254,294
Utility plants in service	46,082,248	-	27,998	46,054,250
Improvements other than buildings	89,934,042	3,380,308	-	93,314,350
Equipment	24,689,135	1,031,050	772,817	24,947,369
Total capital assets being depreciated	<u>162,805,783</u>	<u>4,565,294</u>	<u>800,815</u>	<u>166,570,263</u>
Less: accumulated depreciation for:				
Buildings	1,629,428	69,328	-	1,698,756
Utility plants in service	23,916,394	1,365,773	-	25,282,167
Improvements other than buildings	47,471,762	2,158,446	-	49,630,208
Equipment	17,862,425	1,065,997	772,818	18,155,605
Total accumulated depreciation	<u>90,880,008</u>	<u>4,659,544</u>	<u>772,818</u>	<u>94,766,736</u>
Total capital assets being depreciated, net	<u>71,925,774</u>	<u>(94,250)</u>	<u>27,997</u>	<u>71,803,527</u>
Business-type activities capital assets, net	<u>\$ 72,471,527</u>	<u>\$ 1,242,665</u>	<u>\$ 27,997</u>	<u>\$ 73,686,194</u>

Depreciation does not begin until one year after acquisition. The Utility plant in service adjustment reflects cost reimbursement.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

C. Capital Assets

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 149,096
Public safety	777,578
Human services	75,333
Physical environment	687,833
Transportation	1,844,878
Culture and recreation	1,564,178
Economic Environment	14,266
Total depreciation expense - governmental activities	<u>\$ 5,113,162</u>
Business-type activities:	
Water and sewer	\$ 3,996,134
Solid waste	634,340
Stormwater	29,070
Total depreciation expense - business-type activities	<u>\$ 4,659,544</u>

D. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2020, are as follows:

Major funds:	
General Fund	\$ 3,350,874
2018 Construction Bond Fund	2,269,277
General Construction Fund	115,664
Total major funds	<u>5,735,815</u>
Nonmajor governmental funds	<u>2,213,026</u>
Total encumbrances	<u>\$ 7,948,841</u>

E. Construction Commitments

The City has outstanding commitments for construction and acquisition of property, plant and equipment. The following is a summary of the most significant of these commitments at September 30, 2020:

Project	Amounts Outstanding
Kirk Cottrell Pavalion	\$ 653,833
Energy Performance Contracting Services	1,416,515
Citywide Street Resurfacing	1,860,832
	<u>\$ 3,931,180</u>

F. Unearned/Unavailable Revenue

Unearned revenue in the General Fund includes \$148,341 for local business taxes (formerly referred to as occupational licenses) relating to fiscal year 2020. The General Fund also includes \$2,663,640 of capital lease reimbursement and FEMA revenues, which are recorded as unavailable revenue.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

F. Unearned/Unavailable Revenue

The General Construction Fund had unavailable revenue of \$622,626.

The Miscellaneous Grants nonmajor special revenue fund had unavailable revenue of \$349,553 .

G. Interfund Receivables, Payables and Transfers

The interfund balances below represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year-end. The composition of interfund balances at September 30, 2020 is as follows:

Due to/Due from

			Due from:				Total
	General Fund	General Construction Fund	Nonmajor Governmental Funds	Water/Sewer Fund	Solid Waste Fund	Stormwater Utility Fund	
Receivable Fund:							
General Fund	\$ -	\$ 2,676,605	\$ 1,927,354	\$ -	\$ -	\$ -	\$ 4,603,959
Nonmajor Governmental Funds	8,741,000	-	-	-	-	-	8,741,000
Stormwater Utility Fund	-	-	-	-	1,682,000	-	1,682,000
Solid Waste Fund	-	-	-	694,653	-	-	694,653
Water and Sewer Fund	-	-	-	-	-	254,920	254,920
Total	\$ 8,741,000	\$ 2,676,605	\$ 1,927,354	\$ 694,653	\$ 1,682,000	\$ 254,920	\$ 15,976,532

Interfund Transfers

	Transfers To:		Total
	General Fund	Nonmajor Governmental	
Transfers from:			
General Fund	\$ -	\$ 7,391,557	\$ 7,391,557
Community Redevelopment Agency	1,094,181	-	1,094,181
Nonmajor Governmental Funds	45,159	-	45,159
Solid Waste Fund	371,802	-	371,802
Total	\$ 1,511,142	\$ 7,391,557	\$ 8,902,699

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

H. Capital Leases

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

The City has also financed the acquisition of sanitation vehicles in its Solid Waste enterprise fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

H. Capital Leases

recorded at the present value of their future minimum lease payments as of the date of inception.

The City has entered into a lease purchase agreement as lessee for the acquisition and finance of its Energy Performance Projects. This lease agreement qualifies as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2020, were as follows:

Fiscal Year	Governmental Activities	Business- type Activities	Total
2021	\$ 1,258,652	\$ 902,814	\$ 2,161,466
2022	1,077,618	835,513	1,913,131
2023	1,077,618	893,969	1,971,587
2024	89,801	684,480	774,281
2025	-	722,956	722,956
2026-2030	-	4,343,835	4,343,835
2031-2035	-	4,364,502	4,364,502
Total minimum lease payments	3,503,689	12,748,069	16,251,758
Less: amount representing interest	<u>(45,371)</u>	<u>(2,438,871)</u>	<u>(2,484,242)</u>
Present value of future minimum lease payments	<u>\$ 3,458,318</u>	<u>\$10,309,198</u>	<u>\$ 13,767,516</u>

As of September 30, 2020, the equipment held under capital leases for governmental activities and business-type activities were \$4,941,132 and \$3,620,268, respectively. Accumulated depreciation for equipment held under capital leases was \$1,524,121 and \$1,006,534 for governmental and business-type activities, respectively, as of September 30, 2020.

I. Long-Term Debt

1. Governmental Activities Debt:

- *General Obligation Bonds, Series 2000* – The original amount of this issue was divided into two series: Series “A,” for which \$9,978,847 in bonds were issued, and Series “B,” for which \$2,820,183 in bonds were issued. The proceeds of these bonds were used to finance the construction of a public safety complex, a public works facility, parks improvements, right-of-way improvements and expansion of the senior services facilities. The combined outstanding bonds of the issue, \$2,607,339, have interest rates that range from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2024.
- *General Obligation Bonds, Series 2012B-2* – The original amount of this issue was \$14,770,000. The proceeds of these bonds were used to refund previously issued debt, namely Florida Municipal Loan Council Revenue Bonds, Series 2000B; Series 2003A and Series 2003B. The interest rates on these bonds range from 2% to 5%. The principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2028. The principal and interest of this issue will be

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

1. Governmental Activities Debt:

payable from and secured by the City's ad valorem taxes. For the current year, principal and interest of \$973,850 was paid. Ad valorem taxes amounted to \$44,281,635. The outstanding balance for this issue at year end amounted to \$10,270,000.

- The General Obligation Bonds are limited liabilities of the City, payable from ad-valorem taxes, secured by the full faith and credit of the city. In the event of default, bondholders may sue to enforce their rights.
- *Covenant Bonds*, Series 2012B-1 – The original amount of this issue was \$20,090,000. The proceeds of this bond issue were to repay previously issued debt as well as to finance the construction of parks and right of way improvements, in addition to citywide street improvements. The interest rates on these bonds range from 2.00% to 4.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2032. The remaining outstanding bonds of this issue total \$12,855,000 with total interest payable of \$2,143,410 over the remainder of the term of the bonds. For the current year, principal and interest of \$1,554,569 was paid.
- *Covenant Bonds*, Series 2018 – The original amount of this issue was \$36,155,000. The proceeds of this bond issue were to repay previously issued debt, Series 2006 Covenant Bonds, as well as to finance the renovation and construction of City facilities, parks and citywide street improvements. The interest rates on these bonds range from 2.44% to 5.25%. Principal is due annually on December 1st and interest is payable semi-annually on June 1st and December 1st, with the final maturity date being December 1, 2042. The remaining outstanding bonds of this issue total \$36,070,000 with total interest payable of \$28,387,913 over the remainder of the term of the bonds. For the current year, principal and interest of \$1,914,850 was paid.
- Covenant bonds are limited obligations of the City, payable solely from non-advalorem revenues, set aside by the City in its annual budget. In the event of default, the payment of principal or interest, owners of the bonds shall have remedies as specified by the federal bankruptcy code, the bond indenture of and any bond policy insurance.

2. Business-type Activities Debt:

- *Loans Payable* – The City has entered into two loan agreements with the State of Florida Department of Environmental Protection. The primary purpose of these loans is to construct water and wastewater facilities. As of September 30, 2009, the City borrowed \$8,662,208, with interest rates ranging from 2.27% to 3.57%. As of September 30, 2020 the outstanding principal amount of these loans totaled \$3,322,574. Principal and interest payments on the two Florida Water Pollution Control Construction loans are due on April 15 and October 15 of each year. At September 30, 2020, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were \$552,009, and \$2,770,565, respectively. Revenues of the Water and Sewer System have been pledged as security for repayment of these loans. Total principal and interest paid during the current year totaled \$487,695
- These loans are payable from Gross Revenues derived yearly from the operation of the Water and Sewer Systems after operation and maintenance expense. Upon any event of default the lender may take action by mandamus or other proceeding at law to enforce the rights of the lender.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

2. Business-type Activities Debt:

- *Wells Fargo Loan* - On April 9, 2015, the City issued Wells Fargo Revenue Loan in the amount of \$8,580,000. The loan matures on November 15, 2021. The loan bears interest on the outstanding principal balance at 1.63%. Payments are due annually starting November 15, 2015. The proceeds of this loan were used to refund State Revenue Loan No. DW060610, which was paid in full, and the liability for this loan was removed from the Business-type activities column in the statement of net position. As of September 30, 2020, the principal balance outstanding was \$2,560,000. The principal and interest paid during the current year totaled \$1,301,916.
- *Bank of America Revenue and Refunding Note, Series 2018* – On June 13, 2018, the City entered into a loan agreement with Bank of America in the amount of \$11,397,243. The proceeds of this bond issue were used to refund the Florida Municipal Loan Council Revenue Bonds, Series 2008A. The reacquisition price exceeded the net carrying amount of the old debt by \$85,603. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce the total debt service payments over the next 10 years by \$1,068,336 and resulted in an economic gain of \$914,540. The interest rate on the new debt is 3.07%. Principal is due annually on October 1st and interest is payable semiannually on April 1st and October 1st, with the final maturity date being October 1, 2028. As of September 30, 2020, the principal balance outstanding was \$9,678,126. The principal and interest paid during the current year totaled \$1,228,070.
- Remedies on Default allows the lenders of these loans to take whatever action at law or in equity which may appear necessary or desirable to collect amounts then due and thereafter to become due.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

3. Changes in Long-Term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 13,973,948	\$ -	\$ 1,096,610	\$ 12,877,338	\$ 1,092,061
Covenant bonds	50,150,000	-	1,225,000	48,925,000	1,395,000
Plus: Deferred amounts for premiums/discounts	6,325,119	-	96,815	6,228,304	-
Total bonds payable	70,449,067	-	2,418,425	\$ 68,030,642	2,487,061
Capital leases	601,070	3,188,960	331,712	3,458,318	269,358
Compensated absences	1,326,195	210,752	-	1,536,947	189,054
Claims and judgments	7,829,171	2,832,319	3,284,088	7,377,402	1,029,797
Total governmental activities long-term liability	<u>\$ 80,205,503</u>	<u>\$ 6,232,031</u>	<u>\$ 6,034,225</u>	<u>\$ 80,403,309</u>	<u>\$ 3,975,270</u>
Business-type activities:					
Bonds payable	\$ 10,595,004	\$ -	\$ 916,878	\$ 9,678,126	\$ 944,678
Loans payable	7,579,659	-	1,697,084	5,882,575	1,717,071
Capital leases	9,696,445	865,730	252,977	10,309,198	144,468
Compensated absences	1,260,040	33,621	-	1,293,661	581,759
Total business-type activities long-term liabilities	<u>\$ 29,131,148</u>	<u>\$ 899,351</u>	<u>\$ 2,866,939</u>	<u>\$ 27,163,560</u>	<u>\$ 3,387,976</u>

The governmental activities claims and judgments as well as compensated absences are generally liquidated by the General Fund. The General Fund has been the governmental fund typically used to liquidate the net pension liabilities and total OPEB liabilities.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE III. DETAILED NOTES ON ALL FUNDS

I. Long-Term Debt

4. Summary of Annual Debt Service Requirements

The annual debt service requirements to maturity for debt outstanding as of September 30, 2020 are as follows:

Year Ending September 30	Governmental Activities Debt					
	General Obligation Bonds			Covenant Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,092,061	\$ 1,401,089	\$ 2,493,150	\$ 1,395,000	\$ 2,206,994	\$ 3,601,994
2022	1,085,902	1,407,398	2,493,300	1,440,000	2,160,756	3,600,756
2023	1,076,232	1,417,556	2,493,788	1,500,000	2,103,769	3,603,769
2024	1,067,961	1,424,252	2,492,213	1,560,000	2,051,394	3,611,394
2025	1,088,285	1,406,415	2,494,700	1,615,000	2,000,044	3,615,044
2026-2030	7,466,897	2,525,901	9,992,798	8,980,000	9,087,838	18,067,838
2031-2035	-	-	-	11,215,000	6,851,991	18,066,991
2036-2039	-	-	-	11,190,000	3,260,300	14,450,300
2040-2042	-	-	-	10,030,000	808,238	10,838,238
Total	<u>\$ 12,877,338</u>	<u>\$ 9,582,611</u>	<u>\$ 22,459,949</u>	<u>\$ 48,925,000</u>	<u>\$ 30,531,324</u>	<u>\$ 79,456,324</u>

Year Ending September 30	Business-type Activities Debt					
	Revolving Loans			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,717,071	\$ 102,694	\$ 1,819,765	\$ 944,678	\$ 282,618	\$ 1,227,296
2022	1,767,281	71,620	1,838,901	975,970	253,136	1,229,106
2023	477,718	50,588	528,306	1,006,976	222,698	1,229,674
2024	488,390	39,916	528,306	1,038,985	191,292	1,230,277
2025	499,298	29,008	528,306	1,071,243	158,900	1,230,143
2026-2030	932,817	24,863	957,680	4,640,274	290,489	4,930,763
Total	<u>\$ 5,882,575</u>	<u>\$ 318,689</u>	<u>\$ 6,201,264</u>	<u>\$ 9,678,126</u>	<u>\$ 1,399,133</u>	<u>\$ 11,077,259</u>

5. Pollution Remediation

The City accepted approximately 44.65 acres of donated land in October 2011 from a private donor. The City plans to redevelop the land (Tam O'Shanter project) and eventually use it for community facilities and recreation, as well as open space. The land has been found to contain contamination from toxic substances. According to studies conducted to determine the extent of the pollution and the expected costs of remediation can range between \$150,000 and \$4,000,000 depending on the prospective use of the land. The donor has contributed \$250,000 towards the future costs of clean-up. No remediation efforts had begun as of September 30, 2020. The remediation outlays are considered necessary to prepare the asset for its intended use, and will be capitalized as part of the newly developed asset as expenditures are incurred, and therefore no expenditure and liability have been accrued at this time.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

A. Restricted Assets

The amounts shown below are those assets restricted by sources external to the City. Ordinances and bond covenants pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts as of September 30, 2020:

Governmental Activities

	Total
Community Redevelopment Agency	\$ 4,383,692
Cemetery Trust Fund	1,489,590
Local option gas tax	372,998
Impact Fees Fund	132,748
Grants funds	1,392,578
Target Area Trust Fund	4,035
Beautification and Landscape Trust Fund	584,880
Nuisance Abatement Assessment Fund	120,691
Crime Prevention Trust Fund	75,427
General Trust Fund	393,793
Parking Deviation Fund	82,768
General Construction Fund	28,762,106
General Obligation Debt Service Fund	4,716,310
Total governmental activities restricted assets	\$ 42,511,616

Business-type Activities

	Water and Sewer Fund	Solid Waste Fund	Total
Customer deposits	\$ 566,925	\$ 4,998	\$ 571,923
Bond construction accounts	709,553	-	709,553
Revolving loan covenant accounts	1,178,354	-	1,178,354
Total business-type activities restricted assets	\$ 2,454,832	\$ 4,998	\$ 2,459,830

B. Restricted Net Position

Restricted net position in the government-wide statements include the following:

Purpose	Amount
Improvements to and programs within the Community Redevelopment Area	\$ 4,678,113
State Housing Initiative/Neighborhood Stabilization Grant Programs	320,882
Roadway improvements/parking system improvements	2,470,041
Human services	3,751,196
Confiscated property seizures/code enforcement fines for crime prevention	2,975,856
Beautification and landscape projects	1,640,017
Parks and recreation programs	187,147
Perpetual care and general reserve operations for cemeteries	1,492,547
Debt service	4,252,912
Total restricted net position - governmental activities	21,768,711
Restricted for debt service (Water and Sewer Fund)	1,178,354
Total restricted net position - business-type activities	1,178,354
Total government-wide restricted net position	\$ 22,947,065

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. Liability claims in the State of Florida are limited to some extent by Chapter 768.28 of the Florida Statutes, under the Doctrine of Sovereign Immunity. The General Fund provides coverage of up to \$175,000 per participant for employee health claims. The General Fund also provides coverage for workers compensation claims. The City retains the risk of loss up to \$200,000 for general liability claims. For property damage, the City has a deductible of \$500,000 for flood damage and \$5,000 for all other perils. For all other risks of loss, the City has purchased an excess coverage insurance policy covering individual claims in excess of these specified amounts. Settled claims did not exceed the commercial coverage in any of the past three fiscal years.

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

At September 30, 2020, the amount of these liabilities was \$7,377,402. Changes in the reported liability since October 1, 2019 resulted from the following:

<u>Fiscal Year</u>	<u>Claims Payable October 1</u>	<u>Current Year's Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability September 30</u>
2020	\$ 7,829,171	\$ 2,832,319	\$ (3,284,088)	\$ 7,377,402
2019	\$ 5,607,794	\$ 8,250,421	\$ (6,029,044)	\$ 7,829,171

D. Contingent Liabilities

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

At September 30, 2020, portions of some Federal Emergency Management Agency ("FEMA") claims for approximately \$1.9 million were determined, through a review by the Office of the Inspector General, to be overfunded. The City's position is, the expenditures were proper, had been fully reviewed and approved by FEMA representatives at the State and Federal levels, and will be ultimately approved by FEMA. The City and FEMA came to an agreement to offset the over expenditures against current claims. As of September 30, 2020 the City has an outstanding amount of \$883,000 to be utilized against future claims.

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

E. Defined Benefit Pension Plans

1. Plan Description

The City of Deerfield Beach, as a single-employer, maintains three defined benefit pension plans covering full-time firefighters employed by the City prior to October 1, 2011, police officers employed by

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

1. Plan Description

the City prior to January 13, 1990, and non-uniformed employees hired before April 17, 1990. The Deerfield Beach Municipal Firefighters' Pension Trust Fund (the Fire Pension Plan), the City of Deerfield Beach Police Officers' Retirement Plan (the Police Pension Plan) and the City of Deerfield Beach Non-Uniformed Employees' Retirement Fund (the Non-uniformed Pension Plan) are individual plans administered for each of three employee categories: fire, police and non-uniformed personnel. Each plan is governed by its own board of trustees, which is responsible for establishing employee benefit provisions within the framework of Chapters 175 and 185 of the Florida Statutes and local ordinances. Retirement, disability and death benefits and annual cost-of-living adjustments are provided by all three plans to members and beneficiaries. New members are no longer admitted to any of the three defined benefit plans.

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

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

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

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

2. Funding Policy

The Board of trustees of each plan establishes and may amend the contribution requirements of plan members and of the City.

The Fire Pension Fund, as well as the Police Pension Fund, is partially funded by contributions from the State of Florida. The state's contribution to the pension funds consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City limits. For fiscal year 2020, the state contributed \$632,681 and \$743,420 to the Fire Pension and Police Pension Funds, respectively. On-behalf payments of fringe benefits and salaries for the City's employees were recognized as revenues and expenditures during the period.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

2. Funding Policy

Information regarding fiscal year 2020 participant data for the three pension plans is as follows:

	Fire	Police	Non-uniformed	Total
Plan membership as of actuarial valuation date	10/01/2019	10/01/2019	10/01/2019	
Inactive members or beneficiaries currently receiving benefits	138	74	122	334
Inactive members entitled to but not yet receiving benefits	0	0	0	0
Active member	60	0	1	61
	<u>198</u>	<u>74</u>	<u>123</u>	<u>395</u>

Covered employees in the fire and non-uniformed defined benefit plans are required to contribute 9% of their gross salary. Beginning on January 13, 1990, participants in the police pension plan were no longer required to contribute to the plan. The member's contribution rate is fixed by the authorizing ordinance and the City's contribution rate is actuarially determined. The actuarial assumptions and three to five-year smoothed market methods were selected to fund the plans with the intent of producing future required employer contributions which remain fairly level as a percentage of covered payroll. The contribution rate for normal cost is determined using the entry age or the aggregate cost method, depending on the plan, over a 15 to 30 year period.

3. Net Pension Liability

The component of net pension liability as of October 1, 2019 (measurement date) were as follows:

	Fire	Police	Non-uniformed	Total
Total pension liability	\$ 160,290,545	\$ 63,255,619	\$ 57,953,296	\$ 281,499,460
Plan fiduciary net position	(121,106,804)	(41,388,895)	(53,689,057)	(216,184,756)
City's net pension liability	<u>\$ 39,183,741</u>	<u>\$ 21,866,724</u>	<u>\$ 4,264,239</u>	<u>\$ 65,314,704</u>
Plan fiduciary net position as a percentage of the total pension liability	75.55 %	65.43 %	92.64 %	

*The plan fiduciary net position above does not agree to the beginning plan fiduciary net position presented in the statement of changes in fiduciary net position. The difference of \$13,700 was caused by an adjustment that was made after the Actuary finalized their report.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

	Fire	Police	Non-uniformed
Total pension liability - beginning	\$ 154,893,179	\$ 61,673,955	\$ 60,535,559
Changes for the year:			
Service cost	3,114,673	-	70,591
Interest	11,505,441	4,043,732	4,047,412
Difference between expected and actual experience	(1,130,384)	(1,730,593)	(2,011,107)
Change in benefit terms	-	3,072,186	-
Change of assumptions	509,219	726,498	882,797
Share plan allocation	-	539,589	-
Benefit payments	(8,601,583)	(5,069,748)	(5,571,956)
Net change in total pension liability	<u>5,397,366</u>	<u>1,581,664</u>	<u>(2,582,263)</u>
Total pension liability - ending (a)	<u>160,290,545</u>	<u>63,255,619</u>	<u>57,953,296</u>
Plan fiduciary net position - beginning	119,214,394	43,182,442	55,602,268
Contributions - employer	5,988,490	2,160,331	1,546,408
Contributions - State of Florida	649,209	745,040	-
Contributions - employee	853,718	-	20,200
Net investment income	3,253,915	455,951	2,195,349
Benefit payments	(8,601,583)	(5,069,748)	(5,571,956)
Administrative expenses	(251,339)	(85,121)	(103,212)
Net change in plan fiduciary net position	<u>1,892,410</u>	<u>(1,793,547)</u>	<u>(1,913,211)</u>
Plan fiduciary net position - ending (b)	<u>\$ 121,106,804</u>	<u>\$ 41,388,895</u>	<u>\$ 53,689,057</u>
Net pension liability (a-b)	<u>\$ 39,183,741</u>	<u>\$ 21,866,724</u>	<u>\$ 4,264,239</u>
Plan fiduciary net position as a percentage of total pension liability	75.55 %	65.43 %	92.64 %

4. Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2019.

Assumptions	Fire Pension	Police Pension	Non-Uniformed
Inflation	2.42%	N/A	2.00%
Salary increases	5.2% to 11%	N/A	6.00% per year
Investment rate of return	7.50%	6.50%	6.80%
Mortality	RP-2000 fully generational with scale BB	RP-2000 Table with no RP-2000 Disabled Table for disabled lives projection Disabled Lives: RP-2000 disabled males and females,	RP-2000 Mortality tables, fully generational with scale BB Age 64 with 10 years of service or age 55 with 25 years of service
Retirement age	N/A	N/A	

5. Pension Discount Rate

The discount rate used to measure the total pension liability was 7.50%, 6.50%, and 6.80% for the Fire, Police, and Non-Uniformed Pension plans respectively. This is a single rate that reflects the long-

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

5. Pension Discount Rate

term expected rate of return on Pension plan investments expected to be used to finance the payment of benefits, including inflation. The projection of cash flows used to determine the discount rate assumed member contributions are made at 9% of pay and City contributions will be made in an amount equal to the difference between the actuarially determined contributions and member contributions. Fiduciary net position is projected to be sufficient to make projected benefit payments, for purposes of this determination.

Sensitivity of the net pension liability to changes in the discount rate follows for each plan:

Net Pension Liability

		Fire Pension Plan		
		1% Decrease	Current Discount Rate	1% Increase
Percent		6.50%	7.50%	8.50%
Net pension liability		\$53,727,924	\$36,570,059	\$22,251,958

		Police Pension Plan		
		1% Decrease	Current Discount Rate	1% Increase
Percent		5.50%	6.50%	7.50%
Net pension liability		\$31,545,842	\$24,147,070	\$17,986,753

		Non-uniformed Pension Plan		
		1% Decrease	Current Discount Rate	1% Increase
Percent		5.80%	6.80%	7.80%
Net pension liability		\$8,709,806	\$4,109,772	\$128,451

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

6. Investments - Long-Term Expected Rate of Return

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

Fire

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	8.47%
International equity	4.07%
Bonds	3.74%
Convertibles	7.91%
Private real estate	4.95%
Infrastructure	6.39%
Cash	0.47%

Police

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%

Non-Uniformed

Asset Class	Long-Term Expected Real Rate of Return
Large cap value equity	6.70%
Large cap growth equity	7.16%
Small cap core equity	7.48%
International equity	6.20%
Hedge fund	3.95%
Core private real estate	6.27%
Core fixed income	1.83%

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

7. Asset Allocation

The tables below indicate the fund investment policy targets, and actual asset allocations as of October 1, 2019:

Fire		
	Asset Class	Investment Policy
	Fixed income	12-60%
	International equity	10-25%
	Large-cap core	3-13%
	Large-cap value	3-13%
	Large-cap growth	3-13%
	Mid cap core	5-9%
	Small cap value	3-7%
	Convertibles	6-11%
	Defensive equity 50/50	3-10%
	Infrastructure	2-7%
	Real estate	0-17%
	Cash and cash equivalents	0-2%

Fire		
	Asset Class	Actual Allocation
	Fixed income	15.6%
	International equity	19.7%
	Large-cap core	11.2%
	Large-cap value	0.0%
	Large-cap growth	13.0%
	Mid cap core	7.4%
	Small cap value	3.9%
	Convertibles	11.3%
	Defensive equity 50/50	0.0%
	Infrastructure	1.0%
	Real estate	14.9%
	Cash and cash equivalents	2.0%

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

7. Asset Allocation

Police

Asset Class	Investment Policy
Domestic equity	40-55%
International equity	10-20%
Fixed income	15-35%
Real estate fund	5-17%
Cash and cash equivalents	0-5%

Police

Asset Class	Actual Allocation
Domestic equity	46.00%
International equity	15.00%
Fixed income	20.00%
Real estate fund	18.00% (1)
Cash and cash equivalents	1.00%

(1) Per Audited statement (pg 6)

Non-Uniformed

Asset Class	Investment Policy
Domestic equity	30-65%
International equity	5-15%
Fixed income	20-40%
Hedge funds	0-10%
Real estate fund	0-10%
Cash and cash equivalents	Minimal

Non-Uniformed

Asset Class	Actual Allocation
Domestic equity	44.30%
International equity	9.40%
Fixed income	29.40%
Hedge funds	5.30%
Real estate fund	10.00%
Cash and cash equivalents	1.60%

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

E. Defined Benefit Pension Plans

8. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense and deferred outflows and deferred inflows of resources related to pensions: The net pension liability was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows (Inflows)		
	Police	Fire	Non-Uniformed
Contributions subsequent to the measurement date	\$ 2,961,977	\$ 6,680,140	\$ 1,412,726
Difference between expected and actual experience	-	(469,301)	-
Change in assumptions	-	334,112	-
Difference between expected and actual earnings on investments	(89,498)	3,737,861	432,627
Total deferred outflows (inflows)	<u>\$ 2,872,479</u>	<u>\$ 10,282,812</u>	<u>\$ 1,845,353</u>

The deferred outflows of resources resulting from City contributions to the pension plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. The amount reported as a deferred inflow/outflow of resources related to the pension will be recognized in pension expense over the four remaining years as follows:

Fiscal Year Ending September 30	Police	Fire	Non-Uniformed
2021	\$ (464,567)	\$ 632,748	\$ (101,730)
2022	(269,691)	671,532	(11,353)
2023	189,200	1,172,582	256,528
2024	455,560	1,125,810	289,182
Total	<u>\$ (89,498)</u>	<u>\$ 3,602,672</u>	<u>\$ 432,627</u>

F. Defined Contribution Plan

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

The City contributed 8% of salaries to the plan on a bi-weekly basis, for a contribution for the year ending September 30, 2020 of \$1,731,735. The plan requires a 4% match of all participants. Plan participants become fully vested in the plan after five years of service. Total member contributions for the fiscal year

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE IV. OTHER INFORMATION

F. Defined Contribution Plan

totaled \$877,952.

G. Deferred Compensation Plan

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

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

H. Community Redevelopment Agency

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2020:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 4,310,904	\$ -
Investment income	36,497	-
Other revenue	12	-
Purpose of withdrawals:		
Debt service - principal	-	904,579
Other contractual	-	215,341
Administrative and overhead	-	1,691,057
Economic development	-	1,684,114
Supplies	-	11,379
Total	<u>\$ 4,347,413</u>	<u>\$ 4,506,470</u>

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE V. COST SHARING DEFINED BENEFIT PLANS

Effective November 6, 2001, the City of Deerfield Beach commenced participation in the Florida Retirement System (FRS), a cost-sharing multiple employer Public Employee Retirement System (PERS). There are two defined benefit plans as part of the Florida Retirement System. The FRS is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) for eligible employees. The Health Insurance Subsidy Program (HIS) is a cost-sharing, multiple-employer defined benefit pension plan. The FRS and HIS were created by the Florida Legislature and are administered by the State of Florida.

Only Elected members of the City Commission are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' website:

(http://www.dms.myflorida.com/workforce_operations/retirement/publications).

A. Plan Description

FRS Pension Plan

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. Only Elected Officials participate in this plan.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

HIS Plan

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE V. COST SHARING DEFINED BENEFIT PLANS

A. Plan Description

HIS Plan

of Retirement within the Florida Department of Management Services.

B. Benefits Provided

FRS Pension Plan

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Elected Officers' Class: 3.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-October 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

HIS Plan

For the fiscal year ended September 30, 2020 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

C. Contributions

FRS Pension Plan

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. For the fiscal year ended September 30, 2020, the contribution rate for Elected Officers' Class for the period July 1, 2019 through June 30, 2020 and from July 1, 2020 through September 30, 2020 was 48.82% and 49.59% percent, respectively.

The City's contributions for FRS totaled \$75,472 and employee contributions totaled \$5,148 for the fiscal year ended September 30, 2020.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE V. COST SHARING DEFINED BENEFIT PLANS

C. Contributions

HIS Plan

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020, the HIS contribution was 1.66 percent. The City contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

D. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2020, the City reported liabilities of \$984,503 for its proportionate share of the FRS net pension liability and \$60,478 for the HIS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the City's fiscal year 2020 contributions relative to the fiscal year 2019 contributions of all participating members.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$152,790. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

<u>Description</u>	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 37,679	\$ 2,474	\$ 40,153
Change of assumptions	178,226	6,503	184,729
Net difference between projected and actual earnings on plan investments	58,618	48	58,666
City contributions subsequent to measurement date	17,437	655	18,092
Total deferred outflows of resources	<u>\$ 291,960</u>	<u>\$ 9,680</u>	<u>\$ 301,640</u>

<u>Description</u>	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ -	\$ (47)	\$ (47)
Change of assumptions	-	(3,517)	(3,517)
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ (3,564)</u>	<u>\$ (3,564)</u>

The deferred outflows of resources related to pensions, totaling \$18,092, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE V. COST SHARING DEFINED BENEFIT PLANS

D. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

Fiscal Year Ending September 30	Employer Share of Deferred Outflows/Deferred Inflows		
	FRS	HIS	Total
2021	\$ 56,573	\$ 1,512	\$ 58,085
2022	88,109	1,121	89,230
2023	74,892	306	75,198
2024	44,771	711	45,482
2025	10,180	969	11,149
Thereafter	-	842	842
Total	<u>\$ 274,525</u>	<u>\$ 5,461</u>	<u>\$ 279,986</u>

E. Actuarial Assumptions

Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Generational PUB-2010 with Projection Scale MP-2018 7/1/13 - 6/30/18	
	FRS	HIS
Mortality table		
Experience study		
Actuarial cost method		Individual entry age normal
Investment rate of return	6.80 %	2.21 %
Projected salary increases	3.25 %	3.25 %
Inflation	2.40 %	2.40 %

F. Long-term Expected Rate of Return

FRS Pension Plan

The long-term expected rate of return on the plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
	<u>100%</u>			
Assumed inflation-mean			2.4%	1.7%

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE V. COST SHARING DEFINED BENEFIT PLANS

F. Long-term Expected Rate of Return

FRS Pension Plan

Note: As outlined in the Plan's investment policy.

G. Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 3.50% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

H. Sensitivity of the City's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2020.

	City's Proportionate Share of the Net Pension Liability		
	1% Decrease	Current Discount Rate	1% Increase
Pension Plan	5.80%	6.80%	7.80%
FRS	\$ 1,572,086	\$ 984,503	\$ 493,751

	1% Decrease	Current Discount Rate	1% Increase
	Pension plan	1.21%	2.21%
HIS	\$ 69,909	\$ 60,478	\$ 52,758

I. Pension Plan Fiduciary Net Position

Detailed information about the fiduciary net position of both benefit plans are available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE V. COST SHARING DEFINED BENEFIT PLANS

J. Summary of Pension Expense, Deferred Outflows/Inflows of Resources Related to all Pensions of the City

For the year ended September 30, 2020, the City recognized pension expense of \$13,466,590 as the result of GASB Statement No. 68. Deferred outflows and inflows of resources and Net Pension Liability related to pensions are as follows.

	Non- Uniformed Pension	Police Pension	Fire Pension	FRS/HIS Pension	Total
Deferred outflows	\$ 2,569,457	\$ 2,961,977	\$ 11,827,418	\$ 301,641	\$ 17,660,493
Deferred inflows	(724,104)	(89,498)	(1,544,606)	(3,563)	(2,361,771)
Net pension liability	(4,264,239)	(21,866,724)	(39,183,741)	(1,044,981)	(66,359,685)
Pension expense	204,437	3,859,287	9,077,797	325,069	13,466,590

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City of Deerfield Beach's Retiree Health Care Plan (Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the City. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue health and life insurance coverage as a participant in the City's plan. For purposes of applying Paragraph 4 under Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the Plan does not meet the requirements for an OPEB plan administered through a trust.

Benefit Description and Funding Policy

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

Pursuant to Section 112.0801, Florida Statutes, general employees, firefighters and police officers who retire from the City may continue their participation in a City-sponsored health and/or dental insurance plan at the same premiums applicable to active employees. Since retiree claims are expected to result in higher costs to the plan, on average, than those for active employees on an actuarial basis, there is an implicit subsidy included in the premiums for the retirees.

Investments. The OPEB plan does not have a formal investment policy. The City uses the Pay-As-You-Go-Approach of funding to provide benefits to participants of the plan.

Benefits. Benefit provisions and City contribution requirements are established and may be amended by the City Commission. The City currently provides direct subsidies for certain retirees by paying a portion of the retiree's premium for individual coverage. As of September 30, 2019, there were 211 retired employees receiving a monthly benefit with an additional 357 eligible for participation in the future.

Employees Covered by benefit terms. As of September 30, 2018, the following employees were covered by the benefit terms:

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	211
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	<u>357</u>
Total	<u><u>568</u></u>
Covered Employee Payroll	\$22,571,016
City's Total OPEB Liability as a percentage of Covered Employee Payroll	141.99 %

B. Schedule of Changes in Total OPEB Liability

The City's Total OPEB Liability (TOL) was measured as of September 30, 2019, and was determined by an actuarial valuation as of September 30, 2018. As of September 30, 2020, the reported TOL of \$32,048,147, represents 142% of the covered payroll. The components of TOL are as follows:

Balance at 10/1/2019	\$ 30,482,709
Changes for the Year	
Service cost	1,487,838
Interest	1,138,573
Differences between expected and actual experience	-
Changes in assumptions or other inputs	333,615
Changes of Benefit terms	-
Benefit Payments	<u>(1,394,588)</u>
Net changes	<u><u>1,565,438</u></u>
 Balance at 09/30/2020	 <u><u>\$ 32,048,147</u></u>
 Covered Employee Payroll	 \$ 22,571,016

*Covered payroll is based on pay provided for the September 30, 2019 Actuarial Valuation projected to September 30, 2020. GASB Statement No. 75 requires actual covered payroll for the measurement period.

C. Discount Rate and Sensitivity Disclosures

Discount Rate

The City's OPEB plan does not have a GASB compliant trust; therefore, the discount rate equals the tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

A discount rate of 3.58% was used to measure the September 30, 2019 Total OPEB Liability. A discount rate of 3.58% was used for the beginning of the measurement period. These rates are based on the Fidelity 20-Year Municipal GO AA Index - daily rate closest or equal to but not later than the respective measurement dates.

Sensitivity of the Total OPEB Liability to the Discount Rate Assumption

The chart below represents the total OPEB liability of the City, calculated using the 3.58%, discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

C. Discount Rate and Sensitivity Disclosures

percentage point lower (2.58%) or 1-percentage point higher (4.58%) than the current rate.

Measurement date: September 30, 2019

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	2.58 %	3.58 %	4.58 %
Total OPEB Liability	\$ 38,516,081	\$ 32,048,147	\$ 27,129,526

Sensitivity of the Total OPEB Liability to the Healthcare Cost Trend Rate Assumption

The chart below represents the total OPEB liability of the City, calculated using the 4.0% to 8.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower (3.0% to 7.0%) or 1-percentage point higher (5.0% to 9.0%) than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Discount Rate	3.0% to 7.0%	4.0% to 8.0%	5.0% to 9.0%
Total OPEB Liability	\$ 26,935,049	\$ 32,048,147	\$ 38,940,643

D. Actuarial Assumptions and Other Inputs

The Total OPEB Liability was determined based on several actuarial assumptions using the Actuarial Cost Method. Total OPEB liability was calculated by an actuarial valuation as of September 30, 2018, with a measurement date of September 30, 2019, using the following assumptions, applied to all prior periods included in the measurement:

Measurement Date	9/30/2019
Actuarial valuation date	9/30/2018
Inflation	2.50%
Salary increases	6.00%
Discount Rate	3.58%
Projected salary increases	4.0% - 8.0%
Healthcare cost trend rates	8.0% based on the Getzen Model
Retirees' share of benefit-related costs	Retirees pay various portions of full blended premium for individual coverage.

Discount rate - based on the Fidelity 20-Year Municipal GO AA Index

Mortality rates – Healthy members based on various RP-2000 mortality tables with varying collar

adjustments and generational mortality improvements with Scale BB. Disabled Employees based on RP-2000

Disabled mortality tables setback 4 years for males and set forward 2 years for females with no projected improvements.

Experience Study – The actuarial assumptions used in the October 1, 2016 actuarial valuation for certain members are based upon results of experience studies conducted by the Florida Retirement System as of

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2020

NOTE VI. OTHER POST EMPLOYMENT BENEFITS

D. Actuarial Assumptions and Other Inputs

2014.

**E. Statement of OPEB Expense and Deferred Outflows/Inflows of Resources
 Related to OPEB under GASB Statement No. 75**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
 - Reporting Date.

Negative OPEB Expense for Fiscal Year Ended September 30, 2020 \$ (2,290,059)

Summary of Outstanding Deferred Inflows and Outflows of Resources related to OPEB.

For the fiscal year ended September 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 16,553,696
Changes of assumptions	1,224,428	1,836,431
Employer contributions subsequent to measurement date	1,508,655	-
Total	\$ 2,733,083	\$ 18,390,127

The Summary of Deferred Outflows and (Inflows) of Resources Related to OPEB that will be recognized in OPEB expense are as follows:

Deferred inflows of resources of \$18,390,127 are the result of a change in assumption which decreased the Total OPEB liability, and of which \$(5,682,649) was recognized in OPEB expense at September 30, 2020. The remainder of the balance will be recognized in OPEB expense as follows:

Fiscal Year Ending September 30,	Amount
2021	\$ (5,682,649)
2022	(3,846,217)
2023	(3,846,217)
2024	(3,846,218)
2025	55,601
	\$ (17,165,700)

Required Supplementary Information

City of Deerfield Beach, Florida
Required Supplementary Information
General Fund
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis - Unaudited)
For the Year Ended September 30, 2020

	Budgeted Amounts		(Budgetary Basis) Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Property taxes	\$ 43,419,035	\$ 43,419,035	\$ 44,281,635	\$ 862,600
Sales Taxes	6,783,531	6,783,531	6,179,244	(604,287)
Fire assessment fees	12,824,429	12,824,429	13,687,279	862,850
Franchise fees	7,639,266	7,639,266	7,365,570	(273,696)
Utility Tax	8,489,807	8,489,807	8,421,784	(68,023)
Licenses and permits	773,952	773,952	1,280,574	506,622
Intergovernmental	3,603,533	3,603,533	3,731,734	128,201
Charges for services	10,011,053	10,011,053	8,757,750	(1,253,303)
Fines and forfeitures	1,054,369	1,054,369	1,040,747	(13,622)
Investment earnings	480,000	480,000	641,338	161,338
Miscellaneous:				
Donations/contributions	497,000	497,000	380,706	(116,294)
Administrative fees	8,111,049	8,111,049	8,111,049	-
Other	196,200	196,200	1,645,648	1,449,448
Total revenues	103,883,224	103,883,224	105,525,058	1,641,834
Expenditures				
Departmental:				
City commission	372,754	372,754	347,888	24,866
City manager	931,532	931,532	653,937	277,595
City clerk	606,032	606,032	529,014	77,018
City attorney	620,000	620,000	565,351	54,649
Central services	2,733,200	2,733,200	2,873,028	(139,828)
Parks & recreation	13,043,271	13,043,271	10,860,066	2,183,205
Fire/rescue	35,206,357	35,206,357	36,157,110	(950,753)
Human resources	930,324	930,324	699,914	230,410
Insurance/safety	287,999	287,999	(2,240,516)	2,528,515
Financial services	2,374,752	2,374,752	2,181,261	193,491
Planning and development services	2,461,821	2,461,821	2,431,865	29,956
Information technology services	2,542,751	2,542,751	2,443,639	99,112
Police	28,207,677	28,207,677	27,522,486	685,191
Sustainable management	3,733,914	3,733,914	3,828,796	(94,882)
Senior services	3,011,709	3,011,709	2,384,536	627,173
Community development	1,270,734	1,270,734	1,174,019	96,715
Economic development	402,206	402,206	311,485	90,721
Public affairs and marketing	504,273	504,273	445,998	58,275
Ocean rescue	2,096,253	2,096,253	1,995,741	100,512
Community participation	95,000	95,000	90,300	4,700
Other - unclassified	3,745,682	3,745,682	4,010,420	(264,738)
Debt service	388,370	388,370	339,061	49,309
Total expenditures	105,566,611	105,566,611	99,605,399	5,951,812
Excess (deficiency) of revenues over (under) expenditures	(1,683,387)	(1,683,387)	5,919,659	7,593,646
Other financing sources (uses)				
Capital lease	2,378,700	2,378,700	1,838,622	(540,078)
Transfers in	2,133,272	2,133,272	1,552,392	(580,880)
Transfers out	(5,050,281)	(7,391,557)	(7,391,557)	-
Total other financing sources (uses)	(538,309)	(2,879,585)	(4,000,543)	(1,120,958)
Net change in budgetary fund balance	\$ (2,221,696)	\$ (4,562,972)	\$ 1,919,116	\$ 6,472,688

City of Deerfield Beach, Florida
Required Supplementary Information
Community Redevelopment Agency Fund
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis - Unaudited)
For the Year Ended September 30, 2020

	Budgeted Amounts		(Budgetary Basis) Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Property taxes	\$ 4,032,238	\$ 4,032,238	\$ 4,027,757	\$ (4,481)
Investment earnings	50,000	50,000	36,497	(13,503)
Miscellaneous	8,500	8,500	12	(8,488)
Intergovernmental	-	-	283,147	283,147
Total revenues	4,090,738	4,090,738	4,347,413	256,675
Expenditures				
Current:				
Economic environment	2,387,785	2,387,785	1,810,695	577,090
Public Safety	55,000	55,000	52,711	2,289
Culture and recreation	187,500	187,500	70,479	117,021
Capital outlay	2,592,959	2,592,959	2,348,699	244,260
Principal retirement	-	-	835,000	(835,000)
Total expenditures	5,223,244	5,223,244	5,117,584	105,660
Excess (deficiency) of revenues over (under) expenditures	(1,132,506)	(1,132,506)	(770,171)	362,335
Other financing sources (Uses)				
Transfers out	(1,094,181)	(1,094,181)	(1,094,181)	-
Total other financing sources (uses)	(1,094,181)	(1,094,181)	(1,094,181)	-
Net change in budgetary fund balance	\$ (2,226,687)	\$ (2,226,687)	\$ (1,864,352)	\$ 362,335

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Reconciliation of Budget and Actual:			
Current expenditures	\$ 955,584	\$ 978,303	\$ 1,933,887
Capital outlay	1,621,705	726,994	2,348,699
Debt service	835,000	-	835,000
Total expenditures	\$ 3,412,289	\$ 1,705,297	\$ 5,117,586

* In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2020 and the outstanding encumbrances as of September 30, 2019 which were paid during fiscal year 2020.

City of Deerfield Beach, Florida
NOTES TO BUDGETARY SCHEDULE
REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2020

Note 1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City adopts annual operating budgets on a non-GAAP basis for the General Fund and the enterprise funds, as well as the following special revenue funds: Road and Bridge Tax Fund, Community Development Block Grant Fund, and the Community Redevelopment Agency Fund. The remaining special revenue funds are governed by grants with different fiscal periods and are funded at levels which the City has little control over or measurable knowledge of at the time it adopts the other budgets.

For budgetary control purposes, encumbrance accounting is utilized, whereas purchase orders, contracts and other financial commitments for expenditures are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as appropriations of fund balance, since they do not constitute expenditures or liabilities. Unless encumbered by a purchase order, the budget appropriations lapse at the end of each year.

At any time during the fiscal year, the City Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change. Furthermore, if the City Manager certifies that there are revenues available for appropriation in excess of those estimated in the original budget, the City Commission may, by ordinance, make supplemental appropriations for the year up to the amount of such excess.

B. Reconciliation of Budget to Actual

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

	GAAP Basis <u>Actual</u>	Net <u>Encumbrances*</u>	Non-GAAP <u>Basis Actual</u>
Current expenditures	\$ 87,696,926	\$ 2,994,406	\$ 90,691,332
Debt service	8,914,066	-	8,914,066
Total expenditures	<u>\$ 96,610,992</u>	<u>\$ 2,994,406</u>	<u>\$ 99,605,398</u>

*In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2019 and the outstanding encumbrances as of September 30, 2018, which were paid during fiscal year 2020.

City of Deerfield Beach, Florida
Required Supplementary Information
Pension Trust Funds
Schedule of Changes in City's Net Pension
Liability and Related Ratios
Fire Pension Plan

Measurement Date, September 30,	2015	2016	2017	2018	2019
Total pension liability					
Service cost	\$ 2,745,537	\$ 2,793,233	\$ 2,786,085	\$ 2,845,745	\$ 3,114,673
Interest	10,038,296	10,371,874	10,565,444	10,937,984	11,505,441
Changes of benefit terms	106,820	48,546	-	-	-
Differences between expected and actual experience	(1,414,007)	(82,819)	1,046,101	1,865,722	(1,130,384)
Changes in assumption	-	140,613	104,413	509,219	509,219
Benefit payments, including refunds of employee contributions	(7,418,254)	(6,795,446)	(9,978,487)	(9,204,187)	(8,601,583)
Refunds of member contributions	(47,544)	-	(6,856)	(17,570)	-
Net change in total pension liability	4,010,848	6,476,001	4,516,700	6,936,913	5,397,366
Total pension liability - beginning	<u>132,952,717</u>	<u>136,963,565</u>	<u>143,439,566</u>	<u>147,956,266</u>	<u>154,893,179</u>
Total pension liability - ending (a)	<u>136,963,565</u>	<u>143,439,566</u>	<u>147,956,266</u>	<u>154,893,179</u>	<u>160,290,545</u>
Plan fiduciary net position					
Contributions - employer and state	\$ 5,064,382	\$ 5,060,592	\$ 5,058,562	\$ 5,307,928	\$ 5,988,490
Contributions - State of Florida	725,199	667,147	603,646	628,008	649,209
Contributions - member	868,805	883,740	898,299	901,704	853,718
Net Investment Income	(3,188,136)	7,926,978	10,012,955	8,197,285	3,253,915
Benefit payments	(7,418,254)	(6,795,446)	(9,978,487)	(9,204,187)	(8,601,583)
Refund of member contributions	(47,544)	-	(6,856)	(17,570)	-
Administrative expense	(237,672)	(214,739)	(177,535)	(198,994)	(251,339)
Net change in plan fiduciary net position	(4,233,220)	7,528,272	6,410,584	5,614,174	1,892,410
Plan fiduciary net position - beginning	<u>103,894,584</u>	<u>99,661,364</u>	<u>107,189,636</u>	<u>113,600,220</u>	<u>119,214,394</u>
Plan fiduciary net position - ending	<u>\$ 99,661,364</u>	<u>\$ 107,189,636</u>	<u>\$ 113,600,220</u>	<u>\$ 119,214,394</u>	<u>\$ 121,106,804</u>
City's net pension liability - ending	<u>\$ 37,302,201</u>	<u>\$ 36,249,930</u>	<u>\$ 34,356,046</u>	<u>\$ 35,678,785</u>	<u>\$ 39,183,741</u>
Net position as percentage of the total pension liability	72.76 %	74.73 %	76.78 %	76.97 %	75.55 %
Covered payroll	\$ 9,628,949	\$ 9,659,471	\$ 10,020,449	\$ 9,485,800	\$ 8,806,379
Net pension liability as a percentage of covered payroll	387.00 %	375.28 %	342.86 %	376.13 %	444.95 %

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Fire Pension Fund
Schedule of City Contributions

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	\$ 3,321,431	\$ 3,321,431	\$ -	\$ 11,314,341	29.4 %
2012	4,954,297	4,954,297	-	10,662,698	46.5 %
2013	5,908,360	5,908,360	-	10,187,273	58.0 %
2014	5,842,802	5,842,802	-	9,687,400	60.3 %
2015	5,789,681	5,789,681	-	9,628,949	60.1 %
2016	5,727,617	5,727,617	-	9,412,235	60.9 %
2017	5,662,208	5,662,208	-	9,659,471	58.6 %
2018	5,911,574	5,926,407	14,833	10,020,449	59.1 %
2019	6,606,969	6,606,969	-	9,485,800	69.7 %
2020	6,720,388	6,720,388	-	8,806,379	76.3 %

Methods and assumptions used to determine rates:

Valuation date	October 1, 2019
Notes	Actuarially determined contributions are calculated as of October 1, one year prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry age
Amortization Method	Level dollar, closed
Remaining Amortization Period	15 years
Asset Valuation Method	5-year smoothed market
Inflation	2.0%
Salary Increases	5.2% to 11%, including inflation
Investment Rate of Return	7.50%
Mortality	RP-00 Combined Healthy White Collar + 90%, Scale BB

City of Deerfield Beach, Florida
Required Supplementary Information
Pension Trust Funds
Schedule of Changes in City's Net Pension
Liability and Related Ratios
Police Pension Fund

Measurement Date, September 30,	2013	2014	2015	2016	2017	2018	2019
Total pension liability							
Interest	\$ 3,442,333	\$ 3,367,750	\$ 3,459,881	\$ 3,359,275	\$ 3,410,810	\$ 3,836,745	\$ 4,043,732
Changes of benefit terms	-	-	2,326,603	-	-	-	3,072,186
Share Plan Allocation	-	338,294	359,314	421,602	451,648	469,049	539,589
Differences between expected and actual experience	-	-	(515,319)	223,166	332,132	58,615	(1,730,593)
Changes in assumption	-	-	-	3,535,687	7,201,737	712,839	726,498
Benefit payments, including refunds Employee Contributions	(4,508,804)	(4,585,732)	(4,749,759)	(4,838,890)	(4,826,660)	(4,860,289)	(5,069,748)
Net change in total pension liability	(1,066,471)	(879,688)	880,720	2,700,840	6,569,667	216,959	1,581,664
Total pension liability - Beginning	<u>53,251,928</u>	<u>52,185,457</u>	<u>51,305,769</u>	<u>52,186,489</u>	<u>54,887,329</u>	<u>61,456,996</u>	<u>61,673,955</u>
Total pension liability - Ending (a)	<u>52,185,457</u>	<u>51,305,769</u>	<u>52,186,489</u>	<u>54,887,329</u>	<u>61,456,996</u>	<u>61,673,955</u>	<u>63,255,619</u>
Plan fiduciary Net Position							
Contributions - Employer	\$ 1,780,506	\$ 1,779,355	\$ 1,944,572	\$ (1,908,777)	\$ 2,166,053	\$ 2,149,466	\$ 2,160,331
Contributions - State	510,150	543,745	564,765	(627,053)	657,100	674,500	745,040
Net investment income	4,590,694	3,324,844	952,079	(3,436,195)	4,742,331	3,950,827	455,951
Benefit payments, including refunds of employee contributions	(4,508,804)	(4,585,732)	(4,749,759)	(4,838,890)	(4,826,660)	(4,860,289)	(5,069,748)
Administrative expense	(77,727)	(71,170)	(97,436)	(96,419)	(92,815)	(85,887)	(85,121)
Net change in plan fiduciary net position	-	-	(1,385,779)	(10,907,334)	2,646,009	1,828,617	(1,793,547)
Plan fiduciary net position - beginning	<u>35,771,018</u>	<u>38,065,837</u>	<u>39,056,879</u>	<u>38,707,816</u>	<u>38,707,816</u>	<u>41,353,825</u>	<u>43,182,442</u>
Plan fiduciary net position - ending	<u>\$ 2,294,819</u>	<u>\$ 991,042</u>	<u>\$ (1,385,779)</u>	<u>\$ 27,800,482</u>	<u>\$ 41,353,825</u>	<u>\$ 43,182,442</u>	<u>\$ 41,388,895</u>
City's net pension liability - ending	<u>\$ 14,119,620</u>	<u>\$ 12,248,890</u>	<u>\$ 14,515,389</u>	<u>\$ 27,086,847</u>	<u>\$ 20,103,171</u>	<u>\$ 18,491,513</u>	<u>\$ 21,866,724</u>
Net position as percentage of the total pension liability	4.40 %	1.93 %	(2.66)%	50.65 %	67.29 %	70.02 %	65.43 %
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A *

(*) - Not applicable as this is a frozen plan with no active members.

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Police Pension Fund
Schedule of City Contributions

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2013	\$ 1,985,957	\$ 1,985,957	\$ -	N/A	N/A
2014	1,984,806	1,984,806	-	N/A	N/A
2015	2,150,023	2,150,023	-	N/A	N/A
2016	2,114,228	2,114,229	1	N/A	N/A
2017	2,371,504	2,371,505	(1)	N/A	N/A
2018	2,354,917	2,354,917	-	N/A	N/A
2019	2,365,782	2,365,782	-	N/A	N/A
2020	2,424,008	2,424,008	-	N/A	N/A

(*) - Not Applicable as this is a frozen plan with no active members.

Methods and assumptions used to determine contribution rates:

Valuation Date	October 1, 2019
Notes	Actuarially determined contributions are calculated as of October 1, one year prior to the end of the year in which contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	20 years (as of 10/01/2016 VAL)
Asset Valuation Method	Restricted to 80% - 120% of market value, obtained by smoothing three years' past differences between actual investment earnings and assumed investment return, then adding this number onto the current market value.
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	6.50% compounded annually, net of investment related expenses
Retirement Age	N/A
Mortality	RP-2000 Table with no RP-2000 disabled table for disabled lives projection

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Pension Trust Funds
Schedule of Changes in City's Net Pension
Liability and Related Ratios
Non-Uniformed Pension Fund

Measurement Date, September 30,	2014	2015	2016	2017	2018	2019
Total pension liability						
Service cost	\$ 78,741	\$ 77,233	\$ 66,123	\$ 70,710	\$ 75,770	\$ 70,591
Interest	4,289,889	4,161,337	4,325,572	4,221,714	4,144,079	4,047,412
Differences between expected and actual experience	-	528,068	612,743	348,056	26,603	(2,011,107)
Changes in assumption	-	1,187,719	3,377,835	2,822	-	882,797
Benefit payments, including refunds of employee contributions	(5,786,184)	(5,826,053)	(5,917,598)	(5,842,352)	(5,672,502)	(5,571,956)
Net change in total pension liability	(1,417,554)	128,304	2,464,675	(1,199,050)	(1,426,050)	(2,582,263)
Total pension liability - beginning	61,985,234	60,567,680	60,695,984	63,160,659	61,961,609	60,535,559
Total pension liability - ending (a)	60,567,680	60,695,984	63,160,659	61,961,609	60,535,559	57,953,296
Plan fiduciary net position						
Contributions - employer and state	\$ 1,721,000	\$ 1,713,421	\$ 1,543,620	\$ 1,595,214	\$ 1,645,642	\$ 1,546,408
Contributions - member	33,417	26,457	27,643	28,361	27,199	20,200
Net investment income of member contributions	5,519,418	(330,924)	4,169,121	5,041,747	3,924,126	2,195,349
Administrative expense	(93,157)	(101,412)	(102,723)	(96,331)	(96,927)	(103,212)
Net change in plan fiduciary net position	1,394,494	(4,518,511)	(279,937)	726,639	(172,462)	(1,913,211)
Plan fiduciary net position - beginning	58,452,045	59,846,539	55,328,028	55,048,091	55,774,730	55,602,268
Plan fiduciary net position - ending	\$ 59,846,539	\$ 55,328,028	\$ 55,048,091	\$ 55,774,730	\$ 55,602,268	\$ 53,689,057
City's net pension liability - ending	\$ 721,141	\$ 5,367,956	\$ 8,112,568	\$ 6,186,879	\$ 4,933,291	\$ 4,264,239
Net position as percentage of the total pension liability	98.81 %	91.16 %	87.16 %	90.01 %	91.85 %	92.64 %
Covered payroll	371,300	412,795	307,142	315,122	302,211	321,771
Net pension liability as a percentage of covered payroll	194.22 %	1,300.39 %	2,641.31 %	1,963.33 %	1,632.40 %	1,325.24 %

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Non-Uniformed Pension Fund
Schedule of City Contributions

Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 1,721,000	\$ 1,721,000	\$ -	\$ 371,300	463.51 %
2015	1,713,421	1,713,421	-	412,795	415.08 %
2016	1,543,620	1,543,620	-	307,142	502.58 %
2017	1,595,214	1,595,214	-	315,122	506.22 %
2018	1,645,642	1,645,642	-	302,211	544.53 %
2019	1,546,408	1,546,408	-	321,771	480.59 %
2020	1,412,726	1,412,726	-	82,388	1,714.72 %

Methods and assumptions used to determine contribution rates:

Valuation date	October 1, 2019
Notes	Actuarially determined contributions are calculated as of October 1, one year prior to the end of the year in which contributions are reported.
Actuarial cost method	Entry age normal cost, with amortization periods for new bases lowered by one year each year going forward.
Amortization method	Level dollar, closed
Remaining amortization period	5 years
Asset valuation method	4-year smoothed market
Inflation	2.00%
Salary increases	6.00% per year from valuation date to the assumed retirement age.
Investment rate of return	6.80%
Retirement age	Age 64 with 10 years of service or age 55 with 25 years of service
Mortality	RP-2000 fully generational with Scale BB

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information

Schedule of the City's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan

June 30th	2016	2017	2018	2019	2020
City's proportion of the net pension liability	0.00211 %	0.00223 %	0.00228 %	0.00237 %	0.00227 %
City's proportionate share of the FRS net pension liability	\$ 533,351	\$ 660,640	\$ 688,321	\$ 815,338	\$ 984,503
City's covered payroll*	\$ 145,925	\$ 163,001	\$ 167,347	\$ 172,607	\$ 171,904
City's proportionate share of the FRS net pension liability as a percentage of its covered payroll	365.5 %	405.3 %	411.31 %	472.37 %	572.71 %
FRS Plan fiduciary net position as a percentage of the total pension liability	84.0 %	83.89 %	82.48 %	82.61 %	78.85 %

Schedule of the City's Contributions
Florida Retirement System Pension Plan

September 30th	2016	2017	2018	2019	2020
Contractually required FRS contribution	\$ 61,648	\$ 70,230	\$ 73,052	\$ 73,410	\$ 75,472
FRS contribution in relation to the contractually required contribution	61,648	70,230	73,052	73,410	75,472
City's covered payroll*	\$ 145,929	\$ 162,463	\$ 167,347	\$ 173,754	\$ 171,689
FRS contribution as a percentage of covered payroll	42.25 %	43.23 %	43.65 %	42.29 %	43.96 %

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information

Health Insurance Subsidy Pension Plan

June 30th	2016	2017	2018	2019	2020
City's proportion of the net pension liability	0.002112 %	0.002233 %	0.000512 %	0.000516 %	0.000495 %
City's proportionate share of the HIS net pension liability	\$ 54,911	\$ 54,680	\$ 54,214	\$ 57,747	\$ 60,478
City's covered payroll*	\$ 145,925	\$ 163,001	\$ 167,347	\$ 172,607	\$ 171,904
City's proportionate share of the HIS net pension liability as a percentage of its covered payroll	37.6 %	33.5 %	32.40 %	33.46 %	35.18 %
HIS Plan fiduciary net position as a percentage of the total pension liability	0.97 %	1.64 %	1.63 %	2.63 %	3.00 %

Health Insurance Subsidy Pension Plan

September 30th	2016	2017	2018	2019	2020
Contractually required FRS contribution	\$ 1,041	\$ 1,186	\$ 1,491	\$ 2,866	\$ 2,854
HIS contribution in relation to the contractually required contribution	1,041	1,186	1,491	2,866	2,854
City's covered payroll*	\$ 145,929	\$ 162,463	\$ 167,347	\$ 173,754	\$ 171,639
HIS contribution as a percentage of covered payroll	0.71 %	0.73 %	0.89 %	1.65 %	1.66 %

* Amounts are the same for both periods because no change in employees or salary for past two years.

This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available.

City of Deerfield Beach, Florida
Required Supplementary Information
Other Post Employment Benefits
Schedule of Changes in City's Total OPEB
Liability and Related Ratios

Measurement Date, September 30,	2017	2018	2019
Total OPEB liability			
Service cost	\$ 3,021,796	\$ 3,203,104	\$ 1,487,838
Interest	2,490,545	2,753,484	1,138,573
Changes of benefit terms	-	(26,256,835)	-
Differences between expected and actual experience	-	(24,830,544)	-
Changes in assumption	(5,077,191)	1,419,623	333,616
Benefit payments, including refunds of employee contributions	(2,051,208)	(2,526,195)	(1,394,588)
Net change in total OPEB liability	<u>(1,616,058)</u>	<u>(46,237,363)</u>	<u>1,565,439</u>
Total OPEB liability - beginning	78,336,130	76,720,072	30,482,709
Total OPEB liability - ending	<u>76,720,072</u>	<u>30,482,709</u>	<u>32,048,148</u>
City's total OPEB liability - ending	<u>\$ 76,720,072</u>	<u>\$ 30,482,709</u>	<u>\$ 32,048,148</u>
Covered employee payroll	\$ 23,857,562	\$ 21,293,411	\$ 22,571,016
Total OPEB liability as a percentage of covered payroll	321.58 %	143.16 %	141.99 %

This schedule is presented to illustrate the requirement of GASB Statement No. 75 to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Road and Bridge Tax Fund – to account for the proceeds from motor fuel tax revenues that are restricted to the maintenance and acquisition of roads and bridges.

Community Development Block Grant (“CDBG”) Fund – to account for federal proceeds which are restricted as to the objectives of community development and revitalization.

State Housing Initiative Partnership (“SHIP”) Grant Fund – to account for State funds received for providing assistance to very low, low and moderate-income households in becoming first time homebuyers or in rehabilitating their existing homes.

Miscellaneous Grants Fund – to account for federal, state and county monies restricted to expenditures for projects and programs which are outlined in the individual grant agreements.

Parking Deviation Fund – to account for impact fees collected from property owners, which fees are earmarked for construction of parking facilities within those areas from which the fees were collected.

General Trust Fund – to account for funds received as donations, which have been restricted as to expenditures for specified purposes.

Target Area Trust Fund – to account for monies collected from code violation fines and which have been designated for the rehabilitation of the Target Area within the City.

Beautification and Landscape Trust Fund – to account for tree removal fees, fines and private contributions designated for the preservation of trees within the City.

Crime Prevention Trust Fund – to account for penalties assessed on the violation of local ordinances, which funds are used to increase public awareness and acquire crime prevention tools such as informational brochures, audio visual aids and training of police officers and civilians involved in crime awareness and prevention.

Impact Fees Fund - to account for impact fees collected on new residential and commercial construction within the City.

Law Enforcement Trust Fund - a revolving fund established to account for a portion of the proceeds from the sale of property seized from illegal drug-related activities. Funds may be expended to defray certain qualified law enforcement costs.

Nuisance Abatement Assessment Fund - to account for fees collected for abating the nuisance condition of certain properties.

DEBT SERVICE FUNDS

Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

General Obligation Debt Service Fund – to accumulate monies for payment of Series 2000A, and 2012 Florida Municipal Loan Council Revenue bonds, and Series 2018 Construction Revenue Bonds.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL GRANTS PROJECTS FUNDS

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

PERMANENT FUNDS

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

Perpetual Care Permanent Fund – to account for money received for the purpose of providing perpetual care for the City's cemeteries.

CITY OF DEERFIELD BEACH, FLORIDA
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2020

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,887,260	\$ 1,485,064	\$ -	\$ 179,181	\$ 4,551,505
Investments	140,064	-	-	161,148	301,212
Restricted Investments	-	4,716,310	-	1,149,261	5,865,571
Receivables, net of allowances:					
Accounts	-	-	-	254	254
Interest	220	27,303	-	2,703	30,226
Due from other funds	8,741,000	-	-	-	8,741,000
Due from other governments	712,662	-	-	-	712,662
Total assets	<u>\$ 12,481,206</u>	<u>\$ 6,228,677</u>	<u>\$ -</u>	<u>\$ 1,492,547</u>	<u>\$ 20,202,430</u>
Liabilities					
Accounts payable	2,063,296	-	-	-	2,063,296
Accrued payroll	32,346	-	-	-	32,346
Due to other funds	588,113	1,975,765	3,476	-	2,567,354
Unearned revenue	147,368	-	-	-	147,368
Total liabilities	<u>2,831,123</u>	<u>1,975,765</u>	<u>3,476</u>	<u>-</u>	<u>4,810,364</u>
Deferred Inflows of Resources					
Unavailable revenue	349,553	-	-	-	349,553
Fund Balances					
Nonspendable	-	-	-	1,492,547	1,492,547
Restricted	7,164,627	4,252,912	-	-	11,417,539
Assigned	2,341,276	-	-	-	2,341,276
Unassigned	(205,373)	-	(3,476)	-	(208,849)
Total fund balances	<u>9,300,530</u>	<u>4,252,912</u>	<u>(3,476)</u>	<u>1,492,547</u>	<u>15,042,513</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,481,206</u>	<u>\$ 6,228,677</u>	<u>\$ -</u>	<u>\$ 1,492,547</u>	<u>\$ 20,202,430</u>

CITY OF DEERFIELD BEACH, FLORIDA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2020

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues					
Local option gas tax	\$ 1,203,827	\$ -	\$ -	\$ -	\$ 1,203,827
Local business taxes/permits	6,063,883	-	-	-	6,063,883
Intergovernmental	2,703,515	-	-	-	2,703,515
Charges for services	247,967	-	-	-	247,967
Fines and forfeitures	729,842	-	-	-	729,842
Impact fees	664,558	-	-	-	664,558
Investment earnings	1,881	76,346	-	19,717	97,944
Miscellaneous:					
Cemetery plot sales	-	-	-	175,560	175,560
Donations/contributions	28,224	-	-	-	28,224
Administrative fees	431,177	-	-	-	431,177
Other	99,500	-	-	-	99,500
Total revenues	<u>12,174,374</u>	<u>76,346</u>	<u>-</u>	<u>195,277</u>	<u>12,445,997</u>
Expenditures					
Current:					
Economic environment	1,582,348	-	-	-	1,582,348
Public Safety	5,885,732	-	-	-	5,885,732
Human services	18,727	-	-	-	18,727
Physical environment	63,016	-	-	-	63,016
Transportation	1,844,520	-	-	-	1,844,520
Culture and recreation	224,462	-	-	-	224,462
Capital outlay	1,447,310	-	-	-	1,447,310
Debt service:					
Principal retirement	-	1,486,483	-	-	1,486,483
Interest and fiscal charges	-	3,666,605	-	-	3,666,605
Total expenditures	<u>11,066,115</u>	<u>5,153,088</u>	<u>-</u>	<u>-</u>	<u>16,219,203</u>
Excess (deficiency) of revenues over expenditures	<u>1,108,259</u>	<u>(5,076,742)</u>	<u>-</u>	<u>195,277</u>	<u>(3,773,206)</u>
Other Financing Sources (Uses)					
Transfers in	2,341,626	4,792,089	-	-	7,133,715
Transfers out	(45,159)	-	-	-	(45,159)
Total other financing sources (uses)	<u>2,296,467</u>	<u>4,792,089</u>	<u>-</u>	<u>-</u>	<u>7,088,556</u>
Net change in fund balances	3,404,726	(284,653)	-	195,277	3,315,350
Fund balances- beginning	5,895,804	4,537,565	(3,476)	1,297,270	11,727,163
Fund balances - ending	<u>\$ 9,300,530</u>	<u>\$ 4,252,912</u>	<u>\$ (3,476)</u>	<u>\$ 1,492,547</u>	<u>\$ 15,042,513</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2020

	Building Permits Fund	Road And Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund
Assets						
Cash and cash equivalents	\$ 79,702	\$ 86,762	\$ 61,800	\$ 359,202	\$ 411,443	\$ 82,768
Investments	-	140,064	-	-	-	-
Receivables, net of allowances:						
Interest	-	220	-	-	-	-
Due from other funds	4,241,000	1,500,000	-	-	-	-
Due from other governments	-	146,172	360,800	-	205,690	-
Total assets	<u>\$ 4,320,702</u>	<u>\$ 1,873,218</u>	<u>\$ 422,600</u>	<u>\$ 359,202</u>	<u>\$ 617,133</u>	<u>\$ 82,768</u>
Liabilities						
Accounts payable	\$ 1,720,800	\$ 87,812	\$ 82,123	\$ 114,435	\$ 41,040	\$ -
Accrued payroll	4,668	27,678	-	-	-	-
Due to other funds	-	-	249,272	-	283,688	-
Unearned revenue	-	-	-	122,368	25,000	-
Total liabilities	<u>1,725,468</u>	<u>115,490</u>	<u>331,395</u>	<u>236,803</u>	<u>349,728</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	150,220	-	199,333	-
Fund Balances						
Restricted	253,958	1,757,728	91,205	122,399	68,072	82,768
Assigned	2,341,276	-	-	-	-	-
Unassigned	-	-	(150,220)	-	-	-
Total fund balances	<u>2,595,234</u>	<u>1,757,728</u>	<u>(59,015)</u>	<u>122,399</u>	<u>68,072</u>	<u>82,768</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,320,702</u>	<u>\$ 1,873,218</u>	<u>\$ 422,600</u>	<u>\$ 359,202</u>	<u>\$ 617,133</u>	<u>\$ 82,768</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2020

General Trust Fund	Impact Fees Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Law Enforcement Trust Fund	Nuisance Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ 393,793	\$ 626,757	\$ 4,035	\$ 584,880	\$ 75,427	\$ -	\$ 120,691	\$ 2,887,260
-	-	-	-	-	-	-	140,064
-	-	-	-	-	-	-	220
1,000,000	1,000,000	1,000,000	-	-	-	-	8,741,000
-	-	-	-	-	-	-	712,662
<u>\$ 1,393,793</u>	<u>\$ 1,626,757</u>	<u>\$ 1,004,035</u>	<u>\$ 584,880</u>	<u>\$ 75,427</u>	<u>\$ -</u>	<u>\$ 120,691</u>	<u>\$ 12,481,206</u>
\$ 1,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,696	\$ 2,063,296
-	-	-	-	-	-	-	32,346
-	-	-	-	-	55,153	-	588,113
-	-	-	-	-	-	-	147,368
<u>1,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,153</u>	<u>15,696</u>	<u>2,831,123</u>
-	-	-	-	-	-	-	349,553
1,392,403	1,626,757	1,004,035	584,880	75,427	-	104,995	7,164,627
-	-	-	-	-	-	-	2,341,276
-	-	-	-	-	(55,153)	-	(205,373)
<u>1,392,403</u>	<u>1,626,757</u>	<u>1,004,035</u>	<u>584,880</u>	<u>75,427</u>	<u>(55,153)</u>	<u>104,995</u>	<u>9,300,530</u>
<u>\$ 1,393,793</u>	<u>\$ 1,626,757</u>	<u>\$ 1,004,035</u>	<u>\$ 584,880</u>	<u>\$ 75,427</u>	<u>\$ -</u>	<u>\$ 120,691</u>	<u>\$ 12,481,206</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2020

	Building Permits Fund	Road And Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund
Revenues						
Local option gas tax	\$ -	\$ 1,203,827	\$ -	\$ -	\$ -	\$ -
Local business taxes/permits	6,063,883	-	-	-	-	-
Intergovernmental	-	740,218	1,146,500	318,941	497,856	-
Charges for services	17,670	80,009	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-
Investment earnings	-	1,881	-	-	-	-
Miscellaneous						
Donations/contributions	-	-	-	-	-	-
Administrative fees	-	431,177	-	-	-	-
Other	-	42,000	-	-	57,500	-
Total revenues	<u>6,081,553</u>	<u>2,499,112</u>	<u>1,146,500</u>	<u>318,941</u>	<u>555,356</u>	<u>-</u>
Expenditures						
Current:						
Economic environment	-	-	755,295	371,672	455,381	-
Public Safety	5,827,595	-	-	-	-	-
Human services	-	-	18,727	-	-	-
Physical environment	-	-	-	-	-	-
Transportation	-	1,844,520	-	-	-	-
Culture and recreation	-	-	-	-	154,722	-
Capital outlay	-	745,187	326,193	-	86,173	-
Total expenditures	<u>5,827,595</u>	<u>2,589,707</u>	<u>1,100,215</u>	<u>371,672</u>	<u>696,276</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>253,958</u>	<u>(90,595)</u>	<u>46,285</u>	<u>(52,731)</u>	<u>(140,920)</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers in	2,341,276	-	-	-	350	-
Transfers out	-	-	(45,159)	-	-	-
Total other financing sources (uses)	<u>2,341,276</u>	<u>-</u>	<u>(45,159)</u>	<u>-</u>	<u>350</u>	<u>-</u>
Net change in fund balances	2,595,234	(90,595)	1,126	(52,731)	(140,570)	-
Fund balances - beginning of year	-	1,848,323	(60,141)	175,130	208,642	82,768
Fund balances - end of year	<u>\$ 2,595,234</u>	<u>\$ 1,757,728</u>	<u>\$ (59,015)</u>	<u>\$ 122,399</u>	<u>\$ 68,072</u>	<u>\$ 82,768</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2020

General Trust Fund	Impact Fees Fund	Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Law Enforcement Trust Fund	Nuisance Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,203,827
-	-	-	-	-	-	-	6,063,883
-	-	-	-	-	-	-	2,703,515
96,352	-	-	53,936	-	-	-	247,967
-	-	274,637	-	414	417,788	37,003	729,842
-	664,558	-	-	-	-	-	664,558
-	-	-	-	-	-	-	1,881
18,024	-	-	-	10,200	-	-	28,224
-	-	-	-	-	-	-	431,177
-	-	-	-	-	-	-	99,500
<u>114,376</u>	<u>664,558</u>	<u>274,637</u>	<u>53,936</u>	<u>10,614</u>	<u>417,788</u>	<u>37,003</u>	<u>12,174,374</u>
-	-	-	-	-	-	-	1,582,348
1,294	-	-	-	15,662	-	41,181	5,885,732
-	-	-	-	-	-	-	18,727
-	-	-	63,016	-	-	-	63,016
-	-	-	-	-	-	-	1,844,520
69,740	-	-	-	-	-	-	224,462
-	12,587	-	-	-	277,170	-	1,447,310
<u>71,034</u>	<u>12,587</u>	<u>-</u>	<u>63,016</u>	<u>15,662</u>	<u>277,170</u>	<u>41,181</u>	<u>11,066,115</u>
<u>43,342</u>	<u>651,971</u>	<u>274,637</u>	<u>(9,080)</u>	<u>(5,048)</u>	<u>140,618</u>	<u>(4,178)</u>	<u>1,108,259</u>
-	-	-	-	-	-	-	2,341,626
-	-	-	-	-	-	-	(45,159)
-	-	-	-	-	-	-	2,296,467
<u>43,342</u>	<u>651,971</u>	<u>274,637</u>	<u>(9,080)</u>	<u>(5,048)</u>	<u>140,618</u>	<u>(4,178)</u>	<u>3,404,726</u>
<u>1,349,061</u>	<u>974,786</u>	<u>729,398</u>	<u>593,960</u>	<u>80,475</u>	<u>(195,771)</u>	<u>109,173</u>	<u>5,895,804</u>
<u>\$ 1,392,403</u>	<u>\$ 1,626,757</u>	<u>\$ 1,004,035</u>	<u>\$ 584,880</u>	<u>\$ 75,427</u>	<u>\$ (55,153)</u>	<u>\$ 104,995</u>	<u>\$ 9,300,530</u>

City of Deerfield Beach, Florida
Road and Bridge Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local option gas tax	\$ 1,460,061	\$ 1,460,061	\$ 1,203,827	\$ (256,234)
Charges for services	-	-	80,009	80,009
Intergovernmental	640,025	640,025	740,218	100,193
Investment earnings	20,000	20,000	1,881	(18,119)
Miscellaneous:				
Administrative fees	431,177	431,177	431,177	-
Other	-	-	42,002	42,002
Total revenues	<u>2,551,263</u>	<u>2,551,263</u>	<u>2,499,114</u>	<u>(52,149)</u>
Expenditures				
Current:				
Transportation	2,142,414	2,142,414	1,866,911	275,503
Capital outlay	390,041	390,041	977,530	(587,489)
Debt service				
Principal retirement	25,536	25,536	-	25,536
Interest and fiscal charges	2,272	2,272	-	2,272
Total expenditures	<u>2,560,263</u>	<u>2,560,263</u>	<u>2,844,441</u>	<u>(284,178)</u>
Excess (deficiency) of revenues over (under) expenses	<u>(9,000)</u>	<u>(9,000)</u>	<u>(345,327)</u>	<u>(336,327)</u>
Other financing sources (Uses)				
Capital Lease	<u>808,879</u>	<u>808,879</u>	<u>-</u>	<u>808,879</u>
Net change in budgetary fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (345,327)</u>	<u>\$ (345,327)</u>

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Reconciliation of Budget and Actual:			
Current expenditures	\$ 1,844,522	\$ 22,389	\$ 1,866,911
Capital outlay	<u>745,187</u>	<u>232,343</u>	<u>977,530</u>
Total expenditures	<u>\$ 2,589,709</u>	<u>\$ 254,732</u>	<u>\$ 2,844,441</u>

* In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2020 and the outstanding encumbrances as of September 30, 2019 which were paid during fiscal year 2020.

City of Deerfield Beach, Florida
Community Development Block Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 659,318	\$ 659,318	\$ 1,146,500	\$ 487,182
Total revenues	<u>659,318</u>	<u>659,318</u>	<u>1,146,500</u>	<u>487,182</u>
Expenditures				
Current:				
Economic environment	1,216,805	1,216,805	816,605	400,200
Human services	64,092	64,092	18,727	45,365
Capital outlay	340,126	340,126	326,193	13,933
Total expenditures	<u>1,621,023</u>	<u>1,621,023</u>	<u>1,161,525</u>	<u>459,498</u>
Excess (deficiency) of revenues over (under) expenses	<u>(961,705)</u>	<u>(961,705)</u>	<u>(15,025)</u>	<u>27,684</u>
Other Financing Sources (Uses)				
Transfers out	(33,833)	(33,833)	(45,159)	(11,326)
Total other financing sources (uses)	<u>(33,833)</u>	<u>(33,833)</u>	<u>(45,159)</u>	<u>(11,326)</u>
Net change in budgetary fund balances	<u>\$ (995,538)</u>	<u>\$ (995,538)</u>	<u>\$ (60,185)</u>	<u>\$ 935,353</u>

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Reconciliation of Budget and Actual:			
Current expenditures	\$ 774,023	\$ 61,310	\$ 627,179
Capital outlay	326,193	-	326,193
Total expenditures	<u>\$ 1,100,216</u>	<u>\$ 61,310</u>	<u>\$ 953,372</u>

* In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2020 and the outstanding encumbrances as of September 30, 2019 which were paid during fiscal year 2020.

City of Deerfield Beach, Florida
Pension Trust Funds
Combining Statement of Fiduciary Net Position
September 30, 2020

	Firefighters' Pension Fund	Police Pension Fund	Non-Uniform Pension	Total Pension Trust Funds
Assets				
Investments:				
Money market funds	\$ 2,576,856	\$ 343,388	\$ 832,159	\$ 3,752,403
Fixed income	18,246,752	4,850,504	-	23,097,256
U. S. government and agency securities	8,800,463	1,281,378	9,268,914	19,350,755
Equity securities	70,414,238	24,555,013	27,803,198	122,772,449
Corporate bonds	6,984,696	1,658,923	5,966,318	14,609,937
Real estate funds	18,895,772	7,346,971	5,172,592	31,415,335
Self directed DROP accounts	3,129,730	-	-	3,129,730
Hedge fund	765,411	-	2,727,162	3,492,573
Total Investments	<u>129,813,918</u>	<u>40,036,177</u>	<u>51,770,343</u>	<u>221,620,438</u>
Receivables				
Interest and dividends	90,218	11,797	108,291	210,306
Contributions receivable (state)	3,597	743,420	-	747,017
Pending trades	-	466,387	18,431	484,818
Total receivables	<u>93,815</u>	<u>1,221,604</u>	<u>126,722</u>	<u>1,442,141</u>
Total assets	<u>129,907,733</u>	<u>41,257,781</u>	<u>51,897,065</u>	<u>223,062,579</u>
Liabilities				
Accounts payable	-	60,174	168,414	228,588
Share plan distributions payable	-	537,968	-	537,968
Accounts payable - purchase of investments	281,095	22,080	-	303,175
Total liabilities	<u>281,095</u>	<u>620,222</u>	<u>168,414</u>	<u>1,069,731</u>
Deferred revenue	<u>-</u>	<u>-</u>	<u>50,804</u>	<u>50,804</u>
Net Position Restricted for pension benefits				
Net position restricted for defined benefits	71,535,646	36,882,188	51,677,847	160,095,681
Net position restricted for share benefits	<u>58,090,992</u>	<u>3,755,371</u>	<u>-</u>	<u>61,846,363</u>
Total net position restricted for pension benefits	<u>\$ 129,626,638</u>	<u>\$ 40,637,559</u>	<u>\$ 51,677,847</u>	<u>\$ 221,942,044</u>

City of Deerfield Beach, Florida
Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2020

	Firefighters' Pension Fund	Police Pension Fund	Non-Uniform Pension	Total Pension Trust Funds
Additions				
Contributions:				
Employer	\$ 6,047,459	\$ 2,218,557	\$ 1,412,726	\$ 9,678,742
Plan members	792,533	-	7,415	799,948
Chapter	632,681	743,420	-	1,376,101
Total contributions	<u>7,472,673</u>	<u>2,961,977</u>	<u>1,420,141</u>	<u>11,854,791</u>
Investment earnings:				
Interest and investment revenue	2,820,191	1,810,816	1,268,517	5,899,524
Net increase(decrease)in the fair value of investments	8,848,573	(135,150)	1,286,330	9,999,753
Total investment earnings	<u>11,668,764</u>	<u>1,675,666</u>	<u>2,554,847</u>	<u>15,899,277</u>
Less investment expense	<u>(370,677)</u>	<u>(197,692)</u>	<u>(331,858)</u>	<u>(900,227)</u>
Net investment earnings	<u>11,298,087</u>	<u>1,477,974</u>	<u>2,222,989</u>	<u>14,999,050</u>
Miscellaneous	-	38	1,570	1,608
Total additions	<u>18,770,760</u>	<u>4,439,989</u>	<u>3,644,700</u>	<u>26,855,449</u>
Deductions				
Benefits paid	10,080,776	5,116,472	5,560,896	20,758,144
Administrative expenses	170,150	74,854	95,014	340,018
Total deductions	<u>10,250,926</u>	<u>5,191,326</u>	<u>5,655,910</u>	<u>21,098,162</u>
Change in net position	8,519,834	(751,337)	(2,011,210)	5,757,287
Net Position Restricted for Pension Benefits:				
Beginning of year	<u>121,106,804</u>	<u>41,388,896</u>	<u>53,689,057</u>	<u>216,184,757</u>
End of year	<u>\$ 129,626,638</u>	<u>\$ 40,637,559</u>	<u>\$ 51,677,847</u>	<u>\$ 221,942,044</u>

STATISTICAL SECTION

City of Deerfield Beach, Florida

For the Year Ended September 30, 2020

CONTENTS

	PAGE
STATISTICAL SECTION (Unaudited)	
Financial Trends:	
Net Position by Component.....	109
Changes in Net Position.....	110
Governmental Activities Tax Revenues by Source.....	112
Fund Balances of Governmental Funds.....	113
Changes in Fund Balances of Governmental Funds.....	114
Revenue Capacity:	
General Governmental Tax Revenues by Source.....	115
Assessed Value and Estimated Actual Value of Taxable Property.....	116
Direct and Overlapping Property Tax Rates.....	117
Principal Property Taxpayers.....	118
Property Tax Levies and Collections.....	119
Water Sold by Type of Customer.....	120
Water and Sewer Rates.....	121
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	122
Ratios of General Bonded Debt Outstanding.....	123
Direct and Overlapping Governmental Activities Debt.....	124
Water and Sewer Pledged-Revenue Coverage.....	125
Non-Ad Valorem Revenue	
Anti-Dilution Test.....	126
Demographic and Economic Information:	
Demographic and Economic Statistics.....	127
Principal Employers.....	128
Operating Information:	
Full-Time Equivalent City Government Employees by Function.....	129
Operating Indicators by Function.....	130
Capital Asset Statistics by Function.....	131

STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.

Revenue Capacity

*These schedules contain information to help the reader assess the City's most significant local revenue, property tax.
Information about water and sewer rates is also included.*

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt as well as the City's ability to issue additional debt.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

*These schedules contain service and infrastructure data to help the reader understand how the information in the
City's financial statements relate to the services that the City provides as well as the activities that the City performs.*

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

City of Deerfield Beach, Florida
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 46,212,686	\$ 54,762,079	\$ 58,120,088	\$ 57,468,114	\$ 61,201,885	\$ 64,215,625	\$ 68,098,733	\$ 66,878,760	\$ 65,413,462	\$ 63,275,945
Restricted	18,784,355	12,470,310	10,058,524	9,663,870	7,853,503	9,614,790	10,712,284	80,502,274	21,139,007	21,765,881
Unrestricted	(1,279,034)	(4,231,887)	(4,979,499)	(615,504)	(31,131,872)	(28,967,707)	(33,718,932)	143,581,097	(60,647,204)	(56,699,883)
Governmental activities net position	\$ 63,718,007	\$ 63,000,502	\$ 63,199,113	\$ 66,516,480	\$ 37,923,516	\$ 44,862,708	\$ 45,092,085	\$ 3,799,937	\$ 25,905,265	\$ 28,341,943
Business-type activities:										
Net Investment in capital assets	48,174,577	48,786,203	48,869,742	50,924,663	52,525,476	56,362,887	51,774,904	52,967,087	53,984,687	58,857,747
Restricted	8,887,099	743,836	743,838	743,838	1,760,856	1,834,718	1,834,565	1,839,167	1,174,491	1,178,354
Unrestricted	15,646,387	28,999,074	32,233,021	33,335,797	31,535,603	26,713,892	29,117,078	8,011,660	14,950,684	18,593,835
Total business-type activities net position	\$ 72,708,063	\$ 78,529,113	\$ 81,846,601	\$ 85,004,298	\$ 85,821,935	\$ 84,911,497	\$ 82,726,547	\$ 62,817,914	\$ 70,109,862	\$ 78,629,936
Primary Government										
Net Investment in capital assets	\$ 94,387,263	\$ 103,548,282	\$ 106,989,830	\$ 108,392,777	\$ 113,727,361	\$ 120,578,512	\$ 119,873,637	\$ 119,845,847	\$ 119,398,149	\$ 122,133,692
Restricted	27,671,454	13,214,146	10,802,362	10,407,708	9,614,359	11,449,508	12,546,849	82,341,441	22,313,498	22,944,235
Unrestricted	14,367,353	24,767,187	27,253,522	32,720,293	403,731	(2,253,815)	(4,601,854)	135,569,437	(45,696,520)	(38,106,048)
Total primary government net position	\$ 136,426,070	\$ 141,529,615	\$ 145,045,714	\$ 151,520,778	\$ 123,745,451	\$ 129,774,205	\$ 127,818,632	\$ 66,617,851	\$ 96,015,127	\$ 106,971,879

City of Deerfield Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 22,805,473	\$ 12,612,575	\$ 11,821,874	\$ 12,353,311	\$ 14,043,751	\$ 15,971,447	\$ 18,833,091	\$ 13,858,877	\$ 10,139,309	\$ 13,200,897
Economic environment	770,651	959,617	1,981,715	2,832,290	1,746,288	2,770,154	2,421,264	3,255,195	1,831,573	3,006,189
Public safety	45,399,408	50,047,068	52,604,329	55,555,149	56,811,183	59,621,417	65,353,492	72,209,952	67,759,892	75,166,877
Human services	2,510,309	2,140,927	2,136,865	2,159,042	2,382,915	2,836,456	2,847,032	3,415,404	352,258	2,258,427
Physical environment	3,092,598	4,050,701	4,978,883	3,974,644	6,311,645	4,952,451	5,780,265	7,561,665	3,903,291	6,966,270
Transportation	2,579,100	2,502,148	2,906,127	3,375,247	4,125,562	4,047,654	4,527,599	4,863,339	5,293,134	5,683,850
Culture and recreation	7,223,675	5,394,983	4,358,166	4,032,285	3,728,135	5,846,869	5,992,978	7,398,066	4,525,216	5,717,348
Interest on long term debt	1,923,219	1,878,627	3,024,834	2,807,078	1,921,214	1,895,608	1,884,325	2,317,478	3,614,126	3,369,738
Total governmental activities expenses	<u>86,304,433</u>	<u>79,586,646</u>	<u>83,812,793</u>	<u>87,089,046</u>	<u>91,070,693</u>	<u>97,942,056</u>	<u>107,640,046</u>	<u>114,879,976</u>	<u>97,418,799</u>	<u>115,369,596</u>
Business-type activities:										
Water and sewer	20,182,450	20,048,897	20,899,520	22,210,582	23,570,064	25,282,502	26,341,135	26,719,702	24,088,048	24,985,197
Solid waste	14,795,080	13,613,964	14,354,330	13,849,313	14,468,169	15,712,131	17,163,860	17,109,044	15,522,046	21,697,597
Stormwater Utility	-	-	-	-	-	-	-	-	1,222,265	926,581
Total business-type activities expenses	<u>34,977,530</u>	<u>33,662,861</u>	<u>35,253,850</u>	<u>36,059,895</u>	<u>38,038,233</u>	<u>40,994,633</u>	<u>43,504,995</u>	<u>43,828,746</u>	<u>40,832,359</u>	<u>47,609,375</u>
Total primary government expenses	<u>\$ 121,281,963</u>	<u>\$ 113,249,507</u>	<u>\$ 119,066,643</u>	<u>\$ 123,148,941</u>	<u>\$ 129,108,926</u>	<u>\$ 138,936,689</u>	<u>\$ 151,145,041</u>	<u>\$ 158,708,722</u>	<u>\$ 138,251,158</u>	<u>\$ 162,978,971</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 5,253,744	\$ 1,855,406	\$ 878,655	\$ 540,328	\$ 4,291,549	\$ 4,757,881	\$ 4,439,989	\$ 4,289,131	\$ 10,484,542	\$ 10,448,831
Public safety	15,899,993	15,661,078	16,737,515	20,615,778	23,802,373	21,932,165	25,350,237	26,114,265	23,921,809	22,395,951
Human services	23,387	327,856	12,699	29,316	10,020	50,140	56,573	100,229	84,130	196,219
Physical environment	186,497	1,191,226	185,794	286,215	355,326	189,872	183,105	343,511	634,542	350,471
Transportation	1,684,182	1,633,553	1,677,235	1,829,159	2,537,022	2,566,791	2,689,914	2,572,664	2,441,655	1,978,435
Culture and recreation	1,863,060	1,347,634	1,699,851	1,907,505	2,113,288	3,078,829	2,161,352	1,707,368	1,643,719	1,045,270
Operating grants and contributions	5,009,285	5,813,834	7,588,761	6,253,912	4,941,733	6,690,084	4,803,382	5,521,769	5,551,403	5,879,144
Capital grants and contributions	2,038,731	2,330,864	1,630,221	285,142	348,392	2,374,178	2,616,764	689,982	50,000	-
Total governmental activities	<u>31,958,879</u>	<u>30,161,451</u>	<u>30,410,731</u>	<u>31,747,355</u>	<u>38,399,703</u>	<u>41,639,940</u>	<u>42,301,316</u>	<u>41,338,919</u>	<u>44,811,800</u>	<u>42,294,321</u>
Business-type activities:										
Charges for services										
Water and sewer	24,807,442	24,250,089	24,651,018	24,754,868	25,296,809	24,908,850	25,556,346	25,729,905	27,394,983	23,932,893
Solid waste	14,925,959	14,701,713	15,441,291	14,626,474	14,748,707	15,327,755	15,832,628	16,754,407	17,770,995	17,456,238
Stormwater Utility	-	-	-	-	-	-	-	-	2,117,203	2,233,083
BUS-Operating grants and contributions	-	-	-	-	-	-	-	-	-	126,990
Capital grants and contributions	292,206	27,539	111,699	45,899	64,452	-	398,300	-	-	-
Total business-type activities	<u>40,025,607</u>	<u>38,979,341</u>	<u>40,204,008</u>	<u>39,427,241</u>	<u>40,109,968</u>	<u>40,236,605</u>	<u>41,787,274</u>	<u>42,484,312</u>	<u>47,283,181</u>	<u>43,749,204</u>
Total primary government program revenues	<u>\$ 71,984,486</u>	<u>\$ 69,140,792</u>	<u>\$ 70,614,739</u>	<u>\$ 71,174,596</u>	<u>\$ 78,509,671</u>	<u>\$ 81,876,545</u>	<u>\$ 84,088,590</u>	<u>\$ 83,823,231</u>	<u>\$ 92,094,981</u>	<u>\$ 86,043,525</u>
Net (Expense)/Revenue										
Governmental activities	\$ (54,345,554)	\$ (49,425,195)	\$ (53,402,062)	\$ (55,341,691)	\$ (52,670,990)	\$ (56,302,116)	\$ (65,338,730)	\$ (73,541,057)	\$ (52,606,999)	\$ (73,075,275)
Business-type activities	5,048,077	5,316,480	4,950,158	3,367,346	2,071,735	(758,028)	(1,717,721)	(1,344,434)	6,450,822	(3,860,171)
Total primary government net expense	<u>\$ (49,297,477)</u>	<u>\$ (44,108,715)</u>	<u>\$ (48,451,904)</u>	<u>\$ (51,974,345)</u>	<u>\$ (50,599,255)</u>	<u>\$ (57,060,144)</u>	<u>\$ (67,056,451)</u>	<u>\$ (74,885,491)</u>	<u>\$ (46,156,177)</u>	<u>\$ (76,935,446)</u>

City of Deerfield Beach, Florida
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 34,791,821	\$ 27,073,004	\$ 28,188,611	\$ 33,750,761	\$ 35,512,381	\$ 37,603,317	\$ 39,732,879	\$ 42,852,391	\$ 45,215,722	\$ 48,309,392
Utility taxes	-	6,705,240	7,343,575	7,907,567	7,976,554	8,074,781	8,307,025	8,429,194	8,709,365	8,421,784
Sales taxes	3,890,338	4,123,936	4,394,070	4,648,145	4,875,615	5,413,109	5,062,149	5,384,431	5,321,474	4,803,143
Franchise taxes	9,429,873	8,652,572	8,959,809	8,867,645	6,832,413	7,795,465	7,648,226	7,622,049	7,840,494	7,365,570
Motor fuel taxes	1,283,545	1,289,074	1,285,882	1,318,433	1,353,883	1,491,230	1,416,578	1,418,558	1,427,609	1,203,827
Alcoholic beverage/mobile home license taxes	49,433	52,419	48,407	55,777	96,892	85,980	96,204	86,067	85,214	86,107
Grants and contributions not restricted to specific programs	1,241,144	1,072,777	1,471,496	1,622,476	1,804,085	1,868,658	1,987,520	2,065,013	1,983,976	1,715,329
Unrestricted investment earnings	77,980	39,677	64,333	56,617	85,147	207,623	279,975	894,912	2,403,213	1,325,584
Miscellaneous revenues	432,884	176,178	166,419	166,676	1,797,415	380,032	730,852	2,187,154	1,454,295	2,128,836
Transfers	(7,014)	(477,187)	-	-	270,893	321,113	-	306,699	270,961	155,211
Total governmental activities	51,190,004	48,707,690	51,922,602	58,394,097	60,605,278	63,241,308	60,605,278	71,246,468	74,712,323	75,514,783
Business-type activities:										
Unrestricted investment earnings	31,833	27,383	45,401	55,312	59,880	168,703	237,770	493,611	1,112,080	708,666
Miscellaneous revenues	-	-	-	-	(46,381)	-	-	-	-	77,650
Transfers	7,014	477,187	(1,678,071)	(264,961)	(270,893)	(321,113)	(306,699)	(306,699)	(270,961)	(155,211)
Total business-type activities	38,847	504,570	(1,632,670)	(209,649)	(257,394)	(152,410)	(68,929)	186,912	841,119	631,105
Total primary government	51,228,851	49,212,260	50,289,932	58,184,448	60,347,884	63,088,898	65,192,479	71,433,380	75,553,442	76,145,888
Change in net position										
Governmental activities	(3,155,550)	(717,505)	(1,479,460)	3,052,406	7,934,288	7,934,288	6,939,192	(2,294,589)	22,105,324	2,439,508
Business-type activities	5,086,924	5,821,050	3,317,488	3,157,697	1,814,341	(910,438)	(1,786,650)	(2,184,950)	(1,157,523)	(3,229,066)
Total primary government	\$ 1,931,374	\$ 5,103,545	\$ 1,838,028	\$ 6,210,103	\$ 9,748,629	\$ 7,023,850	\$ 5,152,542	\$ (4,479,539)	\$ 20,947,801	\$ (789,558)

City of Deerfield Beach, Florida
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2011	\$ 34,791,821	\$ -	\$ 3,890,338	\$ 9,429,873	\$ 1,283,545	\$ 49,433	\$ 49,445,010
2012	27,073,004	6,705,240	4,123,936	8,652,572	1,289,074	52,419	47,896,245
2013	28,188,611	7,343,575	4,394,070	8,959,809	1,285,882	48,407	50,220,354
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696
2015	35,512,381	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,738
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,491,230	85,980	61,288,292
2017	39,732,879	8,307,025	5,062,149	7,648,226	1,416,578	96,204	62,263,061
2018	42,852,391	8,429,194	6,677,330	7,622,049	1,418,558	86,067	67,085,589
2019	45,215,722	8,709,365	5,321,474	7,840,494	1,427,609	85,214	68,599,878
2020	48,309,392	8,421,784	4,803,143	7,365,570	1,203,827	86,107	70,189,823

City of Deerfield Beach, Florida
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non-spendable	\$ 824,089	\$ 705,590	\$ 696,001	\$ 663,995	\$ 211,331	\$ 245,932	\$ 441,359	\$ 700,972	\$ 231,158	\$ 402,789
Assigned	3,885,412	4,600,367	4,193,717	4,502,471	7,028,371	7,855,937	8,057,917	8,291,753	8,848,378	9,543,562
Unassigned	4,682,040	1,711,253	2,823,003	8,781,650	11,631,572	16,512,401	16,400,894	17,968,892	17,617,916	21,664,616
Total general fund	<u>9,391,541</u>	<u>7,017,210</u>	<u>7,712,721</u>	<u>13,948,116</u>	<u>18,871,274</u>	<u>24,614,270</u>	<u>24,900,170</u>	<u>26,961,617</u>	<u>26,697,452</u>	<u>31,610,967</u>
All Other Governmental Funds										
Unreserved, reported in:										
Non-spendable	2,190,989	1,217,499	1,229,499	1,240,498	1,251,701	1,066,318	1,657,455	1,408,008	1,297,270	1,492,547
Restricted	16,846,273	12,280,648	22,844,054	17,303,614	11,323,253	12,263,149	12,317,388	49,356,084	48,641,825	46,701,455
Assigned	-	-	-	-	-	-	-	-	-	2,341,276
Unassigned	(908,678)	(245,058)	101,767	(181,733)	(231,284)	(284,862)	(294,146)	(164,575)	(381,201)	(208,849)
Total all other governmental funds	<u>\$ 18,128,584</u>	<u>\$ 13,253,089</u>	<u>\$ 24,175,320</u>	<u>\$ 18,362,379</u>	<u>\$ 12,343,670</u>	<u>\$ 13,044,605</u>	<u>\$ 13,680,697</u>	<u>\$ 50,599,517</u>	<u>\$ 49,557,894</u>	<u>\$ 50,326,429</u>

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

City of Deerfield Beach, Florida
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes	\$ 35,102,671	\$ 34,252,646	\$ 27,771,349	\$ 28,291,130	\$ 35,512,396	\$ 37,603,317	\$ 39,732,879	\$ 42,852,391	\$ 45,215,722	\$ 48,309,392
Sales and use taxes	5,036,695	5,165,731	5,432,787	5,565,280	6,221,255	6,790,747	6,374,461	6,677,330	6,725,332	6,179,244
Fire assessment fees	5,998,886	8,090,526	8,371,764	8,491,262	11,007,913	11,068,185	11,041,726	11,026,863	11,288,253	13,687,279
Franchise fees	9,921,939	9,584,608	8,704,150	8,959,809	8,447,210	7,795,465	7,648,226	7,622,049	7,840,494	7,365,570
Utility taxes	-	-	6,705,240	7,343,575	7,976,554	8,074,781	8,307,025	8,429,194	8,709,365	8,421,784
Local option gas tax	1,271,279	1,283,545	1,289,074	1,285,882	1,353,883	1,491,230	1,416,578	1,418,558	1,427,609	1,203,827
Alcoholic beverage/mobile home license taxes	-	-	-	-	-	-	-	-	85,214	86,107
Local business taxes/permits	1,673,573	2,567,037	2,906,324	3,006,077	4,674,337	4,202,781	5,432,035	4,951,256	7,535,466	7,344,457
Intergovernmental	6,813,940	6,779,390	7,380,901	8,753,280	5,058,080	5,058,080	7,000,870	5,838,827	3,494,173	6,632,289
Charges for services	7,859,433	8,098,203	7,476,283	8,236,329	9,785,012	9,674,471	10,275,886	9,998,883	10,050,895	9,005,717
Fines and forfeitures	1,508,597	1,246,585	1,031,508	911,536	1,726,615	1,830,841	1,484,146	1,529,006	1,325,231	1,770,589
Impact fees	-	-	-	-	-	176,954	244,612	138,626	457,807	664,558
Investment earnings	160,673	78,154	39,677	64,333	85,191	207,695	279,974	894,911	2,403,213	1,325,584
Miscellaneous	5,439,834	5,918,709	7,651,004	6,870,128	17,030,831	9,085,943	9,424,423	9,244,581	10,600,470	9,497,112
Total revenues	80,787,520	83,065,134	84,760,061	87,778,621	108,879,277	103,060,490	107,186,590	110,622,475	117,159,244	121,493,509
Expenditures										
General government	19,943,800	16,674,774	15,483,228	15,510,007	21,977,441	18,083,088	20,379,141	16,637,413	16,796,303	14,636,010
Economic environment	778,651	1,250,183	2,113,478	2,964,052	1,821,340	2,770,158	2,121,390	2,782,544	2,832,044	3,457,681
Public safety	43,892,036	48,742,790	51,659,751	54,809,205	58,670,678	60,100,777	61,789,116	65,048,696	68,763,739	71,277,001
Human services	2,454,137	2,085,353	2,081,504	2,154,433	2,842,242	2,197,031	2,436,525	2,915,117	2,832,728	2,520,942
Physical environment	2,268,385	3,263,916	4,334,094	3,518,440	6,845,708	4,843,967	6,160,397	7,265,038	7,361,321	6,138,135
Transportation	1,670,907	1,574,080	1,850,040	2,292,118	2,737,514	2,812,545	2,795,435	2,902,618	2,398,753	2,497,918
Culture and recreation	6,533,568	4,600,545	3,504,151	2,997,052	3,658,093	3,975,250	4,603,199	5,507,911	5,725,177	4,624,314
Capital outlay	4,949,174	9,607,475	6,176,331	5,770,037	5,872,209	4,717,906	2,885,587	2,885,587	5,434,535	7,700,899
Debt service										
Principal retirement	2,340,272	2,285,825	2,285,825	2,606,667	2,504,085	2,520,002	2,725,773	2,745,479	2,564,594	2,653,195
Interest and fiscal charges	1,955,037	1,908,170	2,208,582	2,710,837	2,063,110	2,048,017	2,150,785	2,101,051	4,026,808	3,673,954
Fiscal agent fees and other fees	-	-	332,013	102,057	-	-	-	-	-	-
Total expenditures	86,785,967	91,993,111	92,028,997	95,434,905	(99,542,112)	(94,894,905)	108,047,348	110,791,454	118,736,002	119,180,049
Excess (deficiency) of revenue over (under) expenditures	(5,998,447)	(8,927,977)	(7,268,936)	(7,656,284)	(113,143)	(1,008,251)	615,493	615,493	(1,576,758)	2,313,460
Other Financing Sources (Uses)										
Transfers in	6,154,285	4,954,400	10,647,167	7,517,606	6,966,774	6,843,592	7,316,052	6,896,744	6,425,237	8,686,107
Transfers out	6,161,299	4,971,176	8,969,096	7,252,645	6,695,875	6,522,479	7,009,353	6,590,045	6,154,275	(8,530,897)
Premiums on bonds issued	-	-	1,125,416	-	-	-	-	5,826,066	-	-
Proceeds from refunded bonds	-	-	(14,282,254)	-	-	-	-	-	-	-
Bonds and notes issued	-	-	34,860,000	-	-	-	-	36,155,000	-	-
Bonds and notes issued	-	-	-	-	-	-	-	36,155,000	-	-
CARES act funds	-	-	-	-	-	-	-	-	-	1,374,764
Capital lease proceeds	-	-	-	-	-	1,752,172	-	-	-	1,838,622
Total other financing sources (uses)	424,788	(7,014)	(16,776)	23,381,233	264,961	270,899	5,191,224	306,699	78,442,765	619,068
Net changes in fund balances	\$ (3,914,267)	\$ (6,005,461)	\$ (8,944,753)	\$ 8,599,182	\$ (6,851,323)	\$ 157,156	\$ 5,191,224	\$ 78,273,786	\$ 78,273,786	\$ 2,932,528
Debt services as a percentage of non-capital expenditures	5.40 %	5.10 %	13.20 %	5.50 %	4.40 %	4.73 %	4.83 %	4.55 %	5.78 %	5.68 %

City of Deerfield Beach, Florida
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2011	\$ 34,252,646	\$ -	\$ 5,165,731	\$ 9,584,608	\$ 1,283,545	\$ 49,433	\$ 50,335,963
2012	27,771,349	6,705,240	5,432,787	8,704,150	1,289,074	52,419	49,955,019
2013	28,291,130	7,343,575	5,565,280	8,959,809	1,285,882	48,407	51,494,083
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696
2015	35,512,396	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,753
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,377,907	85,980	61,174,969
2017	39,732,879	8,307,025	6,374,461	7,648,226	1,416,578	96,204	63,575,373
2018	42,852,391	8,429,194	6,677,330	7,622,049	1,418,558	86,067	67,085,589
2019	45,215,722	8,709,365	6,725,332	7,840,494	1,427,609	85,214	70,003,736
2020	48,309,392	8,421,784	6,179,244	7,365,570	1,203,827	86,107	71,565,924

City of Deerfield Beach, Florida
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (1)	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Taxable Assessed Value as a Percentage of Actual Taxable Value
2011	\$ 6,413,168,923	\$ 411,439,128	\$ 1,684,098,356	\$ 5,140,509,695	6.7688	\$ 8,035,763,100	63.970%
2012	6,085,548,562	392,877,631	1,636,113,175	4,842,313,018	5.7688	7,629,719,059	63.466%
2013	6,068,817,518	389,788,094	1,614,924,968	4,843,680,644	5.7688	7,605,089,169	63.690%
2014	6,282,449,796	398,719,587	1,673,533,699	5,007,635,684	6.7688	7,864,092,199	63.677%
2015	6,965,511,494	402,157,090	2,064,034,621	5,303,633,963	6.7688	8,646,548,680	61.338%
2016	7,575,534,000	428,708,115	2,347,582,606	5,656,659,509	6.6688	9,388,030,664	60.254%
2017	8,307,953,360	439,084,367	2,667,289,990	6,079,747,737	6.5007	10,239,191,304	59.377%
2018	8,926,809,490	449,468,620	1,425,792,130	7,950,485,980	6.5007	10,961,317,366	72.532%
2019	9,581,418,870	452,285,512	1,952,768,762	8,080,935,620	6.4810	11,710,313,829	69.007%
2020	10,703,956,100	456,247,845	1,536,709,678	9,623,494,267	6.3560	12,993,128,014	74.066%

Note: Assessed values are determined as of January 1st for each fiscal year.

(1) Real Property is assessed at 88% and Personal Property is assessed at 55%

Source: Broward County, Florida Property Appraiser

City of Deerfield Beach, Florida
Property Tax Rates – Direct and Overlapping Government

Fiscal Year	Overlapping Rates													Total Direct & Overlapping Rates
	City of Deerfield Beach			County			School District			Children's Services	North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating millage	Debt Service Millage	Total School Millage					
2011	6.2482	0.5206	6.7688	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.4696	1.8750	0.6240	0.0345	21.3986
2012	5.1865	0.5832	5.7697	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4789	1.8750	0.4363	0.0345	22.9559
2013	5.1856	0.5832	5.7688	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4902	1.8564	0.4289	0.0345	21.5654
2014	6.2317	0.5371	6.7688	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4882	1.7554	0.4110	0.0345	21.5878
2015	6.2745	0.4943	6.7688	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.4882	1.5939	0.3842	0.0345	22.6609
2016	6.1949	0.4739	6.6688	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.4882	1.4425	0.3551	0.0320	22.4306
2017	6.0493	0.4514	6.5007	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063	0.4882	1.3462	0.3307	0.0320	21.9836
2018	6.0981	0.4026	6.5007	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394	0.4882	1.2483	0.3100	0.0320	21.2731
2019	6.1267	0.3740	6.5007	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029	0.4882	1.0855	0.2936	0.0320	20.7876
2020	6.3560	0.3542	6.7102	5.4999	0.1691	5.6690	6.4140	0.9120	7.3260	0.4882	1.1469	0.2675	0.0320	20.4719

Source: Broward County, Florida Property Appraiser.

City of Deerfield Beach, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

Tax Payer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Publix Super Markets Inc..	\$ 93,350,240	1	3.73 %	\$ 64,621,890	1	3.37 %
SCG Atlas deercreek 11 LLC %						
Starwood Cap	85,653,960	2	3.42	-		-
Florida Power & Light Co.	83,876,852	3	3.35	48,972,864	3	2.55
Deerfield Beach ES Hotel LLC	65,450,000	4	2.61	-		-
Weingarten Realty Investors	51,930,500	5	2.07	-		-
Quiet Waters Business Park LLC %						
Graystar	50,041,030	6	2.00	41,236,190	5	2.15
Hillsboro Technology Center LLC	49,795,490	7	1.99	-		-
EQR-Waterways LLC	45,421,220	8	1.81	-		-
Real Sub LLC	31,459,600	9	1.26	-		-
Scully Quiet Waters LLC	30,353,500	10	1.21	-		-
City National bank of FL TRSTE	-		-	53,511,179	2	2.79
CP Deerfield LLC	-		-	41,303,820	4	2.15
Felcor/CCS Holdings L P	-		-	39,665,230	6	2.07
News & Sun Sentinel	-		-	37,805,327	7	1.97
City National Bank of Florida	-		-	37,053,457	8	1.93
Land TR	-		-	33,291,552	9	1.73
Florida Land Holdings LLC TR	-		-	28,461,270	10	1.48
Total	\$ 587,332,392		23.45 %	\$ 425,922,779		22.19 %

Source: Broward County Records, Taxes and Treasury Division

Broward County, Florida Property Appraiser

City of Deerfield Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Tax Roll Year	Collected within the Fiscal Year of the Levy				Total Collections to Date	
		Taxes Levied	Amount	Percentage of Levy	Delinquent Tax Collections*	Amount	Percentage of Levy
2011	2010	\$ 34,882,909	\$ 34,086,591	97.7	\$ 166,055	\$ 34,252,646	98.2
2012	2011	27,996,499	27,771,349	99.2	36,493	27,807,842	99.3
2013	2012	28,007,125	26,185,412	93.5	362,795	26,548,207	94.8
2014	2013	31,263,431	29,869,364	95.5	(113,030) *	29,756,334	95.2
2015	2014	33,333,975	32,924,554	98.8	(121,127) *	32,803,427	98.4
2016	2015	35,102,340	34,887,089	99.4	47,214	34,934,303	99.5
2017	2016	39,631,940	37,991,955	95.9	62,509	38,054,464	96.0
2018	2017	42,810,803	40,940,537	95.6	860,484	41,801,021	97.6
2019	2018	46,146,136	44,107,935	95.6	912,471	45,020,406	97.6
2020	2019	45,040,154	44,481,393	98.8	1,324,546	45,805,939	101.7

Delinquent tax collections are recognized when received. Amounts not collected as of the applicable fiscal year end have been fully reserved and are not reported in the basic financial statements.

*Negative amount represents refund of prior year's taxes as a result of decision by Broward County Value Adjustment Board.

Source: Broward County, Florida Revenue Collector

City of Deerfield Beach, Florida
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential - Single Family	\$ 838,122.00	\$ 747,798.00	\$ 772,444.00	\$ 745,569.00	\$ 784,548.00	\$ 790,967.00	\$ 853,859.00	\$ 796,740.00	\$ 794,050.00	\$ 827,172.00
Residential - Multi-Family	1,095,698.00	1,063,976.00	1,123,024.00	1,063,107.00	1,084,878.00	1,006,073.00	763,095.00	753,441.00	663,433.00	710,714.00
Commercial	515,713.00	513,810.00	557,271.00	532,985.00	554,552.00	592,708.00	546,010.00	596,111.00	540,127.00	518,004.00
Irrigation	489,519.00	505,949.00	551,942.00	556,219.00	548,671.00	520,962.00	579,577.00	578,262.00	596,566.00	538,558.00
Hydrants	1,764.00	44.00	98.00	345.00	9,795.00	793.00	7,988.00	5,102.00	8,862.00	1,113.00
Total	\$2,940,816.00	\$2,831,577.00	\$3,004,779.00	\$2,898,225.00	\$2,982,444.00	\$2,911,503.00	\$2,750,529.00	\$2,729,656.00	\$2,603,038.00	\$2,595,561.00
Total direct rate per 1,000 gallons	\$ 2.65	\$ 2.65	\$ 2.65	\$ 2.65	\$ 2.65	\$ 2.65	\$ 2.65	\$ 5.47	\$ 6.41	\$ 5.84

Source: City of Deerfield Beach, Department of Financial Services

City of Deerfield Beach, Florida
Water and Sewer Rates
Last Ten Fiscal Years

Fiscal Year	Water		Sewer	
	Monthly Base Rate		Monthly Base Rate	
2011	\$ 15.00	\$ 2.65	\$ 10.98	\$ 2.71
2012	15.00	2.65	10.98	2.71
2013	15.00	2.65	10.98	2.71
2014	15.00	2.65	10.98	2.71
2015	15.00	2.65	10.98	2.71
2016	15.00	2.65	10.98	2.71
2017	15.00	2.65	10.98	2.71
2018	15.00	2.65	10.98	2.71
2019	15.00	2.65	10.98	2.71
2020	15.00	2.65	10.98	2.71

Note: Rates are based on 3/4" meter, which is the standard household meter size.

Source: City of Deerfield Beach, Customer Service

City of Deerfield Beach, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita	Population	Personal Income
	General Obligation Bonds	Covenant Bonds	Capital Leases	Water and Sewer Bonds	Capital Leases	Loans and Notes					
2011	\$ 23,797,434	\$ 13,125,000	\$ 882,697	\$ 16,019,116	\$ 1,649,043	\$ 19,167,958	\$ 74,641,248	4.00	\$ 995	75,018	\$ 1,863,871,000
2012	22,369,937	12,670,000	479,369	15,426,772	2,607,256	17,798,020	71,351,354	4.02	934	76,389	1,776,923,000
2013	21,128,368	25,265,000	231,996	14,827,383	1,760,609	16,388,471	79,601,827	4.33	1,041	76,473	1,836,793,000
2014	19,797,105	24,140,000	80,981	14,938,143	1,087,825	14,196,426	74,240,480	4.06	960	77,361	1,829,286,000
2015	18,533,690	22,980,000	-	14,042,421	639,800	14,196,426	70,392,337	3.96	918	76,662	1,779,325,000
2016	17,295,290	21,785,000	1,665,572	12,839,802	3,042,143	12,498,150	69,125,957	3.77	890	77,659	1,834,539,000
2017	16,977,148	20,921,705	1,296,968	12,112,720	831,697	10,884,734	63,024,972	3.34	793	78,042	1,852,951,000
2018	15,073,185	51,265,000	951,425	11,397,243	610,114	9,246,973	88,543,940	3.78	1,127	78,573	2,343,754,000
2019	14,262,255	56,186,812	601,070	10,595,004	9,696,445	7,579,659	98,921,245	4.79	1,244	79,497	2,066,445,000
2020	12,877,338	48,925,000	3,458,318	9,678,126	10,309,198	5,882,575	91,130,555	4.18	1,124	81,066	2,179,216,212

Note: General Obligation and Covenant bonds are presented net of any related premiums, discounts and adjustments.

City of Deerfield Beach, Florida
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligations Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value	Per Capita
2011	\$ 23,797,434	\$ 290,794	\$ 23,506,640	0.29 %	\$ 313
2012	22,369,937	290,782	22,079,155	0.29 %	289
2013	2,112,836	2,539,617	(426,781)	0.24 %	243
2014	19,797,105	2,513,964	17,283,141	0.22 %	223
2015	18,533,690	2,534,573	15,999,117	0.19 %	209
2016	17,295,290	2,400,835	14,894,455	0.18 %	223
2017	16,977,148	2,440,501	14,536,647	0.17 %	207
2018	15,073,185	6,507,301	8,565,884	0.10 %	140
2019	14,262,255	4,537,565	9,724,690	0.08 %	122
2020	12,877,338	4,252,912	8,624,426	0.07 %	108

Source: City of Deerfield Beach, Financial Services Department

City of Deerfield Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
General obligation bonds	\$ 12,877,338	100.00 %	\$ 12,877,338
Covenant bonds (1)	48,925,000	100.00 %	48,925,000
Capital leases	3,458,318	100.00 %	3,458,318
Total direct debt	65,260,656		65,260,656
Overlapping Debt:			
School Board of Broward County, Florida:			
Certificates of participation	\$ 1,338,303	0.13 %	1,740
Capital leases	68,850	0.13 %	90
Subtotal, overlapping debt	1,407,153		1,830
Total direct debt and overlapping debt	\$ 66,667,809		\$ 65,262,486

- (1) \$4,350,000 of covenant bonds are secured by and payable from the Florida Power and Light Company electric franchise fees. The remaining balance of covenant bonds are payable from all governmental activities revenue sources of the City, Except for ad valorem taxes.
- (2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2020.
- (3) Debt outstanding data provided by each government unit.

Sources: Assessed value data used to estimate applicable percentages provided by the Broward County, Florida Property Appraiser.

** Ratio of taxable assessed value in the City of Deerfield Beach to total Broward County assessed value.*

Note: The computation of legal debt margin is not included in the statistical section, since neither the Florida statutes nor the current ordinances of the City of Deerfield Beach specify a legal debt margin.

City of Deerfield Beach, Florida
Water and Sewer Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (A)	Expenses (B)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (D)
				Escrow or Principal	Interest	Total (C)	
2011	\$ 24,839,275	\$ 14,564,201	\$ 10,275,074	\$ 1,936,139	\$ 1,359,143	\$ 3,295,282	3.12
2012	24,277,472	13,681,310	10,596,162	1,962,273	1,293,540	3,255,813	3.25
2013	24,696,419	14,235,267	10,461,152	1,968,105	1,278,885	3,246,990	3.22
2014	24,810,180	17,417,474	7,392,706	2,081,285	1,152,032	3,233,317	2.29
2015	25,356,689	15,350,588	10,006,101	1,498,498	1,065,191	2,563,689	3.90
2016	25,077,553	15,838,252	9,239,301	2,238,878	877,272	3,116,150	2.97
2017	25,395,815	17,079,275	8,300,090	2,340,498	829,997	3,170,495	2.62
2018	25,434,035	16,904,326	8,529,709	2,402,352	875,366	3,277,718	2.60
2019	28,213,257	14,086,816	14,126,441	2,584,194	650,132	3,234,326	2.78
2020	24,529,012	15,471,131	9,057,881	865,000	447,769	1,312,769	6.90

- A) Gross revenue for the purpose of determining debt service coverage, is equal to the sum of the operating revenues of the Water and Sewer Fund and total interest earnings.
- B) Expenses, for the purpose of determining debt service coverage, are equal to the total operating expenses of the Water and Sewer Fund less depreciation and less the general administrative charge.
- C) The debt service requirement for the Florida Municipal Loan Council Revenue bonds, Series 2008A is set forth in the tri-partite loan agreement between the City ("the Borrower"); Banc of America Public Capital Corporation ("the Purchaser"); and the Florida Municipal Loan Council ("the Issuer").
- D) The debt service requirements for the State of Florida Drinking Water Revolving Loan, as well as the State's Water Pollution Control Financing Corporation revolving loans are set forth in the 'Clean Water State Revolving Fund Agreement' between the City and the State of Florida, Department of Environmental Protection.

City of Deerfield Beach, Florida
Non-Ad Valorem Revenue
Anti-Dilution Test
September 30, 2020

<u>Revenues</u>	<u>FY2020</u>	<u>FY2019</u>	<u>Prior Two- Year Average</u>
Total Governmental Funds	\$ 121,493,509	\$ 117,159,244	\$ 119,326,377
Less: Ad Valorem Tax Revenues	(44,281,635)	(41,337,606)	(42,809,621)
Incremental Tax Revenues	(4,027,757)	(3,878,116)	(3,952,937)
Total Governmental Non-Ad Valorem Revenues	73,184,117	71,943,522	72,563,819
Less: Restricted Funds:			
Community Redevelopment Agency	(36,509)	(70,380)	(53,445)
General Construction Fund	(549,805)	(1,112,010)	(830,908)
Non-Major Governmental Funds	(12,445,997)	(5,797,210)	(9,121,604)
Adjusted Non-Ad Valorem Revenues	<u>\$ 60,151,806</u>	<u>\$ 64,963,922</u>	<u>\$ 62,557,862</u>

<u>Expenditures</u>	<u>FY2020</u>	<u>FY2019</u>	<u>Prior Two- Year Average</u>
Essential Expenditures:			
Public Safety	\$ 71,277,001	\$ 68,763,737	\$ 70,020,369
General Governmental	14,636,010	16,796,303	15,716,157
Total Essential Expenditures	85,913,011	85,560,040	85,736,526
Less: Ad Valorem Revenues Available to Pay Essential Expenditures	(44,281,635)	(41,337,606)	(42,809,621)
Adjusted Essential Expenditures	<u>41,631,376</u>	<u>44,222,434</u>	<u>42,926,905</u>

Net Non-Ad Valorem Revenues Available for Debt Service	<u>\$ 18,520,430</u>	<u>\$ 20,741,488</u>	<u>\$ 19,630,959</u>
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<u>Adjustments</u>	<u>FY2020</u>	<u>FY2019</u>	<u>Prior Two- Year Average</u>
Ad Valorem Revenue Restricted for Debt Service	\$ 2,653,195	\$ 2,564,593	\$ 2,608,894

Test 1 - Prior Two Year Average of Non-Ad Valorem Revenues Covers Projected MADS by 150%

Net Non-Ad Valorem Revenues available for debt service	\$ 19,630,959
Maximum Annual Non-Ad Valorem Debt Service	\$ 2,000,000
Coverage	981.55 %

Test 2 - Projected MADS does not exceed 20% of Governmental Fund Revenues, less ad valorem revenues restricted for debt service and debt proceeds

Two-Year Average Net Total Governmental Funds	\$ 116,717,483
Maximum Annual Non-Ad Valorem Debt Service	\$ 2,000,000
Coverage	1.71 %

City of Deerfield Beach, Florida
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income**	(2) Per Capita Personal Income	(1) Median Age	(3) School Enrollment	(2) Unemployment Rate
2011	75,018	\$ 1,850,526	\$ 24,668	43.3	8,278	9.00 %
2012	76,389	1,776,923	23,262	44.2	8,422	6.50 %
2013	76,473	1,836,793	24,019	43.3	7,496	5.80 %
2014	77,361	1,829,286	23,646	43.2	7,442	4.60 %
2015	76,662	1,779,325	26,210	42.1	7,961	4.60 %
2016	77,659	1,834,539	23,623	42.9	7,397	4.70 %
2017	78,042	1,852,951	23,743	43.5	7,285	3.70 %
2018	78,573	2,343,754	29,829	41.6	7,522	3.50 %
2019	79,497	2,066,445	25,994	42.5	6,861	2.60 %
2020	80,188	2,220,049	27,689	41.6	6,455	7.00 %

Sources:

(1) Bureau of Economic and Business Research (BEBR)

(2) American Factfinder & Quickfacts Census.gov

(3) School Board of Broward County, Florida

** Personal income data expressed in thousands

**City of Deerfield Beach, Florida
Principal Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank*	Percentage of Total Employment
Publix Corporation	1,906	1	5.20 %	1268	2	3.41 %
JM Family Enterprises	1,354	2	3.69 %	1410	1	3.06 %
Broward Health North	1,460	3	3.98 %	1051	3	2.54 %
UPS	480	4	1.31 %	452	6	1.09 %
City of Deerfield Beach	536	5	1.46 %	538	5	1.30 %
Target	440	6	1.20 %	-	-	- %
Republic National Distribution	387	7	1.06 %	-	-	- %
Peoples Trust	364	8	0.99 %	-	-	- %
Broward Sheriff Office	144	9	0.39 %	230	8	0.56 %
List Industries	238	10	0.65 %	329	7	0.79 %
Sun-Sentinel	-	-	-	148	9	0.36 %
MAPEI	-	-	-	146	10	0.35 %
Medics Ambulance Service	-	-	-	716	4	1.73 %
	<u>7,309</u>	-	<u>19.93 %</u>	<u>6,288</u>	N/A*	<u>15.19 %</u>

Sources: Employer's Human Resource Department

Florida Department of Economic Opportunity

City of Deerfield Beach, Florida
Full-Time Equivalent Government Employees by Function
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	62	66	64	63	73	66	60	62	64	60
Public safety										
Police										
Uniformed	126	126	126	126	127	127	130	135	135	135
Civilians	43	43	46	45	45	42	42	17	17	17
Fire/Rescue										
Firefighters and Officers	140	154	143	147	138	139	141	145	146	146
Bldg. inspection services	17	18	19	16	-	-	-	-	-	-
Civilians	20	2	2	6	5	5	2	1	1	1
Economic environment	1	1	1	1	1	1	2	2	2	2
Culture and recreation	65	64	70	66	72	75	94	53	53	84
Human services	37	38	39	40	39	40	39	22	23	28
Public works administration	1	-	-	-	-	-	-	-	-	-
Grounds maintenance	42	38	31	37	36	39	42	4	4	4
Parks	11	7	7	10	10	7	7	5	7	11
Water & sewer	65	60	58	58	60	56	69	81	81	105
Solid waste	49	53	55	54	64	75	68	68	68	75
Transportation										
Street maintenance	11	10	10	11	12	11	14	15	11	11
Total	690	680	671	680	682	683	710	610	612	679

Source: City of Deerfield Beach, Financial Services Department

City of Deerfield Beach, Florida
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Police:										
Physical arrests	2,926	2,432	2,435	2,729	2,563	2,616	2,600	2,552	2,136	1,298
Parking violations	17,446	16,603	15,248	15,315	20,084	19,980	17,982	17,413	18,474	14,803
Traffic violations	15,023	17,357	11,214	17,382	17,631	17,220	15,402	14,031	17,361	11,354
Fire/Rescue:										
Number of emergency responses	20,473	229,146	21,005	14,606	15,217	15,458	11,642	15,472	15,927	15,531
Inspections	6,147	7,033	5,400	5,332	7,653	3,916	2,420	3,193	2,651	2,879
Fire extinguished	156	115	162	152	139	162	185	145	130	118
Transportation										
Street maintenance:										
Streets resurfacing (miles)	2	-	13	28	22	-	-	-	11	20
Potholes repaired	2,212	1,800	800	556	204	200	436	577	403	427
Sidewalk repaired (feet)	3,200	13,900	12,000	5,705	8,555	3,920	2,894	3,911	4,781	4,383
Transit services										
Total route miles	83,458	99,846	64,570	142,690	106,942	140,124	116,317	148,424	143,705	89,674
Number of trips	23,329	25,368	87,205	97,743	91,902	86,048	79,836	43,020	71,996	42,949
Physical environment										
Number of burials	130	84	113	122	110	112	104	125	121	153
Culture and recreation										
Athletic field permits issued	70	99	65	246	493	1,344	1,682	116	-	36
Number of participants in arts & education classes	12,000	3,500	13,625	5,498	5,684	6,144	2,015	2,560	6,217	1,500
Number of special event permits issued	70	129	121	192	88	76	81	115	70	57
Attendance at special events	240,000	224,000	231,995	298,530	285,500	292,000	336,644	325,000	275,677	99,513
Human services										
Childcare:										
Average daily attendance	13	13	15	12	10	12	18	12	15	12
Number of meals served	18,956	15,639	20,491	15,785	18,381	18,467	15,098	18,505	6,302	9,235
Adult daycare:										
Average daily attendance	6	7	8	7	7	5	31	31	4	4
Alzheimer's daycare:										
Average daily attendance	23	18	25	27	24	28	139	151	34	34
Water										
New connections	32	12	8	10	10	5	32	34	287	30
Water main breaks	65	39	53	12	13	40	36	60	192	17
Average daily consumption (millions of gallons)	9	9	9	9	9	9	10	-	-	9
Permitted raw water withdrawal	14	14	14	14	14	12	17	9	-	14
Sewer										
Average daily sewage treatment (Thousands of gallons)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	5,796	5,324	5,900
Solid waste										
Refuse collected (tons/day)	196	246	251	247	276	402	260	464	371	433
Recyclables collected (tons/day)	37	25	29	33	27	49	29	35	25	23

Source: Various City departments

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

*The average daily attendance for Adult daycare and Alzheimer's daycare are higher than the previous years due to a change in the counting mechanism.

City of Deerfield Beach, Florida
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	126	126	126	126	130	130	130	130	130	130
Fire/Rescue:										
Stations	6	6	6	6	6	6	6	6	6	6
Rescue ambulances	8	8	6	6	6	6	6	6	6	6
Fire engines	6	6	4	4	4	4	4	4	4	4
Ladder/heavy squad trucks	2	1	1	1	1	1	1	1	1	-
Transportation										
Streets (miles)	146	146	146	146	146	146	146	146	146	146
Sidewalks (miles)	135	135	136	136	136	136	136	136	136	136
Streetlights (poles)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Traffic signals	68	68	68	68	68	70	70	70	70	70
Culture and recreation										
Parks acreage	324	324	317	338	345	398	398	398	398	398
Parks	33	33	34	35	44	52	52	52	52	52
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	12	12	12	12	12	12	12	12	12	12
Community centers	2	2	2	2	3	3	3	3	3	3
Water										
Water main (miles)	232	232	232	232	232	234	234	234	234	234
Maximum daily capacity (millions of gallons)	35	35	35	24	24	24	24	24	24	24
Sewer										
Sanitary sewers (miles)	137	137	137	137	137	136	136	136	136	136
Storm sewers (miles)	48	48	48	48	48	48	48	48	48	48
Average daily treatment capacity (thousands of gallons)	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Solid waste										
Collection trucks	38	32	32	28	23	23	23	23	23	42

Source: Various City departments

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

COMPLIANCE REPORTS

CITY OF DEERFIELD BEACH, FLORIDA

CONTENTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	132-133
Independent Auditors' Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General	134-136
Schedule of Expenditures of Federal Awards and State Financial Assistance	137-138
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	139
Schedule of Findings and Questioned Costs	140-146
Summary Schedule of Prior Audit Findings	147
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	148-150
Appendix A – Current Year and Prior Years Recommendations to Improve Financial Management	151-153
Independent Accountants' Report on Compliance Pursuant to Section 218.415 Florida Statutes	154
Affidavit, F.S. Section 163.31801, Impact Fees	155-156

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the City of Deerfield Beach Municipal Firefighter's Pension Trust Fund, City of Deerfield Beach Non-Uniformed Employees' Retirement Plan and the City of Deerfield Beach Police Officer's Retirement Plan as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item MW2020-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items SD2018-002 and SD2020-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questions costs and corrective action plan. The City's responses were 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 Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
June 30, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for the Major Federal Program and each Major State Project

We have audited the City of Deerfield Beach, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the City's major federal program and each major state project for the year ended September 30, 2020. The City's major federal program and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program and its state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program and each Major State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and each major state project for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project 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 state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards and State Financial Assistance
Required by the Uniform Guidance and Chapter 10.550 Rules of the Auditor General***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 30, 2021, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the pension trust funds, as described in our report on the City's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marcum LLP

Fort Lauderdale, FL
June 30, 2021

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal/State Agency, Pass-Through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/Grant Number	Expenditures
<i>U.S. Department of Health and Human Services</i>			
Indirect Programs:			
Pass-through the Broward County - Department of			
Elder Affairs:			
Special Programs for the Aging			
Title III, Part E - National Family Caregiver Support	93.052	JA 119-06-2019	\$ 1,434
Title III, Part E - National Family Caregiver Support	93.052	JA 120-06-2020	1,239
			<u>2,673</u>
Title III, Part B - Grants for Supportive Services and Seniors Centers	93.044	JA 119-06-2019	22,666
Title III, Part E - National Family Caregiver Support and Seniors Centers	93.044	JA 120-06-2020	57,909
			<u>80,575</u>
<i>Total Special Programs for the Aging Cluster</i>			<u>83,248</u>
Low-Income Home Energy Assistance Program Grants (EHEAP)			
Home Energy Assistance	93.568	JP118-06-2019	15,787
Home Energy Assistance	93.568	JP119-06-2020	3,456
			<u>19,243</u>
<i>Total U.S. Department of Health and Human Services</i>			<u>102,491</u>
<i>U.S. Department of Housing and Urban Development</i>			
Direct Programs:			
Community Development Block Grant (CDBG):			
CDBG Entitlement Cluster	14.218	B15MC120046	14,457
CDBG Entitlement Cluster	14.218	B16MC120046	269,171
CDBG Entitlement Cluster	14.218	B17MC120046	160,499
CDBG Entitlement Cluster	14.218	B18MC120046	246,467
CDBG Entitlement Cluster	14.218	B19MC120046	416,970
COVID-19 CDBG Entitlement Cluster	14.218	B20MC120046	37,810
<i>Total Community Development Block Grant (CDBG) Entitlement Cluster</i>			<u>1,145,374</u>
Community Housing Development Organization:			
Home Rehabilitation Program	14.239	None	236,554
<i>Total U.S. Department of Housing and Urban Development</i>			<u>1,381,928</u>
<i>U.S. Department of Homeland Security</i>			
Indirect Program:			
Passed through State of Florida			
Division of Emergency Management - Disaster Relief Funding, Hurricane Irma	97.036	4337	114,071
<i>Total U.S. Department of Homeland Security</i>			<u>114,071</u>
<i>U.S. Department of Justice</i>			
Direct Program:			
COVID-19 Emergency Supplemental Funding Program	16.034	2020-VD-BD1705	9,351
<i>Total U.S. Department of Homeland Security</i>			<u>9,351</u>
<i>U.S. Department of Transportation</i>			
Indirect Programs:			
Pass-through State of Florida -			
Florida Department of Transportation:			
Highway Planning and Construction	20.205	GOV32	170,219
Highway Planning and Construction	20.205	G1631	324,528
<i>Total Highway Planning and Construction Cluster</i>			<u>494,747</u>
<i>Total U.S. Department of Transportation</i>			<u>494,747</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 2,102,588</u>

(Continued)

See notes to schedule of expenditures of federal awards and state financial assistance.

CITY OF DEERFIELD BEACH, FLORIDA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE (CONTINUED)**

FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal/State Agency, Pass-Through Entity Federal Program/State Project	CFDA/ CSFA No.	Contract/Grant Number	Expenditures
<i>State of Florida Department of Elder Affairs</i>			
Alzheimer's Disease Initiative - Projects	65.002	JZ119-06-2019	\$ 97,084
Alzheimer's Disease Initiative - Respite	65.004	JZ119-06-2020	121,552
Alzheimer's Disease Initiative - Respite	65.004	JZ120-06-2021	6,658
<i>Total Alzheimer's Disease Initiative - Respite</i>			<u>128,210</u>
Special Program for the Aging:			
Local Service Program	65.009	JL119-06-2020	282
Local Service Program	65.009	JL118-06-2019	75,165
<i>Total Special Program for the Aging</i>			<u>75,447</u>
<i>Total State of Florida Department of Elder Affairs</i>			<u>300,741</u>
<i>State of Florida Division of Emergency Management</i>			
Hurricane Loss Mitigation Program	31.066	DEM-HL00014	185,699
<i>State of Florida Housing Finance Corporation</i>			
State Housing Initiatives Partnership Program	40.901	N/A	223,249
COVID-19 State Housing Initiatives Partnership Program	40.901	N/A	148,424
<i>Total State of Florida Housing Finance Corporation</i>			<u>371,673</u>
<i>State of Florida Department of Economic Opportunity</i>			
Fluoridation Grant	64.001	COHU2	86,173
<i>Total Expenditures of State Financial Assistance</i>			\$ <u>944,286</u>
<i>Total Expenditures of Federal Awards and State Financial Assistance</i>			\$ <u><u>3,046,874</u></u>

See notes to schedule of expenditures of federal awards and state financial assistance.

CITY OF DEERFIELD BEACH, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) presents the expenditure activity of all federal awards and state financial assistance of the City of Deerfield Beach, Florida (the City) for the year ended September 30, 2020. The information in this schedule is presented in accordance with the 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 of the State of Florida*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate for federal programs allowed under the Uniform Guidance.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? X Yes No

Significant deficiency(ies) identified? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards and State Projects

Internal control over the major federal program and state projects:

Material weakness(es) identified? Yes X No

Significant deficiency (ies) identified? Yes X None reported

Type of auditors' report issued on compliance for the major federal programs and state projects: *Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.557, *Rules of the Auditor General*? Yes X No

Identification of major programs/projects:

<u>Federal Program</u>	<u>CFDA No.</u>
Community Development Block Grants Entitlement Cluster	14.218

<u>State Projects</u>	<u>CSFA No.</u>
Alzheimer's Disease Initiative - Respite Care	65.004
State Housing Initiatives Partnership Program	40.901

Dollar threshold used to distinguish between Type A and Type B federal programs and state projects: Federal: \$750,000
State: \$300,000

Auditee qualified as a low-risk auditee for federal awards? X Yes No

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

MW2020-001 – INTERNAL CONTROLS OVER THE PREPARATION OF THE FINANCIAL STATEMENTS

Criteria

The City is required to prepare the Financial Statements in accordance with the accounting principles generally accepted in the United State of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. The Financial Statements include management’s discussion and analysis, the government wide and fund level financial statements and schedules, notes to the Financial Statements and the required supplementary information.

Condition

The City is currently not performing an adequate review of the Financial Statements to ensure the year end amounts and disclosures are complete, accurate and in accordance with GASB. A draft of the Financial Statements was provided to the auditors that was misstated, inaccurate and incomplete.

Cause

The City is not prioritizing the importance to adhere to the Financial Statements review procedures that have been established by the City to ensure all year-end amounts and disclosures as required by GASB, are properly and accurately captured and reported in the Financial Statements in a timely manner.

Effect

A lack completing required reconciliations and disclosures, and proper review procedures led to a misstated and incomplete draft Financial Statements. Ultimately this led to a delay in the completion of the auditor procedures and the Financial Statements not being issued in a timely manner.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

MW2020-001 – INTERNAL CONTROLS OVER THE PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

Recommendation

The City should ensure that adequate procedures and internal controls are in place to ensure that the Financial Statements are complete and accurate. These controls should include controls requiring the reconciliation of account balances to the appropriate supporting documentation (e.g., general ledger, internal reports, note disclosures, etc.), the use of a disclosure checklist, and adequate training of staff with required accounting and financial reporting standards.

Views Responsible Officials and Planned Corrective Action

See accompanying Corrective Action Plan.

SIGNIFICANT DEFICIENCY

SD 2018-002 – Financial Close and Reporting (Repeat Finding)

Criteria

The City should follow its Accounting Policies and Procedures to ensure the financial statement closing process is completed in a timely manner.

Condition

The City is currently not performing its monthly and annual financial reporting closing process in a timely manner. We commenced audit fieldwork on January 28, 2019 for the audit of the year ended September 30, 2018, and many general ledger accounts were not properly reconciled or recorded. We commenced audit fieldwork on January 20, 2020 for the audit of the year ended September 30, 2019, and many general ledger accounts were not properly reconciled or recorded. This resulted in several entries subsequent to receiving the trial balances.

Cause

The City is not prioritizing the importance to adhere to the monthly and year-end closing procedures that have been established to ensure all transactions are properly captured and reported in the general ledger in a timely manner.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD 2018-002 – Financial Close and Reporting (Repeat Finding) (continued)

Effect

A lack of completing required closing procedures led to preliminary misstatements to the financial statements and a significant number of adjusting journal entries and reversal entries to be posted after the commencement of the audit.

Prior Year's Recommendation

We believe that the year-end closing could proceed more quickly and smoothly by developing a logical order for closing procedures and assigning responsibility for completing the procedures to specific City personnel. In order to make the financial reports generated by the accounting system as meaningful as possible, the City should reconcile the general ledger accounts on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. Also, it provides to accurate and timely financial reports which are relied upon City management for operational decisions.

Prior Year's Views of Responsible Officials and Planned Corrective Actions

Management agrees with the recommendations and have taken steps to correct this deficiency. We have filled all but one position which recruitment has been delayed due to the COVID-19 response. With the new as well as seasoned staff, assignments have been delegated, schedules developed, and a monthly review process is in place.

Current Year Status

Due to various reasons, not limited to; a transition of management in the finance department and COVID-19, a timely close of annual financial reporting closing processes was not addressed in the current year. We commenced audit fieldwork on January 18, 2021 for the audit of the year ended September 30, 2020, and many general ledger accounts were not properly reconciled or transactions recorded. This resulted in several entries subsequent to receiving the trial balances and a delay in the completion of the audit procedures.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD 2018-002 – Financial Close and Reporting (Repeat Finding) (continued)

Current Year’s Recommendation

We believe that the year-end closing could proceed more quickly and smoothly by developing a logical order for closing procedures and assigning responsibility for completing the procedures to specific City personnel. In order to make the financial reports generated by the accounting system as meaningful as possible, the City should reconcile the general ledger accounts on a monthly basis. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations. Also, it provides for accurate and timely financial reports which are relied upon by City management for operational decisions.

Current Year’s Views Responsible Officials and Planned Corrective Actions

See accompanying Corrective Action Plan.

SD2020-002 – INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (SEFA)

Criteria

The City is required to prepare a SEFA in accordance with the prescribed guidelines of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Condition

In connection with the federal grant agreement with the Department of Homeland Security (“DHS”) and Federal Emergency Management Agency (“FEMA”) for Hurricane Irma (CFDA 97.036), an error was identified in the timing of the recognition of qualifying expenditures based on obligation dates provided by FEMA for the SEFA. Accordingly, qualifying expenditures of \$2,249,911 were originally incorrectly included in the fiscal year 2020 SEFA, which caused the SEFA to be overstated which altered the major program determination in accordance with Uniform Guidance by the external auditor.

Cause

The City was not fully aware of the obligation dates provided by the funding agency and the unique reporting requirements set forth by FEMA.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD2020-002 – INTERNAL CONTROLS OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (SEFA) (CONTINUED)

Effect

Including ineligible expenditures in the SEFA results in the City being out of compliance with the requirements set forth in the underlying grant agreements and the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Such finding could impact subsequent federal or state funding.

Recommendation

The City should ensure that adequate procedures and internal controls are in place to ensure that the SEFA is complete and accurate. These controls should include controls requiring the reconciliation of federal expenditures to the appropriate supporting documentation (e.g., general ledger, grant reports, agency websites, etc.).

Views Responsible Officials and Planned Corrective Actions

See accompanying Corrective Action Plan.

CITY OF DEERFIELD BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.

CITY OF DEERFIELD BEACH, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND STATUS

SIGNIFICANT DEFICIENCY

SD 2018-002 - was not addressed and the finding is repeated.

II. PRIOR YEAR FEDERAL AWARD AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

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

Report on the Financial Statements

We have audited the financial statements of the City of Deerfield Beach, Florida (the City), as of and for the year ended September 30, 2020, and have issued our report thereon dated June 30, 2021. We did not audit the financial statements of the Pension Trust Funds, which represent 92%, 94% and 68%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 30, 2021, 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 status of recommendations made in the preceding annual financial audit report have been addressed except as noted in the summary schedule of prior audit findings and in Appendix A to this report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information regarding the specific legal authority for the City and its component units is discussed in Note A to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did have two recommendations identified as MLC 2020-001 and MLC 2020-002 which are included in Appendix A.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, please see Appendix A.

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, state and other granting agencies, the Mayor and the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
June 30, 2021

CITY OF DEERFIELD BEACH, FLORIDA

**APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO
IMPROVE FINANCIAL MANAGEMENT**

FOR THE YEAR ENDED SEPTEMBER 30, 2020

No.	Current Year's Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
MLC 2020-001	Utility Billing – Utility Tax Rate		
MLC 2020-002	Solid Waste Fund Deficit Net Position		

No.	Prior Year's Observations	
ML 10-2	Segregation of Duties – Payroll related	Addressed

CITY OF DEERFIELD BEACH, FLORIDA

APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

MLC 2020-001 –UTILITY BILLING – UTILITY TAX RATE

Criteria

All utility bills should be processed with the authorized rates listed in the appropriate Ordinance approved by City Commission.

Condition

During the utility billings and collections testing, the auditor noted one discrepancy, out of a sample of 25 selections tested, between the authorized utility tax rate being charged/billed to customers. The exception related to the utility tax rate not being activated and charged to a customer.

Cause

After discussion with the City and review of supporting documentation provided, it appears there was an error when creating the customer profile in the City's utility billing system and not activating the utility tax charge code for the particular account.

Effect

Improper billing rates could create “over-billing(s)” and “under-billing(s)”; in this case, an under billing.

Recommendation

Marcum recommends that an internal control be developed to ensure that accurate data is input into the utility billing system and that an internal review be performed to ensure the above discrepancy is an isolated instance. Authorized rates used by the Utility Billing Division, should be reviewed and compared against the corresponding ordinance(s). This should reduce the incidence of discrepancies between the authorized rates per approved ordinance and the rates charged/billed on City customer's utility bills.

Management's Response

See accompanying Corrective Action Plan.

CITY OF DEERFIELD BEACH, FLORIDA

APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED SEPTEMBER 30, 2020

MLC 2020-002 –SOLID WASTE NET POSITION/FUND BALANCE DEFICIT

Criteria

Per Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements- and Management’s Discussion and Analysis—for State and Local Governments*, paragraph 67, Enterprise funds should establish pricing policies that are designed to recover its costs, including capital costs (such as depreciation or debt service).

Condition

During the fiscal year ended September 30, 2020, it was noted that the Solid Waste fund had a deficit net position/fund balance of \$12,132,704. The Solid Waste fund has an ending deficit net position fund balance of \$7,403,536, \$9,418,532 and \$611,423 as of September 30, 2019, September 30, 2018 and September 30, 2017, respectively. Ending net position of the fund as of September 30, 2016 was a positive \$1,026,508.

Cause

This was due to solid waste utility rates not being sufficient to meet the increased personal and contractual service costs incurred by the solid waste fund during the year and previous years.

Effect

This could impact the City’s bond ratings as well as other financial indicators. Enterprise funds distinguish between current and non-current assets and liabilities. It is possible to take advantage of this distinction to calculate working capital (i.e., current assets less current liabilities). The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations and considerations of future debt payments. It is essential that a government maintain adequate levels of working capital in its enterprise funds to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses) and to ensure stable services and fees.

Recommendation

Marcum recommends that the City consider reviewing the solid waste rate charges to ensure future solid waste utility rates/revenues are sufficient in order to continue funding annual operating and maintenance costs, debt service, meet debt service coverage ratio requirements, eliminate the deficit and build/maintain a positive net position/fund balance.

Management’s Response

See accompanying Corrective Action Plan.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

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

We have examined the City of Deerfield Beach, Florida's (the City) compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the year ended September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415 Florida Statutes for the year ended September 30, 2020.

This report is intended solely to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
June 30, 2021



MW2020-001 – Internal Controls over the Preparation of the Financial Statements

Management agrees with the recommendations and continues to develop and revise processes and procedures to address the internal controls and preparation of the financial statements. In late February, the City contracted with the GFOA's Research and Consulting team to not only assist with developing scope of need and evaluation criteria for the ERP, but to also to analyze and map out our business processes in preparation for the ERP. It will likely take a year or more before an ERP is fully implemented. The GFOA consultants are providing recommendations for business process improvements management can currently implement. Other issues include several sub-systems are involved in reconciling and ultimately developing the financial statements. These systems were either not fully implemented and/or present challenges in providing the necessary reporting needed to reconcile accounts appropriately. Management intends to abandon the 3rd party Comprehensive Annual Financial Report software and increase the engagement with the Auditors giving both parties direct communications and collaboration with preparation of the audit and financial statement development increasing efficiency. In addition, Management will update its Accounting Policies and Procedures Manual to reflect all Federal, State, and other regulatory reporting compliance. Lastly, the COVID-19 pandemic directly impacted key staff members, resulting in prolonged leaves of absence during critical audit fieldwork.

SD2018-002 – Financial Close and Reporting (Repeat Finding)

Management agrees with the recommendations and continue to take steps to correct this deficiency. Even though we filled all but one position at the time of the prior year's response, the COVID-19 pandemic directly impacted key staff members, resulting in prolonged leaves of absence during critical audit fieldwork. In late February, the City contracted with the GFOA's Research and Consulting team to analyze and map out our business processes in preparation for the ERP. The GFOA consultants are providing recommendations for business process improvements to increase efficiencies. Other issues include several sub-systems are involved in reconciling and ultimately developing the financial statements. These systems were either not fully implemented and/or present challenges in providing the necessary reporting needed to reconcile accounts appropriately. The City will be implementing new year end procedures that will allow us to streamline our current processes which include no longer using the 3rd party software and instead engage our auditors earlier in the preparation of the annual financial reports.

SD2020-002 – Internal controls over the preparation of the Schedule of Expenditures of Federal Awards and State Financial Assistance (SEFA)

Management agrees with the auditor's comments regarding the preparation of the SEFA. Management is aware of the requirements of how to record qualifying expenditures for the purposes of the SEFA. This isolated issue specifically relates to qualifying expenditures for Hurricane IRMA already previously recognized but remains on our financials as a receivable from FEMA. Management recognized the error and reissued a corrected SEFA and does not expect for this to be a repeated deficiency in the future years.

MLC2020-001 – Utility Billing – Utility Tax Rate

Management acknowledges and is aware that the item resulted in a minor underbilling to the customer due to a data error. As acknowledged by the auditors, it appears to be an isolated incident. Management is not aware of any historical or systemic issues as this is the first occurrence identified. Management will be recommending organizational reporting structure adjustments within Financial Services to increase cross training and review as well as collaborate with the Information Technology Department to develop the necessary reports to facilitate a more complete reconciliation of the utility billings.

MLC2020-002 – Solid Waste Net Position/Fund Balance Deficit

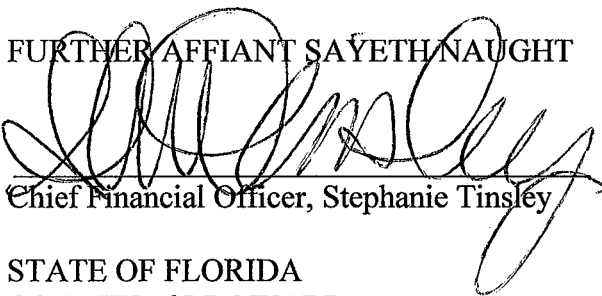
During the term of the contract, the funds were 100% funded and expense in the Solid Waste Fund for visibility and accountability within Sustainable Management Department that was responsible for contract management. The project has come to substantial completion with a few remaining punch-list items. The contract contemplated as part of the close out process to include a reconciliation of the capital assets to redistribute them to the appropriate Fund source.



BEFORE ME, the undersigned authority, personally appeared CFO, Stephanie Tinsley, who duly sworn, deposes and says on oath that:

- 1) I am the Chief Financial Officer of City of Deerfield Beach which is a Local government entity of the State of Florida.
- 2) The governing body of City of Deerfield Beach adopted Ordinance No. 2016/008 implementing an impact fee.
- 3) City of Deerfield Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.30801, Florida Statutes.

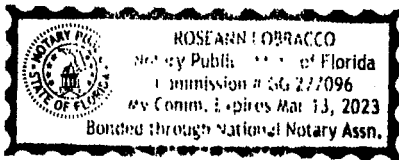
FURTHER AFFIANT SAYETH NAUGHT



Chief Financial Officer, Stephanie Tinsley

STATE OF FLORIDA
COUNTY of BROWARD

SWORN TO AND SUBSCRIBED before me this 8 day of June, 2021.




NOTARY PUBLIC

Personally know or produced identification _____
Type of identification produced: _____

My Commission Expires:
Mar. 13, 2023

