



CITY OF RIVIERA BEACH, FLORIDA

# Annual Comprehensive Financial Report



Fiscal Year Ended September 30, 2022



# Annual Comprehensive Financial Report

OF THE  
CITY OF RIVIERA BEACH, FLORIDA

Fiscal Year Ended September 30, 2022

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Prepared by the Finance and Administrative Services Department





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# VISION, MISSION, AND VALUES

## Our Vision

The Best Waterfront City in which to Live, Work, and Play.

## Our Mission

We are committed to creating an exceptional City by providing excellent customer service, progressive leadership, and accountable stewardship.

## Our Values

### PROFESSIONALISM

We expect and demand courteous and professional service of all those who represent the City.

### ETHICS AND INTEGRITY

We will continue to recruit and employ individuals with the highest professional and ethical standards to ensure that there is transparency and accountability in all phases of administration, operations and governance.

### EXCELLENCE IN CUSTOMER SERVICE

We pride ourselves on our customer-centric focus and ensuring that City employees are courteous, respectful, and compassionate in interactions with our community. We strive to not only meet but also exceed the expectations of all who we serve.

### DIVERSITY

We celebrate diversity as a core tenant and fundamental aspect of government, and we look to be inclusionary in activities and programs in an effort to ensure everyone is equally part of the process.

### RESPECT FOR OPINIONS

We respect all opinions and welcome collegial and productive conversations intended to move the City progressively forward.

### TRANSPARENCY

We are acutely aware public trust is paramount to every conceivable aspect of government. We understand transparency is at the forefront as it is the bedrock for “good” governance.

### INNOVATION

We are a City, which embraces innovation, creativity, and accountability and acknowledges the best ideas and solutions to issues in the 21st century are derived from an environment that promotes these respected ideals.



**SECTION I:**  
**INTRODUCTORY SECTION**





The Introductory Section of the City's Annual Comprehensive Financial Report (Annual Report) provides the Letter of Transmittal from the Finance and Administrative Services Director, the City's Organizational Chart, the City's Elected Officials and Principal Officers.

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# Letter of Transmittal



**City of Riviera Beach, Florida**  
Finance & Administrative Services  
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Riviera Beach, FL 33404  
Web: [www.rivierabeach.org](http://www.rivierabeach.org)  
Office: 561-845-4040  
Email: [finance@rivierabeach.org](mailto:finance@rivierabeach.org)

June 14, 2023

**To: The Honorable Mayor, Members of the City Council,  
and Residents of the City of Riviera Beach, Florida**

I am pleased to present the Annual Comprehensive Financial Report (Annual Report) of the City of Riviera Beach, Florida (City) for the fiscal year ended September 30, 2022, with the Independent Auditors' Report submitted in accordance with the City's Charter, City Ordinances, and Florida Statutes. The Annual Report has been prepared by the Department of Finance and Administrative Services in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), Generally Accepted Accounting Principles (GAAP), and other reporting standards as mandated by financial governing authorities. The audit was conducted by a firm of licensed certified public accountants in accordance with Generally Accepted Auditing Standards (GAAS), governmental auditing standards as issued by the Comptroller General of the United States, OMB Circular A-133 and State Single Audit requirements, and the Rules of the Auditor General of the State of Florida.

As stipulated by the City's Charter, an annual audit of the City's financial accounting records is required. The records have been audited by HCT Certified Public Accountants and Consultants, LLC (HCT) and are presented in the Basic Financial Statements in this Annual Report. The report also includes the financial information for the City's enterprise funds, fiduciary funds, and component unit, the Riviera Beach Community Redevelopment Agency (CRA). Management believes that the data, as presented, is accurate in all material respects and is organized in a manner which fairly sets forth the financial position and results of the operations of the City as measured by the financial activity of its various funds.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and that the included disclosures will provide the reader with an understanding of the City's financial affairs. Please refer to Management's Discussion and Analysis for additional detail to presentation on the FY 2022 financial results.

The Auditor has issued an unmodified 'clean' opinion on the City of Riviera Beach's financial statements for the fiscal year ended September 30, 2022. The Independent Auditors' Report is included in the Financial Section of this report.

## Financial Report Sections

The City's Annual Report is presented in four sections:

The **Introductory Section** includes information about the organizational structure and the letter of transmittal from the Director of Finance and Administrative Services.

The **Financial Section** is prepared in accordance with the GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments requirements by including the Management Discussion and Analysis, the Basic Financial Statements including notes and the Required Supplementary Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the City's entire financial operations and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental, fiduciary, and other funds. Also, included in this section is the Independent Auditor's Report on the Basic Financial Statements.

The **Statistical Section** includes tables containing historical financial information, revenue and debt trends, and demographic, economic and operating information of the City.

The **Compliance Section** includes the Independent Auditor's Report on internal controls, schedule of expenditures of federal awards and state financial assistance along with relevant notes, summary of findings, and management letter issued by the auditor.

## The Reporting Entity and its Services

The City was incorporated in 1922 and operates under a mayor-council-manager form of government. Policy making and legislative authority are vested in the governing council, which consists of five members. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the council, for overseeing day-to-day operations, and appointing department heads. Council members are elected to three-year staggered terms according to district, though they compete city-wide, with two council members elected one year and three council members the following year. Council members also sit as the Board of the CRA and Utility Special District (USD). The Mayor does not vote, but has appointment power in some matters and veto power in other matters and has the authority to take disciplinary action.

This Annual Report includes the financial activities of the primary government, which encompasses several enterprise activities, as well as its component units. Component units include legally separate entities for which the primary government is financially accountable and have the same board as the City. For reporting purposes, the operations of the USD, Marina, Stormwater, Solid Waste Collection, and Parking are blended with the City. In addition, the CRA, which is a legally separate entity, for reporting purposes is shown as discretely presented component unit.

Municipal services provided to the citizens of Riviera Beach include law enforcement, fire protection, emergency management services, community planning and development services, traffic engineering, road and drainage construction and maintenance, a library, parks and recreational facilities, recreational activities, code compliance and inspections, and other general governmental administrative services. There are additional operations reported as enterprise funds, which are self-supporting from user charges established by the Council such as water and wastewater collection services, stormwater management, marina, and solid waste collection.



## City's Economy and Outlook

### Local Economy

The City is part of the Miami-Fort Lauderdale-West Palm Beach, Florida, Metropolitan Statistical Area (MSA), which includes Palm Beach County. The general concept of a metropolitan statistical area is one of a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that nucleus. Riviera Beach is a trade and industrial center for Palm Beach County and the surrounding area, with the Port of Palm Beach encompassed within the City limits.

Riviera Beach is a relatively small municipality comprising approximately 8.52 square miles of land with a relatively ethnically diverse population. According to the 2022 State Census Bureau, Riviera Beach had an estimated population of 39,040 residents of which 67.25% of residents are Black or African American, 25.82% are White Non-Hispanic, and 6.93% comprise other races. 86.75% of the residents are a high school graduate or higher and 25.5% of residents have a Bachelor's degree or higher (2022 State Census Bureau).

As of March 2023, the City's unemployment rate is 3.3%, which is in line with the national rate of 3.4% while the state of Florida's rate is now 2.6%. The City maintains a solid foundation of business and industry diversification; Riviera Beach has large employers which include the Veterans' Administration, Cheney Brothers, Tropical Shipping, Pepsi and Lockheed Martin Corporation. The small business sector is also strong and diverse as over 3600 small businesses operate within the City.

With the opening of the Riviera Beach Marina Village along with Intracoastal Waterway in 2016, the City's waterfront has been transformed into a modern and vibrant center for recreational activities, hosting of events, and open-air markets. In addition, the improved Bicentennial Park also provides a venue for shows, concerts, and festivals. The newly re-built and expanded marina features 140 wet slips for annual, seasonal, monthly, or transient dockage. Floating wet slips at the Marina can accommodate vessels up to 120 feet and the catamaran slips accommodate catamarans with more than 2,000 linear feet of face dock. Phase IV expansion is adding boat lifts and additional transient slips and restrooms at water's edge and is expected to be begin in the fall of 2023. Environmental best management practices designed by the Florida Department of Environmental Protection which address critical issues such as sensitive habitat, waste management, storm water control, spill prevention, and emergency preparedness have been implemented to preserve Florida's waterways. As such, the Marina has obtained the distinguished Clean Marina designation.

### Financial Trends

For FY 2022, the General Fund's four major operating revenue sources were property taxes, public service (utility) taxes, franchise fees, and sales tax totaling \$64.0 million, an increase of \$4.2 million or 6.8% over FY 2021. Property values continue to increase along with other tax revenues. The four major operating revenue sources comprise over 74.3% of the total operating revenues.

The following table shows the historical trends for the General Fund's major revenue sources for the past five years.

	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 ACTUAL	FY 2021 ACTUAL	FY 2022 ACTUAL
Property taxes	\$ 41,570,107	\$ 43,045,894	\$ 45,672,050	\$ 49,013,671	\$ 61,555,155
Public service taxes	4,886,000	5,144,247	4,999,397	5,202,741	5,377,492
Franchise fees	2,765,329	2,814,988	2,695,046	2,893,812	3,386,156
Sales tax	2,752,320	2,844,050	2,660,804	2,727,692	3,385,625
<b>Total</b>	<b>\$ 51,973,756</b>	<b>\$ 53,849,179</b>	<b>\$ 56,027,297</b>	<b>\$ 59,837,916</b>	<b>\$ 73,704,428</b>

### Property Taxes

The City's property tax revenue, is the single largest revenue source for the General Fund, increasing by 24.8% over the past four years. Total assessed property value for FY 2022 was \$6.2 billion with an approved millage rate of 8.452 generating property tax revenue of \$51.9 million in comparison to \$49.0 million in FY 2021, an increase of \$2.9 million or 5.8%.

### Public Service Taxes

Public service taxes are levied in accordance with the City Code and Florida Statutes which authorize any municipality within the State to levy a public service tax on the purchase of electricity, gas, and water services. The City levies a public service tax rate of 10% and a rate of four cents per gallon on the purchase of fuel oil, representing the maximum rate allowed under Florida law. Public service taxes are collected by the City from purchasers at the time of sale and remitted to the City. Taxes appear on the bills rendered to consumers by FP&L for electricity and by the City for water service. Public service taxes increased slightly in FY 2022, moving from \$5.2 million in FY 2021 to \$5.4 million in FY 2022.

### Franchise Fees

Franchise fees are derived from revenues received by the City pursuant to franchise agreements that the City has entered into with private entities to provide certain services within the City. Franchise fees consist of payments made by FP&L and Florida Public Utilities pursuant to long-term agreements which provide payment to the City of 6% of the entity's gross revenue derived from accounts within the City's limits. Franchise agreements with FP&L and Florida Public Utilities will expire during 2040 and 2020, respectively, unless extended. Franchise fees increased from \$2.90 million in FY 2021 to \$3.40 million in 2022.

### Sales Tax

Sales tax is the fourth largest revenue source for the General Fund and is allocated to the City based on the City's population relative to the county's total population. Sales tax increased by 24.1% moving from \$2.73 million in FY 2021 to \$3.9 million in FY 2022.

## Major Initiatives and Achievements

Progress continues on the Reimagine Riviera Beach 2030 initiatives. As described below, the capital expenditures during construction and the resultant state-of-the-art facilities will have a positive, long-term impact on the City's financial stability and its ability to provide services to its residents and businesses well into the future.

### City Facilities

The City continues to improve existing facilities and push forward on construction of new structures designed to meet the needs of its citizens. Projects ranging in costs from \$500,000 to \$150,000,000 are in various stages of progress to deliver new facilities throughout the City. Significant projects include the following:

- Fire Station 87 - Design continues on the replacement of Fire Station 87, the City's current central station. The new facility will add additional apparatus bays, provide enhanced administrative amenities and meets current standards with hardening features, segregated restrooms, and sleeping quarters. Construction is expected to commence in February 2024 and is expected to be completed in 24-30 months. Excluding land costs, the cost of the new facility is \$19,500,000.
- Fire Station 88 - Construction is nearing completion on the new Station 88 located on the major intersection in the heart of the City. The facility adds additional bays for anticipated growth, houses Fire Administration and will serve as the new Emergency Operation center for the community. As with Station 87, Station 88 provides enhanced administrative amenities and meets current standards with hardening features, segregated restrooms, and sleeping quarters. Located on city-owned property, the cost of the new facility is estimated at \$20,000,000.
- City Hall Complex and Mixed Use Development - The City has selected a P3 partner and is in negotiation for public/private partnership to leverage capital investment in constructing major City facilities to include a city hall complex to include public safety. The public component of the development envisioned is estimated at \$120,000,000.

### Cultural and Recreational Facilities

- Library - Planning for the construction of a new state-of-the-art library comprising of approximately 32,000 square feet is ongoing as part of the City Hall Complex planning process. A building was acquired to temporarily house the Library and Youth Empowerment Program while new facilities are being constructed. The Library may be incorporated within the City Hall Complex or constructed as a standalone facility.

### Infrastructure

The City continues to improve its infrastructure to meet the needs of its citizens. Significant projects include the following:

- Street Improvements - Significant improvements for the City's roadways are ongoing, which include improvements to the water, wastewater, and stormwater collection systems.
- Water and Sewer Improvements - USD is replacing its antiquated water and wastewater infrastructure and systems, which includes intra-coastal water mains, water meters, and rehabilitation of raw water wells, lift stations, and pumps.
- Stormwater Improvements - Improvements to the stormwater collection system will be conducted during the City's roadway improvements.
- Marina Improvements and Expansion - Dredging, engineering and construction of additional new docks are currently in process to allow for larger vessels to the south-end of the marina.
- Parking - The City has adopted a parking master plan for the City. Parking will be operated as an enterprise fund and encompass parking at the Ocean Mall and the marina.



## Water Treatment

- The Utility Special District has selected a design-build team for the replacement of the current, fifty-year old water treatment plant. Management has selected the optimal treatment process and initiated the design work. The new facility will be located on city-owned property that will be swapped with the District for the District owned property that houses the current plant. The estimated cost of the new facility is \$250,000,000.

## Strategic and Financial Planning for Fiscal Year 2023 and Beyond

The primary goals of the FY 2023 budget are to maintain service and program levels, address the ongoing need to raise salary scales for nonsworn personnel to the market range of the City's peer and competitive government entities, continue enhancing housing opportunities and develop a prosperous and sustainable economy. Staff will be conducting program analysis to identify and address heavily subsidized activities. The FY 2023 budget was balanced without a draw on fund balance.

The City has a long-range financial plan in the areas of capital projects, equipment replacement, cash and investment management and debt. The City's mission and values provide the basic framework for the development of the annual operating budget and capital plan. Over the past few years, the economy and its impact on the City's revenues required the City to implement appropriate and fiscally responsible policies to balance its budget. The City's strategic plan continues to incorporate the discussion of internal and external factors that may impact the City over the next few years along with the assessment of the City's current situation.

## Other Financial Information

### Accounting and Administrative Controls

City management is responsible for establishing and maintaining an internal control system which is designed to ensure that the assets of the City are protected from loss, theft, or misuse. Furthermore, management ensures that accounting data is adequate for the preparation of financial statements in conformity with GAAP. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. The controls are intended to provide assurance as to the reliability of financial records as related to the preparation of financial statements and accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

The examination of controls is performed by members of the Finance and Administrative Services Department, who continually review and assess the soundness and adequacy of the accounting and budgetary aspects of the City's financial system. Financial transactions and related data are examined for accuracy, completeness and authorization. Furthermore, data processing applications and systems are analyzed to ensure that necessary controls are in effect.

Internal control evaluations occur within the above framework. Management believes that the current internal accounting controls adequately safeguard the City's assets. In addition to these internal controls, annual financial audits are performed by independent certified public accountants.

### Budgetary Controls

The City maintains budgetary controls to ensure compliance with legal provisions contained in the annual appropriated budget approved by Council. Annual budgets are legally adopted for activities of the general fund, special revenue funds, capital projects funds, and debt service fund. Without Council approval, expenditures may not legally exceed appropriations at the department level. Administrative controls are exercised at the category level for current expenditures and at the line item level for capital outlay. Encumbrance accounting is utilized in governmental funds to reserve, or encumbered a portion of the appropriation legally committed.

## Annual Budget

The annual budget is the foundation of the City's financial planning and control. Public workshops and hearings are held throughout the budget process to obtain input from citizens. The City Manager directs department directors to develop proposed budgets within the appropriate annual guidelines. Budgetary control is maintained at the departmental and fund level. The City Manager reviews each proposal and assembles a tentative budget that is presented to the Council. The Council holds budget workshops to discuss and amend the proposed budget. During the first required public hearing, the Council adopts a proposed budget and approves the proposed millage rate and a second required public hearing is held to adopt a final budget and approve the final millage rate.

## Capital Improvement Plan

The City Manager presents a Five-year Capital Improvement Plan outlining the City's plan to provide for improvements to the City's public facilities for the next five fiscal years and the proposed financing of these capital improvement projects. The first year of the Five-year Capital Improvement Plan is the Capital Budget. The Capital Budget is adopted by the Council with the adoption of the annual operating budget. There is no commitment to expenditures or appropriations beyond the first year of the plan, except for those improvements included in the City's Comprehensive Plan. The City recognizes that the capital improvement plan must be realistic both in terms of needs and the availability of resources to fund the capital projects.

## Pension Trust Funds

The City sponsors three separate single employer defined benefit pension plans: General Employees' Retirement System, Police Pension Fund, and Firefighters' Pension Trust Fund. In February 2015, all general employees and firefighters hired by the City on or after June 1, 2015 and elected officials are required to participate in the Florida Retirement System instead of the City sponsored pension plans. The police officers followed suit in December 2020. The City sponsored plans' most recent actuarial valuations reported funded ratios for the pension plans as follows: General Employees - 121.6%; Police - 92.6%; and Firefighters - 101.3%.

## Cash Management

The City's pooled deposits and investments are invested pursuant to the City's Investment Policy and in accordance with Florida Statutes. The City's Investment Policy emphasizes safety of principal, liquidity of funds, and return on investment. The Policy addresses soundness of financial institutions holding the City's assets and the types of investments permitted. As of September 30, 2022, the City has a contract with Public Financial Management (PFM) to provide investment management services. After consultation with the Director of Finance and Administrative Services, PFM supervises and directs the investment of equities, money markets funds, and fixed income securities. The investments are held by a third-party custodian in the City's name.

## Risk Management

The City is exposed to risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters for which the City carries commercial insurance. Most of the major policies and coverages, such as personal property, liability, errors and omissions, and workers' compensation are provided under Public Entity Package provided by Lloyd's of London.

## Credit Rating

In March 2017, Fitch Ratings upgraded the City's default rating from A+ to AA, which reflects the City's moderate long-term liability burden, solid expenditure flexibility, expectations for strong financial performance throughout the economic cycle, and strong revenue growth prospects. The City's liquidity has recovered strongly since the Great Recession as the City has pursued policies intended to bolster financial flexibility by reducing outstanding receivables and rebuilding general fund cash coupled with the strong signs of recovery of the City's tax base. The rating was affirmed in July 2021.

In February 2018, Standard & Poor's (S&P) upgraded the City's bond rating from A+ to AA- based on its revised criteria application. A rating of AA- means that the City has a very strong capacity to meet its financial commitments. S&P confirmed the City's outlook as stable which means that the rating is not likely to change. The ratings on the implied General Obligation (GO) reflect the City's wealth indicators, balanced finances, liquidity, moderate debt, and opportunity for economic growth given its location within Palm Beach County.

In September 2020, Fitch Ratings confirmed an A+ rating on the Utility Special District. S&P Global ratings confirmed the District's A+ rating in March 2023.

### Independent Audit

In accordance with Florida Statutes and City Ordinances, the financial statements have been audited by HCT Certified Public Accountants and Consultants, LLC. The goal of the auditor is to provide reasonable assurance that the financial statements are free of material misstatements. The auditor examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessed the accounting principles used and significant estimates made by management. The audit was designed to meet federal requirements of the Single Audit Act of 1984, as amended, the related Uniform Guidance and the requirements of Chapter 10.550 of the Rules of the Florida Auditor General and Section 215.97, Florida Statutes pertaining to the Florida Single Audit Act. The Independent Auditor's Report on the basic financial statements is included in the financial section of the ANNUAL REPORT.

### Request for Information

The Annual Report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Riviera Beach  
Finance and Administrative Services  
600 W. Blue Heron Boulevard  
Riviera Beach, FL 33404  
(561) 845-4040  
financedept@rivierabeach.org

The City's financial statements, operating budgets, and capital improvement plans for current and prior years are available on the City's website at: [www.rivierabeach.org](http://www.rivierabeach.org).

### Acknowledgements

I trust that the financial information presented in the ANNUAL REPORT is helpful to our citizens, elected officials, and employees. I personally thank the staff of the Finance and Administrative Services Department for their efficient and dedicated service in the preparation of the ANNUAL REPORT. I also acknowledge the efforts of other City departments in adhering to strong financial management and providing information and assistance during the preparation of the financial report. I thank the Mayor and Council for their continued support.

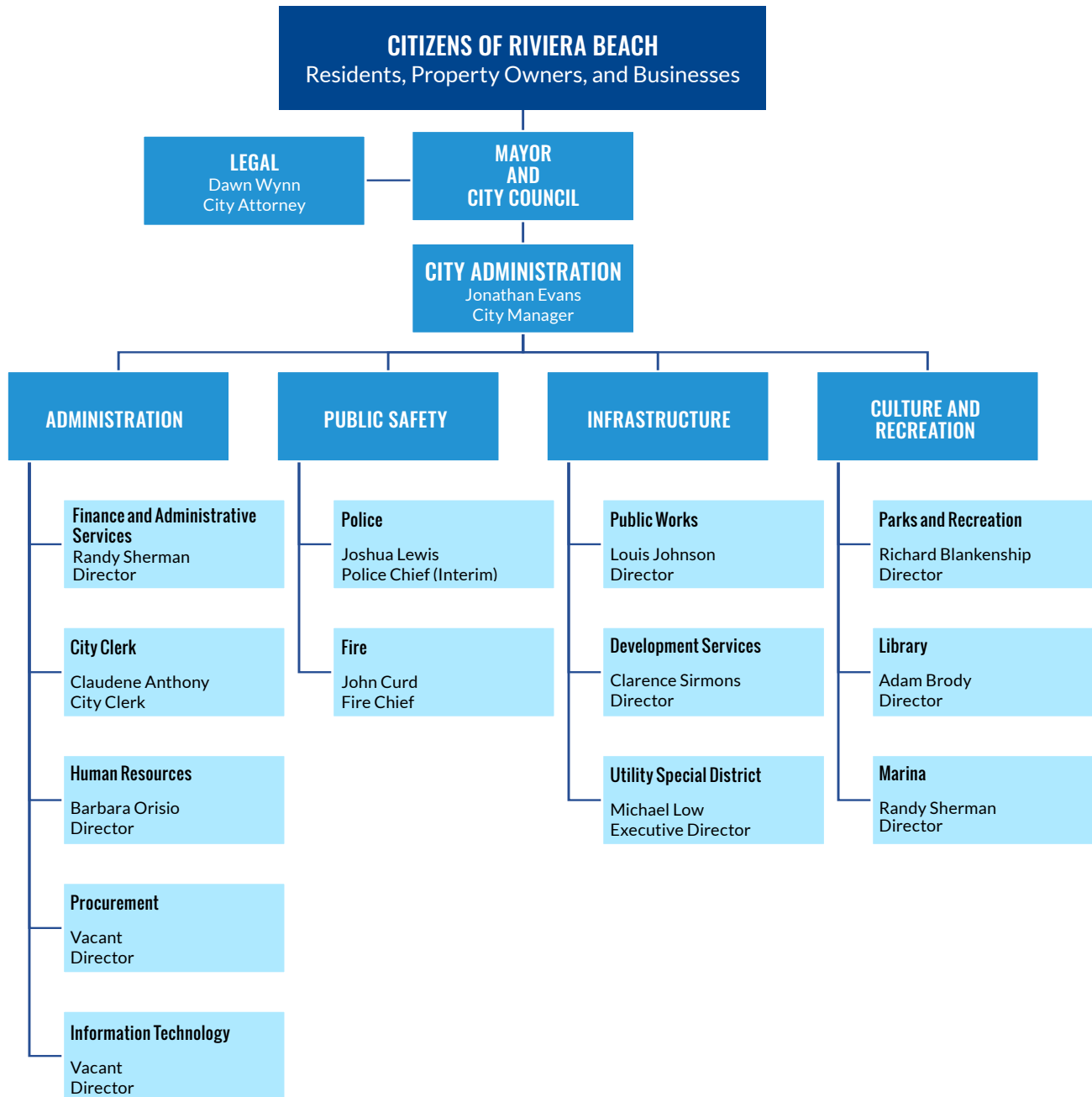
Respectfully submitted,



Randy M. Sherman, CPA, CPFO, CTP  
Director of Finance and Administrative Services



# Organizational Chart



## Elected Officials and Principal Officers

The elected officials responsible for the governance of the City of Riviera Beach are as follows:



**Ronnie Felder**  
Mayor



**Tradrick McCoy**  
Councilperson  
District 1



**KaShamba L. Miller-Anderson**  
Chair  
District 2



**Shirley Lanier**  
Chair Pro Tem  
District 3



**Julia Botel, Ed. D**  
Councilperson  
District 4



**Douglas Lawson**  
Councilperson  
District 5

### ELECTED OFFICIALS

Mayor	Ronnie L. Felder
Chairperson - District 3	Shirley D. Lanier
Chair Pro-Tempore - District 2	KaShamba Miller-Anderson
Councilperson - District 1	Tradrick McCoy
Councilperson - District 4	Julia A. Botel
Councilperson - District 5	Douglas A. Lawson

### PRINCIPAL OFFICERS

City Manager	Jonathan Evans
Deputy City Manager	Elizabeth McBride
Assistant City Manager	Deirdre Jacobs
City Attorney	Dawn S. Wynn
City Clerk	Claudene L. Anthony
Finance and Administrative Services Director	Randy M. Sherman
Human Resources Director	Barbara Orisio
Procurement Director	Vacant
Information Technology Director	Vacant
Police Chief	Joshua Lewis (Interim)
Fire Chief	John Curd
Public Works Director	Louis Johnson
Development Services Director	Clarence Sirmons
Parks and Recreation Director	Richard Blankenship
Library Director	Adam Brody
Utility Special District Executive Director	Michael Low
Marina	Randy M. Sherman

**SECTION II:**  
**FINANCIAL SECTION**



The Financial Section of the City's Annual Comprehensive Financial Report (ACFR) includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information (RSI), and various other combining and individual fund financial statements and schedules.

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HCT Certified Public Accountants & Consultants, LLC

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council  
City of Riviera Beach, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund information of the City of Riviera Beach, Florida (the "City"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the 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, and each major fund of the City of Riviera Beach, Florida, as of September 30, 2022, 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.

We did not audit the financial statements of the Riviera Beach Police Pension Fund, the Firefighters' Pension Trust Fund, and the Florida Retirement System, which represent 26.21 percent, 31.70 percent, and 38.45 percent, respectively, of the assets, liabilities, and expenses of the City's pension plan as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Riviera Beach Police Pension Fund, the Firefighters' Pension Trust Fund, and the Florida Retirement System, are based solely on the report of the other auditors.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Florida Auditor General* (Chapter 10.550). Our responsibilities under those standards and rules are further described in the Auditor's Responsibilities for the Audit of the Financial Statements sections of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

West Palm Beach  
Phone (561) 655-2664

Miami  
Phone (305) 331-8768

Hollywood  
Phone (954) 966-4435



### **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules related to pension benefits on pages 124–126 and 168–178 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical sections and the schedule of federal awards and state project but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2023, 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.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

June 14, 2023



## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Unaudited)



As management of the City of Riviera Beach, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. 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 2-9 of this report.

## Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$294.523 million (net position). Of this amount, \$77.536 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$40.958 million due an increase in current assets and capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$110.932 million, a decrease of \$9.882 million in comparison with the prior year. Approximately 27.38% of this amount is unassigned fund balance, which is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$31.323 million, or approximately 27.57% of total general fund expenditures.
- The City's total bonds and capital leases decreased by \$3.685 million during the current fiscal year which is attributable to the debt service payments.

## Overview Of The Financial Statements

The City provides both an introductory and financial section in the Annual Comprehensive Financial Report (ACFR). The financial section has three components – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements, as follows:
  - Governmental fund statements illustrate how general government services, such as public safety and public infrastructure, for example, were financed in the short-term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates as a business, including the water and sewer, stormwater management, the operations of the marina and RBCDE, parking facilities and solid waste services. Internal service funds are also presented within this section.
  - Fiduciary fund statements provide information about the financial relationships—for example, the retirement plan for the City's employees, in which the City acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements, specifically data related to the pension plans. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.



### Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or 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 or related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, fire, police, streets, parks, recreation, and library. The business-type activities of the City include water, sewer, stormwater, solid waste collection, marina, parking, and the Marina Event Center.

The Riviera Beach Community Redevelopment Agency (CRA), a component unit, is included in the governmental activities in the government-wide statements. Component units are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy.

The government-wide financial statements can be found on pages 39-41 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### Governmental Funds

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing 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 similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and the CRA to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 42-45 of this report.

### Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, stormwater, solid waste collection, marina, parking, and the Marina Event Center. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various departments. The City uses internal service funds to account for the management of general insurance, information technology, and fleet of vehicles. These services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility Special District, Stormwater, Marina, Solid Waste Collection, RBCDE, and Parking. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 46-50 of this report.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Included in this report are the three pension plans for the City's general employees, police, and firefighters. Information and description for each pension plan are included in the Notes to Basic Financial Statements section. The police and firefighters' pension plans are independently audited and reported in their own financial statements, which are available upon request.

The fiduciary fund financial statements can be found on pages 51-52 of this report.

### Notes to the Financial Statements.

The notes provide additional information that is necessary to acquire 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 53-118 of this report.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 120-133.

The combining statements of non-major governmental funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 134-189 of this report.

## Management's Discussion and Analysis (MD&amp;A)

September 30, 2022

## Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$294.523 million, at the close of the most recent fiscal year.

## City's Net Position

The following is a condensed version of the Statement of Net Position presented in the basic financial statements section.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 145,851,240	\$ 161,754,318	\$ 92,980,978	\$ 99,995,581	\$ 238,832,218	\$ 261,749,898
Capital assets (net)	154,267,507	139,777,484	113,582,382	108,243,539	267,849,889	248,021,023
<b>Total assets</b>	<b>300,118,747</b>	<b>301,531,801</b>	<b>206,563,360</b>	<b>208,239,120</b>	<b>506,682,107</b>	<b>509,770,921</b>
Deferred outflows of resources	41,703,089	24,034,687	8,476,942	3,579,873	50,181,031	27,614,560
Total assets and deferred outflows of resources	<b>341,821,836</b>	<b>325,566,488</b>	<b>215,040,302</b>	<b>211,818,989</b>	<b>556,862,138</b>	<b>537,385,481</b>
<b>Liabilities</b>						
Current and other liabilities	17,091,190	15,528,575	11,198,257	10,277,688	28,289,447	25,806,263
Long-term liabilities	125,490,764	144,165,984	56,756,082	76,351,130	182,246,846	220,517,114
<b>Total liabilities</b>	<b>142,581,954</b>	<b>159,694,559</b>	<b>67,954,339</b>	<b>86,628,818</b>	<b>210,536,293</b>	<b>246,323,377</b>
Deferred inflows of resources	46,366,147	34,392,352	5,436,796	3,105,267	51,802,943	37,497,619
Total liabilities and deferred inflows of resources	<b>188,948,101</b>	<b>194,086,911</b>	<b>73,391,135</b>	<b>89,734,085</b>	<b>262,339,236</b>	<b>283,820,996</b>
<b>Net position</b>						
Net investment in capital assets	71,616,171	53,881,198	54,537,710	71,931,660	126,153,881	125,812,858
Restricted	61,738,180	56,824,356	29,094,465	24,631,122	90,832,645	81,455,478
Unrestricted	19,519,384	20,774,024	58,016,992	25,522,125	77,536,376	46,296,149
<b>Total net position</b>	<b>\$ 152,873,735</b>	<b>\$ 131,479,578</b>	<b>\$ 141,649,167</b>	<b>\$ 122,084,907</b>	<b>\$ 294,522,902</b>	<b>\$ 253,564,485</b>

In the governmental activities, total assets and deferred inflows increased by \$16.255 million resulting mainly from an increase of \$14.490 million in capital assets, net of depreciation, and an increase in deferred outflows of resources of \$17.670 million related to pensions. Current assets, mainly cash and equivalents, decreased by \$15.903 million due mainly from the spending of bond proceeds on the fire stations and capital improvement projects. Total liabilities and deferred inflow of resources decreased by \$5.139 million due mainly from debt service payments on long-term debt and an increase of \$11.974 million in deferred inflows of resources related to pensions.

In the business-type activities, total assets and deferred inflows increased by \$3.221 million resulting from an increase of \$5.339 million in capital assets and resulting in a reduction of \$7.015 million in current assets due to the capital improvements to the water and sewer infrastructure resulting in a reduction in cash equivalents. Total liabilities and deferred outflows decreased by \$16.343 million due mainly to the reduction from principal payments made on long-term debt and the refinancing of water and sewer revenue bonds.

Long-term liabilities, which consist of bonds, leases, compensated absences, OPEB liability, capital leases, and advances increased by \$38.793 million from the prior year for both governmental and business-type activities combined. Bonds and leases decreased by \$3.685 million during the current fiscal year which is contributed mainly to the debt service payments

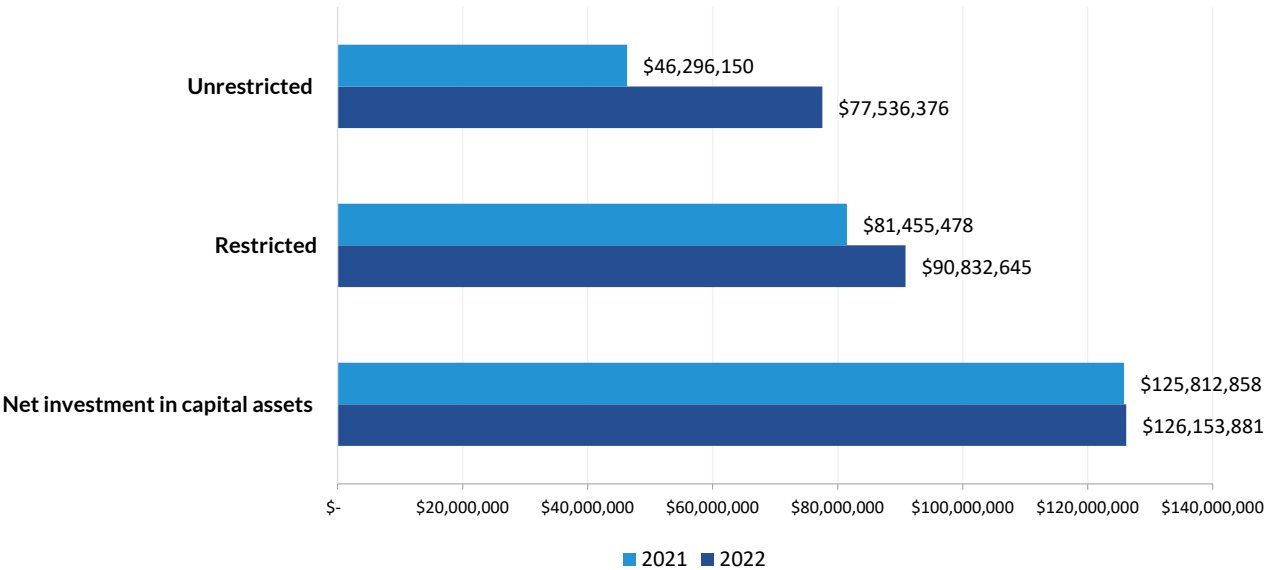
Net position is the difference between the assets and deferred outflow of resources and liabilities and deferred inflow of resources. Total net position increased by \$40.958 million or 16.15%, with net position for governmental activities increasing by \$21.394 million or 16.27% and for business-type activities increasing by \$19.564 million or 16.03%. This increase in net position from the prior year results from the City's continued improvement from the ongoing economic impacts of the global pandemic. The City has continued its commitment to invest in capital infrastructure, saw growth in key revenue sources and continued stringent monitoring or expenditures which has yielded positive financial impacts.

Investment in capital assets (land, buildings, infrastructure, machinery and equipment), net of accumulated depreciation and less any related outstanding debt used to acquire those capital assets represents \$126.154 million or 42.83% of total net position which is the largest portion of the City's net position. The City uses capital assets to provide services to citizens and as such these assets are not available for future spending. Although the City's investment in its capital assets is reported net of outstanding related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position is restricted which is \$90.833 million or 30.84% of total net position. These are resources that are subject to external restrictions that stipulate how these resources may be used. The largest portions are for capital projects (\$45.088 million) and other purposes (\$16.650 million). The remaining balance of net position is unrestricted which is \$77.536 million or 26.33% of total net position which may be used for obligations to its citizens and creditors.

As of September 30, 2022, the City has reported positive balances in all three components of net position: (1) net investment in capital assets, (2) restricted, and (3) unrestricted for both governmental and business-type activities and as a whole for total government.

**City's Net Position  
2022 and 2021**



## Management's Discussion and Analysis (MD&amp;A)

September 30, 2022

## City's Changes in Net Position

The table presented below shows the City's changes in net position for fiscal years ended September 30, 2022 and 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The overall net position of the City increased by \$40.958 million during the fiscal year, which is attributable to the increase in governmental activities which increased by \$21.394 million and an increase of \$19.564 million in business-type activities.

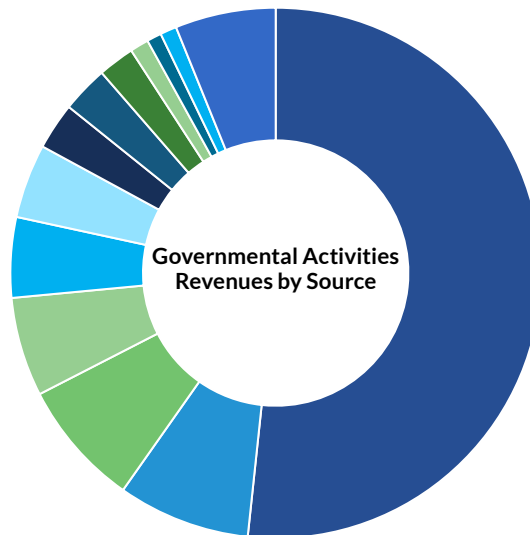
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUES</b>						
<b>Program revenues:</b>						
Charges for services	\$ 7,201,123	\$ 8,171,430	\$ 41,505,348	\$ 39,282,580	\$ 48,706,471	\$ 47,454,010
Operating grants and contributions	9,613,193	12,954,100	-	-	9,613,192	12,954,100
Capital grants and contributions	9,172,625	8,913,147	581,825	1,091,042	9,754,450	10,004,189
<b>General revenues:</b>						
Property taxes	61,555,155	58,306,212	-	-	61,555,155	58,306,212
Utility service taxes	5,377,492	5,202,741	-	-	5,377,492	5,202,741
Franchise fees	3,386,156	2,893,812	-	-	3,386,156	2,893,812
Local business taxes	1,353,387	729,182	-	-	1,353,387	729,182
Local surtax	3,396,903	2,794,877	-	-	3,396,903	2,794,877
Communications service tax	1,066,268	953,484	-	-	1,066,268	953,484
Intergovernmental	5,832,373	5,082,662	-	-	5,832,373	5,082,662
Investment earnings	(1,195,918)	169,883	(1,129,984)	302,477	(2,325,902)	472,361
Gain (loss) on investment	(7,298,000)	-	8,897,995	-	1,599,995	-
Miscellaneous	2,644,147	1,148,625	878,314	703,230	3,522,461	1,851,855
<b>Total revenues</b>	<b>102,104,904</b>	<b>107,320,154</b>	<b>50,733,499</b>	<b>41,379,328</b>	<b>152,838,402</b>	<b>148,699,483</b>
<b>EXPENSES</b>						
<b>Governmental activities:</b>						
General government	27,457,969	35,459,506	-	-	27,457,969	35,459,506
Public safety	35,875,159	39,902,247	-	-	35,875,159	39,902,247
Transportation	1,929,186	1,675,723	-	-	1,929,186	1,675,723
Human services	1,232,658	1,486,533	-	-	1,232,658	1,486,533
Culture and recreation	6,556,541	6,993,234	-	-	6,556,541	6,993,234
Economic environment	2,706,940	5,372,593	-	-	2,706,940	5,372,593
Interest on long term debt	6,206,057	3,748,573	-	-	6,206,057	3,748,573
<b>Business-type activities:</b>						
Utility Special District	-	-	19,862,978	28,468,092	19,862,978	28,468,092
Marina	-	-	3,016,686	2,842,399	3,016,686	2,842,399
Solid Waste Collection	-	-	4,569,741	4,439,394	4,569,741	4,439,394
Stormwater	-	-	2,196,401	2,820,421	2,196,401	2,820,421
RB CDE	-	-	269,660	535,121	269,660	535,121
<b>Total expenses</b>	<b>81,964,510</b>	<b>94,638,410</b>	<b>29,915,466</b>	<b>39,105,428</b>	<b>111,879,976</b>	<b>133,743,838</b>
Change in net position before special items and transfers	20,140,394	12,681,744	20,818,033	2,273,901	40,958,427	14,955,645
Transfers	1,253,772	1,185,715	(1,253,772)	(1,185,715)	-	-
Change in net position	21,394,166	13,867,459	19,564,260	1,088,186	40,958,426	14,955,645
Net position - beginning	131,479,569	117,612,118	122,084,907	120,996,721	253,564,476	238,608,840
<b>Net position - ending</b>	<b>\$152,873,735</b>	<b>\$131,479,578</b>	<b>\$141,649,167</b>	<b>\$122,084,907</b>	<b>\$294,522,902</b>	<b>\$253,564,485</b>



**Governmental Activities**

During FY 2022, net position for governmental activities increased by \$21.394 million from \$131.480 million for the prior fiscal year to an ending balance of \$152.873 million for fiscal year ended September 30, 2022. Revenues for the City's governmental activities were \$102.105 million, while expenses were \$81.964 million. The increase in net position from operations for governmental activities (after transfers out of \$1.254 million) was \$21.394 million. The current year revenue reduction was driven primarily by the City experiencing a mark to market adjustment that decreased interest earnings, however, the City will not realize the loss in interest earnings as investments are held to maturity. During the year, the New Market Tax Credit transaction was unwound resulting in the CRA and the RBCE agreeing to terminate the master lease and assign the ground lease in exchange for cancelling its mortgage notes. Current year expenses decreased by \$12.674 million due to the reduction in pension costs associated with the net pension liability and deferred inflows for the pension plans. Transfers increased slightly from the prior year due to an increase in the transfer to the major disaster fund as required by the City's charter.

The revenues by source for the City's governmental activities for the fiscal year ended September 30, 2022 are as shown below:



■ 60.29%	61,555,155	Property taxes
■ 9.42%	9,613,192	Operating grants and contributions
■ 8.98%	9,172,625	Capital grants and contributions
■ 7.05%	7,201,123	Charges for services
■ 5.71%	5,832,373	Intergovernmental
■ 5.27%	5,377,492	Utility taxes
■ 3.33%	3,396,903	Local surtax
■ 3.32%	3,386,156	Franchise fees
■ 2.59%	2,644,147	Miscellaneous
■ 1.33%	1,353,387	Local business taxes
■ 1.04%	1,066,268	Communications service tax
■ (1.17%)	(1,195,918)	Investment earnings
■ (7.15%)	(7,298,000)	Gain (loss) on investment

## Management's Discussion and Analysis (MD&amp;A)

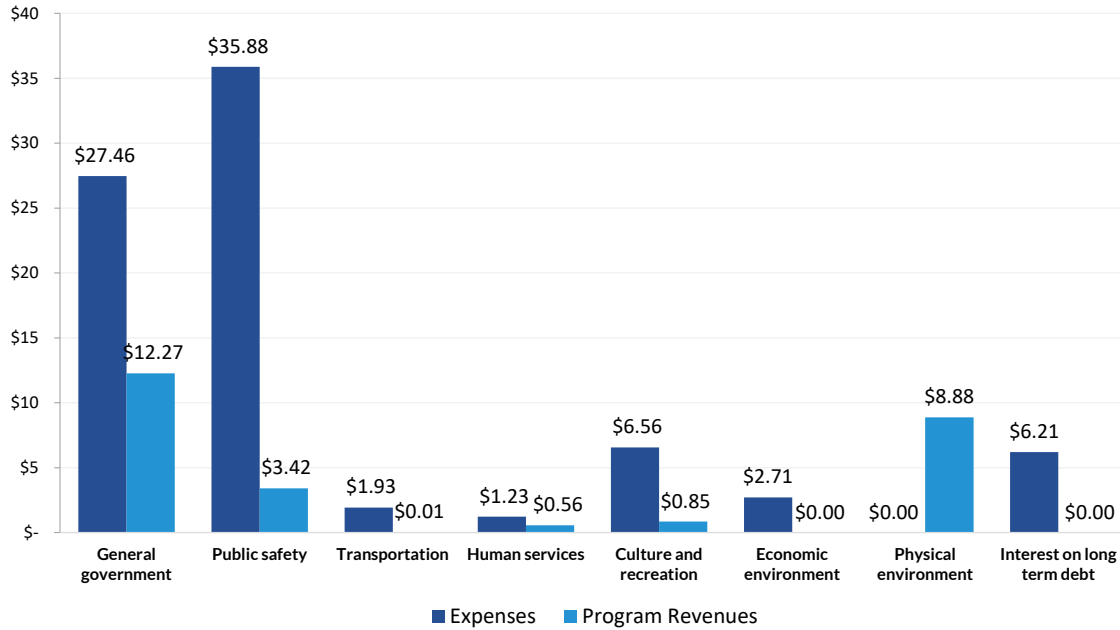
September 30, 2022

- The City received \$76.118 million or 74.55% in general revenues from taxes and other revenues.
  - Property taxes - \$61.155 million
  - Utility taxes - \$5.377 million
  - Franchise fees - \$3.386 million
  - Intergovernmental - \$5.832 million
  - Local business taxes - \$1.353 million
  - Local surtax - \$3.397 million
  - Other revenues - \$(4.784) million primarily representing investment losses and the write off of notes due to the unwinding to the New Market Tax Credit (NMTC) as a result of the CRA and the RBCDE agreeing to terminate the master lease and assign the ground lease in exchange for cancelling its mortgage notes.
- General revenues are used to pay for the \$55.970 million net cost of governmental activities which represents the costs of services not covered by program revenues.
- Program revenues which are fee-based programs, such parks and recreation activities, development and inspection related fees, fire and police services fees, and other programs totaled \$7.201 million.
- Various federal, state, and local governmental agencies and organizations provided supported to certain City programs in the form of grants and contributions totaling \$18.786 million.
- The total cost of governmental activities for this current fiscal year was \$81.957 million. This cost was incurred to provide full municipal services to include but not limited to public safety (police, fire, emergency communication), public infrastructure (street maintenance, transportation, and landscaping), culture and recreation (parks, recreational activities, library services), human services (social programs - civil drug court, reentry services, and youth and young adult services), economic environment, and other general government services (city administration, finance, procurement, legal, human resources, clerk, and information technology).
- The four largest governmental programs represent 88.57% of the total governmental activities:
  - Public safety - 43.77%
  - General government - 33.50%
  - Culture and recreation - 8.00%
  - Economic environment - 3.30%

As shown in the chart below, program revenues exceed program revenues for all governmental activities. This is expected as other general sources of revenues such as property taxes and other taxes received by the City are used to subsidize the gap between program expenditures and program revenues.

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General government	\$ 27,457,969	33.50%	\$ 12,268,002	47.21%	(15,189,967)
Public safety	35,887,159	43.77%	3,415,035	13.14%	(32,460,124)
Transportation	1,929,186	2.35%	10,572	0.04%	(1,918,614)
Human services	1,232,658	1.50%	560,245	2.16%	(672,413)
Culture and recreation	6,556,541	8.00%	852,200	3.28%	(5,704,341)
Economic environment	2,706,940	3.30%	-	0.00%	(2,706,940)
Physical environment	-	0.00%	8,880,887	34.17%	8,880,887
Interest on long term debt	6,206,057	7.58%	-	0.00%	(6,206,057)
<b>Total</b>	<b>\$ 81,964,510</b>	<b>100.00%</b>	<b>\$ 25,986,941</b>	<b>100.00%</b>	<b>(55,977,569)</b>

**Governmental Activities  
 Expenses and Program Revenues\***  
 (in millions)



\*Program revenues include charges for services, grant revenues, and capital contributions.

Revenues for the City's business-type activities were \$ 50.733 million and expenses were \$29.915 million. The increase in net position from operations for business-type activities (after transfers out of \$1.254 million) was \$20.818 million.

The following table shows the total cost and net cost or revenue for these services.

	Total Cost of Services		Net (Cost) Revenue of Services	
	2022	2021	2022	2021
Utility Special District	\$ 19,862,978	\$ 28,468,092	\$ 10,878,982	\$ (1,331,667)
Marina	3,016,686	2,842,399	1,223,347	(592,516)
Solid Waste Collection	4,569,741	4,439,394	(1,138,406)	142,968
Stormwater	2,196,401	2,820,421	2,078,999	(506,969)
RB CDE	269,660	535,121	7,099	207,007
<b>Total</b>	<b>\$ 29,915,466</b>	<b>\$ 39,105,427</b>	<b>\$ 13,049,921</b>	<b>\$ (2,081,177)</b>

The largest business-type operation is the City's water and sewer utility. Water and sewer utility operations are supported by financial models to ensure that both operational and capital infrastructure needs are maintained and properly funded. Water and sewer operating revenue of \$30.742 million in FY 2022 reflects a slight increase of 3.16% from the prior year. Operating expenses of \$18.340 million includes the reduction in expenses related to pensions and the adjustment for the joint venture investment in the ECR was 43% less than the operating expenses in the prior year.

The City's marina recognized \$4.240 million in operating revenues in FY 2022, an increase of 23.44% from the prior year. This increase is a result of the going infrastructure improvements at the marina and the aggressive marketing strategy employed at the marina to increase interests at the City's marina. Operating expenses of \$3.017 million increased by 6.13% from FY 2021 as operations and activities at the marina increased.

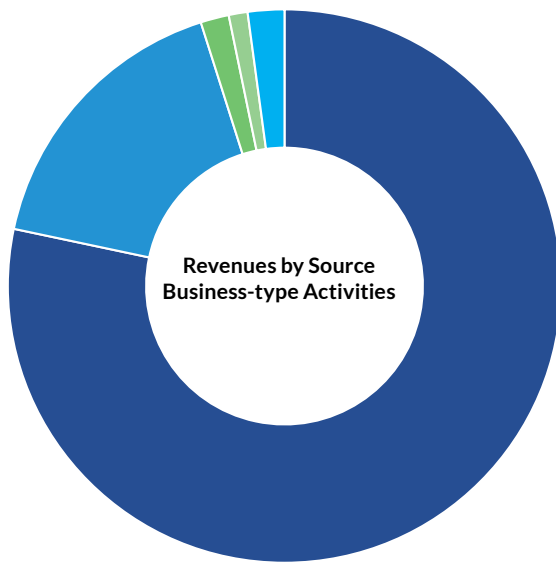
# Management's Discussion and Analysis (MD&A)

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Stormwater management operations generated operating revenues of \$3.431 million in FY 2022 which reflects a slight increase of 3.12% from the prior year. The City is considering future capital infrastructure needs. Operating expenses of \$1.970 million decreased by 31.20% due to reductions related to pension costs.

Solid waste collection services revenues of \$4.275 million in FY 2022 reflects a reduction of less than 1% from the prior year. Operating expenses of \$4.570 million in FY 2022 increased by 2.94% over the prior year.

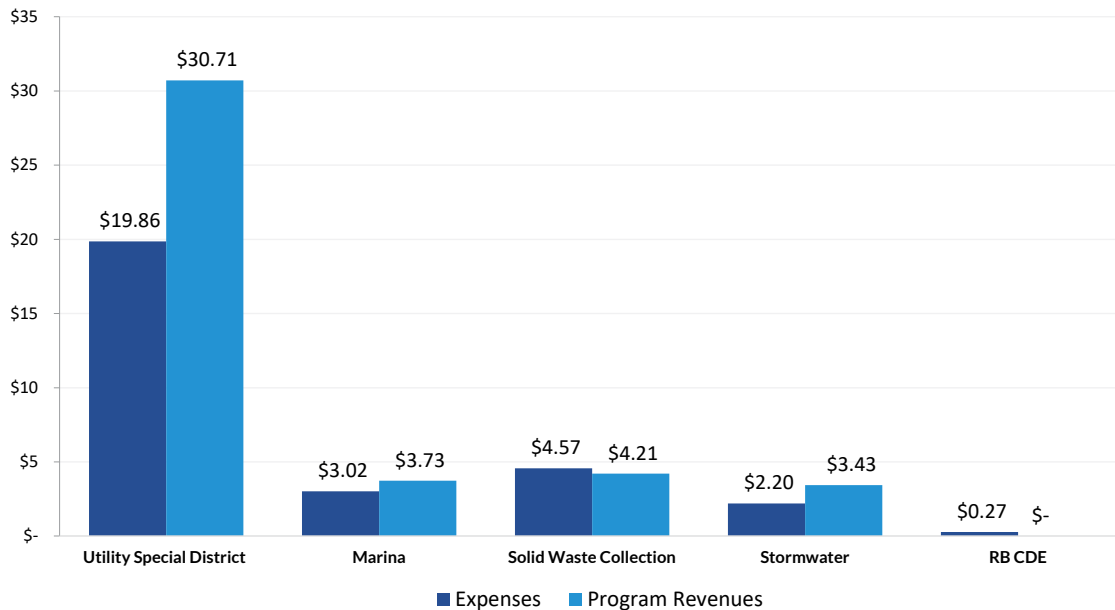
Revenues Source	Revenues	% of Total
Charges for Services	\$ 41,505,348	81.81%
Capital grants and contributions	581,825	1.15%
Investment earnings	(1,129,984)	(2.23%)
Gain (loss) on investment	8,897,995	17.54%
Miscellaneous	878,314	1.73%
<b>Total</b>	<b>\$ 50,733,499</b>	<b>100.00%</b>



- 81.81% \$41,505,348 Charges for services
- 17.54% 8,897,995 Gain (loss) on investment
- 1.73% 878,314 Miscellaneous
- 1.15% 581,825 Capital grants and contributions
- (2.23%) (1,129,984) Investment earnings

Business-type activities:	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Utility Special District	\$ 19,862,978	66.40%	\$ 30,711,612	72.97%	\$ 10,848,634
Marina	3,016,686	10.08%	3,730,374	8.86%	713,688
Solid Waste Collection	4,569,741	15.28%	4,213,852	10.02%	(355,889)
Stormwater	2,196,401	7.34%	3,431,335	8.15%	1,234,934
RB CDE	269,660	0.90%	-	-%	(26,660)
<b>Total</b>	<b>\$ 29,915,466</b>	<b>100.00%</b>	<b>\$ 42,087,173</b>	<b>100.00%</b>	<b>\$ 12,414,707</b>

**Expenses and Program Revenues\***  
**Business-type Activities**  
 (in millions)



\*Program revenues include charges for services, grant revenues, and capital contributions.

### Financial Analysis of the City's Governmental Funds

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

#### Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

For fiscal year end 2022, the City's governmental funds reported combined fund balances of \$128.823 million, an increase of \$8.009 million or 6.63% over the prior year. Unassigned fund balance represents 27.38% of the total fund balances, which is available for spending at the City's discretion. The remainder of fund balance is 72.62% which comprises nonspendable, restricted and committed. Fund balance in nonspendable form is \$0.279 million which represents inventory, restricted is \$79.610 million which is restricted for capital projects and development services, and committed is \$0.667 million for programs funded through grants and contributions. The fund balance increase in FY 2022 was the result of strong financial results and a continued commitment to the management of recurring expenditures.

## Management's Discussion and Analysis (MD&amp;A)

September 30, 2022

## Governmental Fund Balance Classification at September 30, 2022

	General Fund	CRA	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund balances:</b>				
Nonspendable:				
Inventories	\$ 278,517	\$ -	\$ -	\$ 278,517
Restricted:				
Emergency reserve	-	-	7,303,751	7,303,751
Debt service	-	-	168,514	168,514
Economic environment	-	4,822,007	-	4,822,007
Capital projects	-	-	63,551,979	63,551,979
Development services	3,672,207	-	-	3,672,207
Committed:				
Special revenue funds:				
Public safety	-	-	262,850	262,850
Culture and recreation	-	-	400,575	400,575
Human services	-	-	127,061	127,061
Assigned	-	-	-	-
Unassigned	30,344,905	-	-	30,344,905
<b>Total:</b>	<b>\$ 34,295,629</b>	<b>\$ 4,822,007</b>	<b>\$ 71,814,730</b>	<b>\$ 110,932,366</b>

## Analysis of Individual Funds

The General Fund is the City's primary operating fund used to account for financial resources and expenditures for general operations, except those required to be accounted for in another fund. The major revenue sources are property taxes, utility service taxes, licenses, permits, franchise fees, and sales tax. Expenditures are for general administration, police, fire, roads and street maintenance, planning and development, parks and recreation, library, and other services. At the end of the fiscal year, unassigned fund balance of the general fund was \$30.345 million, while total fund balance decreased by \$1.387 million to \$34.296 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 general fund expenditures. Unassigned fund balance represents 40.12% of total general fund expenditures, while total fund balance represents 45.34% of that same amount.

The fund balance of the City's general fund decreased by \$1.387 million during the current fiscal year. General Fund's total revenues increased by \$1.829 million primarily from the increases in property tax revenues attributable to an increase in property value, licenses, building permit fees, and fines. Total expenditures increased by \$6.094 million, which was due primarily an increase in personnel related costs and operating costs.

The capital projects funds, which include both major and nonmajor funds, decreased by \$0.204 million in fund balance during the current fiscal year moving from \$63.757 million to \$63.552 million. The major capital project funds are the Public Improvement Bonds 2021 Fund and the State and Local Fiscal Recovery Fund which are classified as major funds are funded through the issuance of bonds and proceeds received through the American Rescue Plan Act of 2021 had a restricted fund balance of \$25.921 million and \$17.856 million, respectively.



This significant increase was due to the issuance of the Series 2021 bonds for the construction of the two new fire stations. Capital improvements projects require the use of those resources.

The debt service fund had a decrease in fund balance of \$60,145 during the current fiscal year. The debt service fund is used solely for the payment of principal and interest on long term debt.

The special revenue funds had an increase in fund balance of \$0.287 million. The special revenue funds fund balance is committed to expenditures for specific purposes derived from specific revenue sources. For fiscal year end 2022, special revenue funds reported fund balances of \$8.094 million.

CRA is reported as a major fund, which records the activity for redevelopment and revitalization activities within a certain redevelopment area with emphasis on providing housing and infrastructure improvements. The CRA is an independent agency within the City with defined boundaries. The CRA reported an ending fund balance of \$4.822 million, which is a decrease of \$7.931 million over the prior year due to significant capital expenditures on improvements within the redevelopment area and the write off the debt associated with the Riviera Beach Event Center. The entire CRA's fund balance is restricted for the purposes of redevelopment within the CRA district. Revenues increased by \$0.954 million due to the increase in taxes and expenditures decreased by \$3.407 million due to a reduction in capital expenditures \$3.693 million over the prior year..

The total fund balances of the major governmental funds for the fiscal years ended September 30, 2022 and 2021 are as follows:

	Governmental Funds Fund Balances (in millions)	
	2022	2021
General Fund	\$ 34.296	\$ 35.683
Public Improvement Bonds 2021	25.921	36.389
Riviera Beach CRA	17.856	8.881
Riviera Beach CRA	4.822	12.754
Nonmajor Governmental Funds	28.038	27.108
<b>Total</b>	<b>\$ 110.933</b>	<b>\$ 120.815</b>

### Proprietary Funds

The City's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail. Additional discussion concerning the finances of these funds has already been discussed in the discussion on the City's business-type activities above.

The total net positions of the proprietary funds for the fiscal years ended September 30, 2022 and 2021 are as follows:

	Enterprise Funds Net Position (in millions)	
	2022	2021
Utility Special District	\$ 104.672	\$ 95.924
Marina	14.275	13.061
Stormwater	13.096	12.095
RB CDE	8.864	(0.041)
Nonmajor Enterprise Funds	0.741	1.046
<b>Total</b>	<b>\$ 141.649</b>	<b>\$ 122.085</b>

## Budgetary Highlights

During the fiscal year, City Council may approve various modifications to the original, approved budget. Generally budget amendments fall into one of four categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once final information is available; 2) amendments made to recognize new funding amounts from external sources, such as from federal, state, or local grants; 3) increases in appropriations that become necessary to maintain services; and 4) amounts that are carried over from the prior year and re-designated for the subsequent year's expenditures.

### General Fund

*Original budget compared to the final budget* – The difference between the original budget and the final amended appropriations for the General Fund is \$0.757 million which represents the funds allocated for outstanding purchase orders that have been placed but goods or services have not yet been received and the funds are made available and carried forward to the new fiscal year. During the fiscal year, budget transfers are required between expenditure line items at the departmental budget level.

*Final budget compared to actual results* – The excess of revenues over expenditures was \$(0.630) million due mainly to revenues being below the final budget by \$0.324 million. Actual expenditures were above the final budget by \$1.118 million mainly from departments being under budget except for the public safety which includes police and fire which exceeded final budget by \$1.906 million due to personnel related costs for public safety and an increase in operational costs.

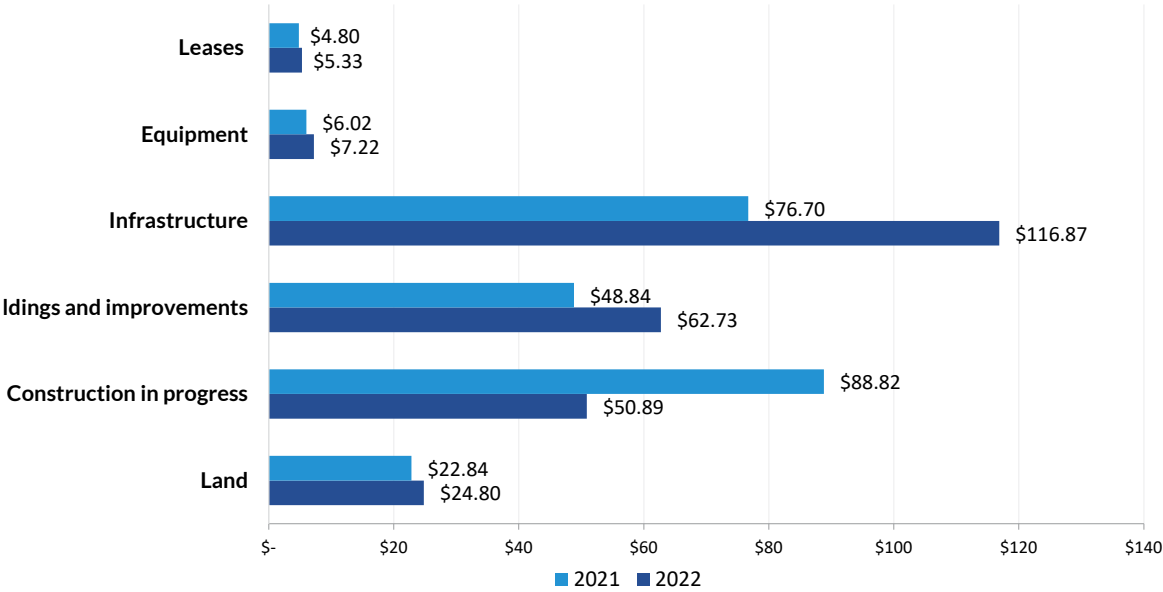
A detailed comparative analysis is provided in the *Required Supplementary Information* section, which shows the variances between the original budget, final budget and actual revenues and expenditures of the General Fund.

## Capital Assets And Debt Administration

**Capital assets** – The City's investment in capital assets (net of accumulated depreciation) for governmental and business-type activities amounts to \$267.850 million an increase of \$19.829 million or 8% over September 30, 2022. Major capital assets placed in service during this year include, street improvements, park improvements, machinery and equipment acquisitions for police and fire, water and sewer improvements and infrastructure, and stormwater improvements and infrastructure. Additional information on capital assets is included in the Notes to the Financial Statements section.

	Capital Assets (net of depreciation)					
	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 23,901,818	\$ 21,934,579	\$ 901,659	\$ 901,659	\$ 24,803,477	\$ 22,836,238
Construction in progress	22,696,298	43,991,369	28,196,999	44,826,575	50,893,297	88,817,944
Buildings and improvements	37,760,086	32,909,880	24,965,918	15,934,757	62,726,004	48,844,637
Infrastructure	59,598,436	32,635,231	57,271,563	44,062,795	116,869,999	76,698,026
Equipment	4,976,025	3,504,641	2,246,238	2,517,753	7,222,263	6,022,394
Leases	5,334,844	4,801,784	-	-	5,334,844	4,801,784
<b>Total</b>	<b>\$154,267,507</b>	<b>\$139,777,484</b>	<b>\$113,582,377</b>	<b>\$108,243,539</b>	<b>\$267,849,884</b>	<b>\$248,021,023</b>

Capital Assets  
(in millions)



Major capital assets acquisitions and improvements during the fiscal year are as follows:

Governmental activities:

- Construction began and/or was completed for governmental activities to include streets, park and recreational facilities, buildings, and information technology projects. Total governmental projects completed and capitalized in the FY 2022 were \$38.289 million. The following are the major projects:
  - Beach nourishment improvements were completed for a total capitalized cost of \$0.801 million.
  - Building improvements were completed for a total capitalized cost of \$4.721 million.
  - Parks improvements were completed for a total capitalized cost of \$2.593 million.
  - Streets and sidewalk improvements were completed for a total capitalized cost of \$17.796 million.
  - Information technology and equipment projects were completed for a total capitalized cost of \$12.378 million.
- Construction in progress for all governmental activities was \$22.410 million.
- Land acquisition for the CRA and City was \$1.967 million.
- Equipment acquisitions totaled \$1.200 million.
- Right to use lease assets added \$0.533 million.

Business-type activities:

- Construction began and/or was completed for various enterprise operations. Total enterprise projects completed and capitalized in the FY 2022 were \$26.466 million. The following are the major projects:
  - Water and sewer utility infrastructure projects were completed totaling \$16.463 million.
  - Stormwater projects were completed totaling \$10.003 million.
- Construction in progress for all enterprise activities was \$28.197 million.

Additional information on the City's capital assets can be found in Note 6 – Capital Assets of this report.

# Management's Discussion and Analysis (MD&A)

## September 30, 2022

### Long-term debt

As of September 30, 2022, the City had \$198.451 million in outstanding debt, a reduction of \$3.685 million due to debt service payments. During the fiscal year, the City issued new debt in the amount of \$29.650 million for the acquisition, construction, and equipping two new fire stations. The Charter provides limitation on bonded indebtedness equal to 25% of the assessed valuation of the taxable property within the City's limits.

The City has no outstanding General Obligation bonds. General Obligation bonds require a pledge to levy a property tax to meet debt service requirements and may only be issued with voter approval. The City can issue revenue supported bonds without voter approval. Additional information on the City's long-term liabilities is included in Note 7 – Long-term Liabilities of this report.

### Debt, Notes, and Leases

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds and notes	\$ 122,404,761	\$ 127,873,173	\$ 57,680,000	\$ 55,615,000	\$ 180,084,761	\$ 183,488,173
Unamortized premium	7,294,147	7,347,804	8,686,610	9,093,708	15,980,757	16,441,512
Net bonds and notes	<u>129,698,908</u>	<u>135,220,977</u>	<u>66,366,610</u>	<u>64,708,708</u>	<u>196,065,518</u>	<u>199,929,685</u>
Utility purchase obligation	-	-	-	132,722	-	132,722
Capital leases	2,385,058	2,073,519	-	-	2,385,058	2,073,519
<b>Total debt</b>	<b><u>\$132,083,966</u></b>	<b><u>\$ 137,294,496</u></b>	<b><u>\$ 66,366,610</u></b>	<b><u>\$ 64,841,430</u></b>	<b><u>\$ 198,450,576</u></b>	<b><u>\$ 202,135,926</u></b>

During the fiscal year, USD issued *Water and Sewer Revenue Bonds, Series 2022A* to refund *Water and Sewer Revenue Refunding Bonds, Series 2014*. *Water and Sewer Revenue Refunding Bonds, Series 2014* maturing on October 1, 2025 through October 1, 2034 totaling \$13,905,000 were removed from the City's financial statements as they are considered defeased. USD issued *Water and Sewer Revenue Bonds, Series 2022B* to refund *Water and Sewer Revenue Bonds, Series 2016*. *Water and Sewer Revenue Refunding Bonds, Series 2016* maturing on October 1, 2027 through October 1, 2036 totaling \$22,105,000 were removed from the City's financial statements as they are considered defeased. As of September 30, 2022, principal balance of \$6,260,000 remains with an annual interest rate of 5%.

In March 2022, USD issued *Water and Sewer Bonds, Series 2022A – Refunding of Series 2014* to defease *Water and Sewer Revenue Refunding Bonds, Series 2014* with an aggregate principal amount of \$15,145,000. USD issued *Water and Sewer Bonds, Series 2022B – Refunding of Series 2016* to defease *Water and Sewer Revenue Bonds, Series 2016* with an aggregate principal amount of \$25,345,000.

### **Economic Factors And Next Year's Budget**

The City primarily relies on property taxes and other taxes levied by the state, charges for services, and fees to support governmental activities. There is limited amount of state-shared revenues and grants from local, state, and federal governments. For business-type and certain governmental activities, the user pays a fee or charge for the service. The following were the major economic factors that affect the City's FY 2023 budget:

- Ad Valorem taxes are projected to remain relatively flat and are based on projections from the Palm Beach County Property Appraiser's Office.
- State revenues are projected to remain relatively stable and based on projections received from the State of Florida.
- Utility taxes are projected to increase by 2% per annum.
- Franchise fees are projected to remain flat.
- Emergency medical services (EMS) fees are projected to remain flat.
- Administrative fees are based on the projected increases in departmental expenditures and calculated based on the full cost allocation plan prepared annually.
- Other revenue sources are projected based on historical trends.
- Salaries are projected to increase by an average of 3% per annum for the Cost of Living Adjustment (COLA) and labor agreements.
- Retirement costs are projected to remain relatively stable and are based on actuarial valuations.
- Health and dental costs are projected to increase by 15% per annum.
- General insurance costs are projected to increase by 20% per annum.
- Other expenses are projected to remain relatively stable and are based on historical trends, proposals, and cost estimates.

The City will continue to focus on efficiency while minimizing costs. The FY 2023 general fund's budget was balanced without the use of general fund reserves. The millage rate for FY 2023 is 8.3500. The FY 2023 budget is based on a growth of 12.95% in assessed valuation. This increase allowed for the Council to modestly reduce the millage rate from \$8.452 per \$1,000 of assessed valuation to \$8.350 per \$1,000. Compared to FY 2022, FY 2023 ad valorem taxes increased by 11.59%, FY 2023 non-ad valorem revenues increased only slightly by 6.34% producing a true net growth of \$2.1 million. As a result of the positive growth in property values, the City was able to address wages for three of the four labor groups through the negotiation of market rate contracts, service levels were maintained and new initiatives such as Council led community programs, marketing and community branding were included for the first time in an operating budget for the City. Even operating capital dollars were budgeted for an increase, the first time in three years. Working through the COVID-19 economic impacts, staff initiated conservative spending practices while identifying alternative funding sources and operational efficiencies. The actions taken in FY 2020 and FY 2021 placed the City in a good position heading into FY 2022; the rewards are being seen even more so in FY 2023.

The City's General Fund expenditures are used to support police and fire services, public works and engineering, building and permit issuance, streets and sidewalk maintenance, planning, parks and recreation, library, facility repair and maintenance, and internal support functions, such as finance, city administration, human services, and legal services.

### **Enterprise Funds Budget**

The City provides water to its residents and customers, collects and treats wastewater, collects and disposes garbage and recyclable materials through a third party vendor, maintains the City's stormwater system, and owns a marina which is being managed by a third party arrangement. Fees charged to customers for the provision of these services primarily fund Enterprise operations. Majority of the revenues collected is used to fund the operations, maintain the infrastructure, and to invest in capital improvements to the utility infrastructure. For FY 2023, the enterprise funds are projected to generate \$43.251 million in revenues.

# Management's Discussion and Analysis (MD&A)

September 30, 2022

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## Capital Projects

The City's Five-year Capital Improvements Plan continues to focus on City facilities, neighborhoods and a new water treatment plant. The total planned capital spending over the five years is \$266.490 million with \$55.565 million coming from the General Government and \$210.925 million coming from the Enterprise Funds.

## Request for Information

This financial report provides a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provide in this report or requests for additional financial information are to be addressed to the:

City of Riviera Beach  
Finance and Administrative Services  
600 W. Blue Heron Boulevard  
Riviera Beach, FL 33404  
(561) 845-4040  
financedept@rivierabeach.org

The City's financial statements, operating budgets, and capital improvement plans for current and prior years are available on the City's website at [www.rivierabeach.org](http://www.rivierabeach.org).

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# BASIC FINANCIAL STATEMENTS



CITY OF RIVIERA BEACH, FLORIDA  
**Statement of Net Position**  
 September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 18,045,934	\$ 27,362,940	\$ 45,408,874
Investments	35,465,337	29,277,703	64,743,040
Receivables, net	5,655,635	7,162,852	12,818,487
Lease receivable	322,651	-	322,651
Prepaid items	76,322	-	76,322
Inventory	265,977	63,040	329,017
Land held for resale	278,517	-	278,517
Cash and cash equivalents - restricted	8,624,083	1,126,024	9,750,107
Investments - restricted	60,159,327	12,109,560	72,268,887
Internal balances	4,984,709	(4,984,709)	-
Total current assets	<u>133,878,492</u>	<u>72,117,410</u>	<u>205,995,902</u>
<b>Non-current assets</b>			
Lease receivable, noncurrent	3,137,410	-	3,137,410
Advance to CRA	8,835,338	-	8,835,338
Investment in joint venture	-	20,863,567	20,863,567
Right to use leased assets, net of amortization	5,334,844	-	5,334,844
Non-depreciable	46,598,116	29,098,659	75,696,775
Depreciable (net)	102,334,547	84,483,723	186,818,270
Total non-current assets	<u>166,240,255</u>	<u>134,445,949</u>	<u>300,686,204</u>
Total assets	<u>300,118,747</u>	<u>206,563,359</u>	<u>506,682,106</u>
<b>Deferred outflows of resources</b>			
Deferred outflows for pension	41,430,876	2,769,095	44,199,971
Deferred outflows for refunding	33,500	5,673,306	5,706,806
Deferred charge on OPEB	238,713	34,541	273,254
Total deferred outflows of resources	<u>41,703,089</u>	<u>8,476,942</u>	<u>50,180,381</u>
Total assets and deferred outflows of resources	<u>341,821,836</u>	<u>215,040,301</u>	<u>556,862,137</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	5,671,816	3,417,007	9,088,823
Accrued liabilities	996,783	8,800	1,005,583
Deposits and other liabilities	2,232,162	4,359,264	6,591,426
Compensated absences	369,818	16,090	385,908
Capital leases	1,182,850	-	1,182,850
Bonds and notes payable	6,637,761	3,397,095	10,034,856
Total current liabilities	<u>17,091,190</u>	<u>11,198,256</u>	<u>28,289,446</u>

Continued on next page.

## Statement of Net Position

September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Noncurrent liabilities:			
Bonds and notes payable	115,767,000	62,969,516	178,736,516
Compensated absences	4,553,505	196,486	4,749,991
Net pension liability (asset)	(9,969,055)	(7,123,987)	(17,093,042)
Net OPEB liability	4,893,937	714,067	5,608,004
Advance from City	8,835,338	-	8,835,338
Capital leases	1,410,039	-	1,410,039
Total non-current liabilities	<u>125,490,764</u>	<u>56,756,082</u>	<u>182,246,846</u>
Total liabilities	<u>142,581,954</u>	<u>67,954,338</u>	<u>210,536,292</u>
<b>Deferred inflows of resources</b>			
Deferred inflows for leases	3,449,653	-	3,449,653
Deferred inflows for pension	33,711,906	5,179,101	38,891,007
Deferred inflows for OPEB	1,910,441	257,695	2,168,136
Deferred inflows - bonds	7,294,147	-	7,294,147
Total deferred inflows of resources	<u>46,366,147</u>	<u>5,436,796</u>	<u>51,802,943</u>
Total liabilities and deferred inflows of resources	<u>188,948,101</u>	<u>73,391,134</u>	<u>262,339,235</u>
<b>Net position</b>			
Net investment in capital assets	71,616,171	54,537,710	126,153,881
Restricted for:	-	-	-
Advances	8,155,697	-	8,155,697
Capital projects	45,088,269	29,094,465	74,182,734
Community redevelopment	4,822,007	-	4,822,007
Development Services	3,672,207	-	3,672,207
Unrestricted	19,519,384	58,016,992	77,536,376
<b>Total net position</b>	<u>\$ 152,873,735</u>	<u>\$ 141,649,167</u>	<u>\$ 294,522,902</u>

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



CITY OF RIVIERA BEACH, FLORIDA  
**Statement of Activities**  
For the Year Ended September 30, 2022

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position						
	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 27,457,969	\$ 3,777,627	\$ 8,490,375	\$ -	\$ (15,189,967)	\$ -	\$ (15,189,967)
Public safety	35,875,159	2,872,004	440,520	102,511	(32,460,124)	-	(32,460,124)
Transportation	1,929,196	10,572	-	-	(1,918,624)	-	(1,918,624)
Human services	1,232,658	-	560,245	-	(672,413)	-	(672,413)
Culture and recreation	6,556,541	540,920	122,053	189,227	(5,704,341)	-	(5,704,341)
Economic environment	2,706,940	-	-	-	(2,706,940)	-	(2,706,940)
Physical environment	-	-	-	8,880,887	8,880,887	-	8,880,887
Interest on long term debt	6,206,057	-	-	-	(6,206,057)	-	(6,206,057)
<b>Total governmental activities</b>	<b>81,964,510</b>	<b>7,201,123</b>	<b>9,613,193</b>	<b>9,172,625</b>	<b>(55,977,569)</b>	<b>-</b>	<b>(55,977,569)</b>
Business-type activities:							
Utility Special District	19,862,978	30,711,612	-	-	-	10,848,634	10,848,634
Marina	3,016,686	3,148,549	-	581,825	-	713,688	713,688
Solid Waste Collection	4,569,741	4,213,852	-	-	-	(355,889)	(355,889)
Stormwater	2,196,401	3,431,335	-	-	-	1,234,934	1,234,934
RB CDE	269,660	-	-	-	-	(269,660)	(269,660)
<b>Total business-type activities</b>	<b>29,915,466</b>	<b>41,505,348</b>	<b>-</b>	<b>581,825</b>	<b>-</b>	<b>12,171,707</b>	<b>12,171,707</b>
<b>Total primary government</b>	<b>111,879,976</b>	<b>48,706,471</b>	<b>9,613,193</b>	<b>9,754,450</b>	<b>(55,977,569)</b>	<b>12,171,707</b>	<b>(43,805,862)</b>
General revenues:							
Property taxes					61,555,155	-	61,555,155
Utility taxes					5,377,492	-	5,377,492
Franchise fees					3,386,156	-	3,386,156
Local business taxes					1,353,387	-	1,353,387
Local surtax					3,396,903	-	3,396,903
Communications service tax					1,066,268	-	1,066,268
Intergovernmental					5,832,373	-	5,832,373
Investments earnings					(1,195,918)	(1,129,984)	(2,325,902)
Gain (loss) on investment					(7,298,000)	8,897,995	1,599,995
Miscellaneous					2,644,147	878,314	3,522,461
Transfers					1,253,772	(1,253,772)	-
<b>Total general revenues, special items, and transfers</b>					<b>77,371,735</b>	<b>7,392,553</b>	<b>84,764,288</b>
Change in net position					21,394,166	19,564,260	40,958,426
Net position - beginning					131,479,579	122,084,907	253,564,486
<b>Net position - ending</b>					<b>\$ 152,873,735</b>	<b>\$ 141,649,167</b>	<b>\$ 294,522,902</b>

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

# Balance Sheet - Governmental Funds

## September 30, 2022

	General Fund	Public Improvement Bonds 2021	State and Local Fiscal Recovery Fund	Community Redevelopment Agency (CRA)	Total Nonmajor Funds	Total Governmental funds
<b>Assets</b>						
Cash and cash equivalents	\$ 4,025,830	\$ -	\$ -	\$ 7,479,733	\$ 4,842,873	\$ 16,348,436
Cash and cash equivalents - restricted	6,500	-	-	6,330,552	2,287,030	8,624,082
Investments	25,216,813	-	-	-	6,636,757	31,853,570
Investments - Restricted	-	27,231,614	17,855,655	-	15,072,058	60,159,327
Lease receivable	105,847	-	-	216,804	-	322,651
Receivables, net	1,950,479	-	-	-	547,738	2,498,217
Due from other funds	5,490,571	-	-	-	-	5,490,571
Deposits held in escrow	-	-	-	60,927	-	60,927
Inventory	278,517	-	-	-	-	278,517
Prepaid	15,396	-	-	-	-	15,396
Lease receivable, non current	2,931,715	-	-	205,695	-	3,137,410
<b>Total assets</b>	<b>40,021,668</b>	<b>27,231,614</b>	<b>17,855,655</b>	<b>14,293,711</b>	<b>29,386,456</b>	<b>128,789,104</b>
<b>Deferred outflows of resources</b>						
Deferred charges on refunding	-	33,500	-	-	-	33,500
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>33,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,500</b>
<b>Total assets and deferred outflows of resources</b>	<b>40,021,668</b>	<b>27,265,114</b>	<b>17,855,655</b>	<b>14,293,711</b>	<b>29,386,456</b>	<b>128,822,604</b>
<b>Liabilities</b>						
Accounts payable	892,432	1,343,717	-	36,952	365,607	2,638,708
Accrued liabilities	916,129	-	-	81,669	-	997,798
Unearned revenues	392,189	-	-	96,336	124,810	613,335
Due to other funds	-	-	-	8,835,338	505,862	9,341,200
Other liabilities	494,632	-	-	2,412	352,500	849,544
<b>Total liabilities</b>	<b>2,695,382</b>	<b>1,343,717</b>	<b>-</b>	<b>9,052,707</b>	<b>1,348,779</b>	<b>14,440,585</b>
<b>Deferred inflows of resources</b>						
Lease revenue	3,030,657	-	-	418,996	-	3,449,653
<b>Total deferred inflows of resources</b>	<b>3,030,657</b>	<b>-</b>	<b>-</b>	<b>418,996</b>	<b>-</b>	<b>3,449,653</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>5,726,039</b>	<b>1,343,717</b>	<b>-</b>	<b>9,471,703</b>	<b>1,348,779</b>	<b>17,890,238</b>
<b>Fund Balances</b>						
Non-spendable	278,517	-	-	-	-	278,517
Restricted	3,672,207	25,921,397	17,855,655	4,822,008	27,338,282	79,609,549
Committed	-	-	-	-	667,285	667,285
Unassigned	30,344,905	-	-	-	32,110	30,377,015
<b>Total fund balances)</b>	<b>34,295,629</b>	<b>25,921,397</b>	<b>17,855,655</b>	<b>4,822,008</b>	<b>28,037,677</b>	<b>110,932,366</b>
<b>Total liabilities and fund balances</b>	<b>\$ 40,021,668</b>	<b>\$ 27,265,114</b>	<b>\$ 17,855,655</b>	<b>\$ 14,293,711</b>	<b>\$ 29,386,456</b>	<b>\$ 128,822,604</b>

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



CITY OF RIVIERA BEACH, FLORIDA

# Reconciliation of the Balance Sheet to the Statement of Net Position

## For the Year Ended September 30, 2022

Fund balances of governmental funds		\$110,932,366
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds:		
Capital assets	234,117,620	
Less accumulated depreciation	<u>(85,184,957)</u>	
		148,932,663
Right to use leased assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
Right to use assets at historical costs, net	<u>5,334,844</u>	5,334,844
Capital leases	(2,592,889)	
Bonds and notes payable	(122,404,761)	
Unamortized bond premium	(7,294,147)	
Compensated absences	(4,923,323)	
Net OPEB liability	(4,893,937)	
Net pension asset (liability)	<u>9,969,055</u>	(132,140,002)
Some revenues are not available to pay for current period expenditures and, therefore are deferred in funds.		613,336
Certain deferred inflows/outflows related to pension and OPEB are not reported on the modified accrual basis of accounting:		
Deferred outflows of resources related to pensions	41,430,876	
Deferred inflows of resources related to pensions	(33,711,906)	
Deferred inflows of resources related to OPEB	(1,910,441)	
Deferred outflows of resources related to OPEB	<u>238,713</u>	6,047,242
Net position of internal service funds are reported with governmental activities.		13,153,287
<b>Net position of governmental activities</b>		<b><u>\$ 152,873,735</u></b>

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

# Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

## For the Year Ended September 30, 2022

	General Fund	Public Improvement Bonds 2021	State and Local Fiscal Recovery Fund	Community Redevelopment Agency (CRA)	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 60,188,948	\$ -	\$ -	\$ 9,689,921	\$ 3,690,137	\$ 73,569,005
Licenses and permits	5,684,327	-	-	-	643,497	6,327,824
Intergovernmental	5,038,071	-	-	-	-	5,038,071
Charges for services	12,543,708	-	-	-	-	12,543,708
Fines and forfeitures	391,210	-	-	-	42,272	433,482
Investment earnings	(1,101,056)	289,768	93,882	4,848	(227,015)	(939,573)
Grants and contributions	567,033	-	8,880,887	-	901,068	10,348,988
Miscellaneous	287,138	-	-	916,578	19,433	1,223,149
Total revenues	<u>83,599,379</u>	<u>289,768</u>	<u>8,974,769</u>	<u>10,611,347</u>	<u>5,069,392</u>	<u>108,544,655</u>
<b>Expenditures</b>						
Current:						
General government	21,426,428	-	-	-	886,184	22,312,612
Public safety	43,025,578	10,041,248	-	-	480,402	53,547,228
Transportation	2,267,287	-	-	-	-	2,267,287
Human services	1,133,901	-	-	-	583,777	1,717,678
Culture and recreation	6,417,107	-	-	-	123,455	6,540,562
Economic environment	-	-	-	5,639,154	-	5,639,154
Debt service:						
Principal retirement	-	-	-	2,793,392	3,612,607	6,405,999
Interest	-	-	-	628,683	3,755,837	4,384,520
Capital outlay:						
Capital outlay	1,364,034	-	-	2,184,109	7,268,162	10,816,305
Total expenditures	<u>75,634,335</u>	<u>10,041,248</u>	<u>-</u>	<u>11,245,338</u>	<u>16,710,424</u>	<u>113,631,345</u>
Excess/(deficiency) revenues over expenditures	<u>7,965,044</u>	<u>(9,751,480)</u>	<u>8,974,769</u>	<u>(633,991)</u>	<u>(11,641,032)</u>	<u>(5,086,690)</u>
<b>Other Financing Sources (Uses)</b>						
Capital lease	1,249,144	-	-	-	-	1,249,144
Transfers in	1,253,772	-	-	977,531	13,482,850	15,714,153
Transfers out	(11,854,880)	(715,839)	-	(977,531)	(912,131)	(14,460,381)
Gain (loss) on investment	-	-	-	(7,298,000)	-	(7,298,000)
Total other financing sources (uses)	<u>(9,351,964)</u>	<u>(715,839)</u>	<u>-</u>	<u>(7,298,000)</u>	<u>12,570,719</u>	<u>(4,795,084)</u>
Net change in fund balances	(1,386,920)	(10,467,319)	8,974,769	(7,931,991)	929,687	(9,881,774)
Fund balances - beginning	35,682,549	36,388,716	8,880,886	12,753,999	27,107,990	120,814,140
Fund balances - ending	<u>\$ 34,295,629</u>	<u>\$ 25,921,397</u>	<u>\$ 17,855,655</u>	<u>\$ 4,822,008</u>	<u>\$ 28,037,677</u>	<u>\$ 110,932,366</u>

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

## Reconciliation of the Statement Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities For the Year Ended September 30, 2022

Net change in fund balances - total governmental funds		\$ (9,881,774)
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are depreciated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	23,726,742	
Less: Current year depreciation	<u>(7,361,506)</u>	16,365,836
The issuance of long-term debt (e.g. bonds) 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of bonds and notes	(1,456,976)	
Principal paid on bonds and notes	5,468,412	
Principal paid on capital leases	(937,607)	
Amortization on bond premium	<u>53,658</u>	3,127,487
Some revenues in the statement of activities do not provide current financial resources and therefore not reported as revenues in the governmental funds.		(25,498)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in net pension asset (liability)	1,790,120	
Change in deferred inflows related to pensions	(6,819,270)	
Change in deferred outflows related to pensions	17,708,472	
Change in deferred inflows related to OPEB	(1,758,530)	
Change in net OPEB liability	1,441,194	
Change in compensated absences	292,395	
Change in deferred outflows related to OPEB	<u>(72,151)</u>	12,580,811
Internal service funds are shown as a proprietary fund for governmental fund presentations, while they are included in the statement of activities as a governmental activity.		
Change in net position for Internal Service Fund		(772,095)
<b>Change in net position of governmental activities</b>		<b><u>\$ 21,394,166</u></b>

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

## Statement of Net Position - Proprietary Funds

September 30, 2022

	Business-type Activities						Governmental Activities
	Utility Special District	Marina	Stormwater	RB CDE	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 21,559,638	\$ 147,338	\$ 4,515,710	\$ 272,618	\$ 867,636	\$ 27,362,940	\$ 1,697,497
Cash and cash equivalents - Restricted	-	-	-	1,126,024	-	1,126,024	-
Investments	29,277,703	-	-	-	-	29,277,703	3,611,767
Investments - Restricted	12,109,560	-	-	-	-	12,109,560	-
Receivables, net	4,093,306	2,328,717	290,848	-	449,982	7,162,852	3,157,418
Inventory	25,309	37,730	-	-	-	63,040	265,977
<b>Total current assets</b>	<b>67,065,516</b>	<b>2,513,785</b>	<b>4,806,558</b>	<b>1,398,643</b>	<b>1,317,618</b>	<b>77,102,119</b>	<b>8,732,659</b>
Non-current assets:							
Advance to CRA	-	-	-	-	-	-	8,835,338
Investment in joint venture	20,863,567	-	-	-	-	20,863,567	-
Non-depreciable	21,922,160	6,754,173	422,326	-	-	29,098,659	-
Depreciable, net of accumulated depreciation	48,137,280	12,452,925	15,853,404	7,465,603	574,511	84,483,723	-
Total non-current assets	90,923,007	19,207,098	16,275,730	7,465,603	574,511	134,445,949	8,835,338
<b>Total assets</b>	<b>157,988,523</b>	<b>21,720,884</b>	<b>21,082,288</b>	<b>8,864,246</b>	<b>1,892,129</b>	<b>211,548,069</b>	<b>17,567,997</b>
<b>Deferred outflows of resources</b>							
Deferred outflows related to pension	2,346,870	63,266	358,959	-	-	2,769,095	-
Deferred outflows related to OPEB	28,689	-	5,851	-	-	34,541	-
Deferred charges on refunding	5,670,506	-	2,801	-	-	5,673,306	-
Total deferred outflows of resources	8,046,065	63,266	367,611	-	-	8,476,942	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 166,034,588</b>	<b>\$ 21,784,149</b>	<b>\$ 21,449,899</b>	<b>\$ 8,864,246</b>	<b>\$ 1,892,129</b>	<b>\$ 220,025,011</b>	<b>\$ 17,567,997</b>

Continued on next page.

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

# Statement of Net Position - Proprietary Funds

## September 30, 2022

	Business-type Activities						Governmental Activities
	Utility Special District	Marina	Stormwater	RB CDE	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	\$ 584,875	\$ 2,561,093	\$ 1,647	\$ -	\$ 269,393	\$ 3,417,007	\$ 2,979,857
Accrued liabilities	-	8,800	-	-	-	8,800	-
Due to other funds	-	4,984,709	-	-	-	4,984,709	-
Other liabilities	3,306,428	171,149	-	-	487,811	3,965,388	1,434,854
Compensated absences	16,090	-	-	-	-	16,090	-
Bonds and notes payable	2,908,177	-	488,918	-	-	3,397,095	-
Deferred revenues	-	-	-	-	393,876	393,876	-
<b>Total current liabilities</b>	<b>6,815,570</b>	<b>7,725,751</b>	<b>490,565</b>	<b>-</b>	<b>1,151,080</b>	<b>16,182,965</b>	<b>4,414,711</b>
Non-current liabilities:							
Net pension liability (asset)	(6,639,692)	(452,164)	(32,131)	-	-	(7,123,987)	-
Net OPEB obligation	586,005	-	128,062	-	-	714,067	-
Compensated absences	183,046	-	13,439	-	-	196,486	-
Bonds and notes payable	55,557,670	-	7,411,846	-	-	62,969,516	-
Total noncurrent liabilities	49,687,029	(452,164)	7,521,216	-	-	56,756,082	-
<b>Total liabilities</b>	<b>56,502,600</b>	<b>7,273,585</b>	<b>8,011,781</b>	<b>-</b>	<b>1,151,080</b>	<b>72,939,047</b>	<b>4,414,711</b>
Deferred inflows of resources							
Deferred inflows related to pension	4,633,410	235,639	310,053	-	-	5,179,101	-
Deferred inflows related to OPEB	225,649	-	32,046	-	-	257,695	-
Total deferred inflows of resources	4,859,059	235,639	342,099	-	-	5,436,796	-
<b>Total liabilities and deferred inflows of resources</b>	<b>61,361,659</b>	<b>7,509,224</b>	<b>8,353,880</b>	<b>-</b>	<b>1,151,080</b>	<b>78,375,844</b>	<b>4,414,711</b>
<b>Net position</b>							
Net investment in capital assets	26,371,135	19,207,098	8,384,966	-	574,511	54,537,710	-
Restricted for:							
Advances	-	-	-	-	-	-	8,155,697
Capital projects	29,086,133	-	-	8,332	-	29,094,465	-
Unrestricted	49,215,661	(4,932,172)	4,711,052	8,855,914	166,537	58,016,992	4,997,590
<b>Total net position</b>	<b>\$ 104,672,929</b>	<b>\$ 14,274,926</b>	<b>\$ 13,096,018</b>	<b>\$ 8,864,246</b>	<b>\$ 741,048</b>	<b>141,649,167</b>	<b>\$ 13,153,287</b>

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

# Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

## September 30, 2022

	Business-type Activities						Governmental Activities
	Utility Special District	Marina	Stormwater	RB CDE	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>Operating revenues</b>							
Licenses and permits	\$ 182,575	\$ -	\$ -	\$ -	\$ -	\$ 182,575	\$ -
Charges for services	30,207,898	3,148,549	3,431,335	-	4,213,852	41,001,634	8,436,781
Grants and contributions	-	581,825	-	-	-	581,825	-
Miscellaneous	351,487	509,659	-	276,759	61,548	1,199,453	1,347,924
Total operating revenues	<u>30,741,960</u>	<u>4,240,033</u>	<u>3,431,335</u>	<u>276,759</u>	<u>4,275,400</u>	<u>42,965,487</u>	<u>9,784,705</u>
<b>Operating expenses</b>							
Personnel services	649,234	327,888	9,377	-	-	986,499	2,596,402
Contractual services and operations	10,392,893	1,367,986	1,009,819	47,767	1,729,852	14,548,317	6,527,193
Supplies, materials and maintenance	3,088,215	302,722	380,839	-	-	3,771,776	1,176,859
Utilities	1,124,282	195,711	-	-	2,784,291	4,104,283	-
Rent and leases	53,035	-	-	-	-	53,035	-
Depreciation of capital assets	3,032,319	822,379	570,176	221,892	55,598	4,702,364	-
Total operating expenses	<u>18,339,978</u>	<u>3,016,686</u>	<u>1,970,211</u>	<u>269,659</u>	<u>4,569,741</u>	<u>28,166,274</u>	<u>10,300,454</u>
Operating income (loss)	<u>12,401,982</u>	<u>1,223,347</u>	<u>1,461,125</u>	<u>7,100</u>	<u>(294,341)</u>	<u>14,799,213</u>	<u>(515,750)</u>
<b>Nonoperating revenues (expenses)</b>							
Interest	(1,010,669)	(9,035)	(99,330)	9	(10,960)	(1,129,984)	(256,345)
Interest and debt service costs	(1,523,000)	-	(226,191)	-	-	(1,749,191)	-
Gain (loss) on investment	-	-	-	8,897,995	-	8,897,995	-
Total non-operating revenues (expenses)	<u>(2,533,669)</u>	<u>(9,035)</u>	<u>(325,521)</u>	<u>8,898,004</u>	<u>(10,960)</u>	<u>6,018,820</u>	<u>(256,345)</u>
Income (loss) before transfers	9,868,313	1,214,312	1,135,604	8,905,104	(305,300)	20,818,032	(772,095)
Transfers in	16,654,280	3,926,496	-	-	-	20,580,776	-
Transfers out	(17,773,855)	(3,926,496)	(134,197)	-	-	(21,834,548)	-
Change in net position	<u>8,748,738</u>	<u>1,214,312</u>	<u>1,001,407</u>	<u>8,905,104</u>	<u>(305,300)</u>	<u>19,564,260</u>	<u>(772,095)</u>
Total net position - beginning	\$ 95,924,191	\$ 13,060,614	\$ 12,094,611	\$ (40,858)	\$ 1,046,349	\$ 122,084,907	\$ 13,925,382
Total net position - ending	<u>\$ 104,672,929</u>	<u>\$ 14,274,926</u>	<u>\$ 13,096,018</u>	<u>\$ 8,864,246</u>	<u>\$ 741,048</u>	<u>\$ 141,649,167</u>	<u>\$ 13,153,287</u>

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



CITY OF RIVIERA BEACH, FLORIDA  
**Statement of Cash Flows - Proprietary Funds**  
**September 30, 2022**

	Business-type Activities – Enterprise Funds						Governmental Activities
	Utility Special District	Marina	Stormwater	RB CDE	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities</b>							
Cash received from customers	\$ 27,076,802	\$ 3,482,990	\$ 3,274,190	\$ 358,788	\$ 4,267,735	\$ 38,460,505	\$ 8
Intergovernmental grants	-	581,825	-	-	-	581,825	-
Cash received from interfund charges	-	-	-	-	-	-	9,497,641
Payments to suppliers	(16,400,302)	(3,628,021)	(1,402,987)	1,863,261	(4,408,689)	(23,976,738)	(8,418,431)
Payments to employees	(6,652,125)	(634,275)	(374,748)	-	-	(7,661,147)	(2,593,170)
<b>Net cash provided (used) by operating activities</b>	<b>4,024,375</b>	<b>(197,481)</b>	<b>1,496,455</b>	<b>2,222,049</b>	<b>(140,954)</b>	<b>7,404,445</b>	<b>(1,513,952)</b>
<b>Cash Flows from Noncapital Financing Activities</b>							
Interfund transfers	(1,119,575)	-	(134,197)	(612,213)	-	(1,865,985)	679,641
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(1,119,575)</b>	<b>-</b>	<b>(134,197)</b>	<b>(612,213)</b>	<b>-</b>	<b>(1,865,985)</b>	<b>679,641</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Additions to capital assets	(8,097,721)	(1,928,526)	(14,960)	-	-	(10,041,207)	-
Principal paid on debt	2,357,278	-	(425,000)	(13,291,395)	-	(11,359,117)	-
Interest paid on debt	(1,886,178)	-	(270,109)	-	-	(2,156,287)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(7,626,621)</b>	<b>(1,928,526)</b>	<b>(710,069)</b>	<b>(13,291,395)</b>	<b>-</b>	<b>(23,556,611)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>							
Change in real estate	-	-	-	2,839,210	-	2,839,210	-
Investments earnings	(1,010,669)	(9,035)	(99,330)	8,898,004	(10,960)	7,768,010	(256,345)
<b>Net cash provided (used) by investing activities</b>	<b>(1,010,669)</b>	<b>(9,035)</b>	<b>(99,330)</b>	<b>11,737,214</b>	<b>(10,960)</b>	<b>10,607,220</b>	<b>(256,345)</b>
Net increase (decrease) in cash and cash equivalents	(5,732,490)	(2,135,042)	552,861	55,655	(151,914)	(7,410,931)	(1,090,656)
Balances - beginning of year	68,679,391	2,282,381	3,962,850	1,342,988	1,019,550	77,287,159	6,399,920
<b>Balances - end of the year</b>	<b>\$ 62,946,901</b>	<b>\$ 147,338</b>	<b>\$ 4,515,709</b>	<b>\$ 1,398,643</b>	<b>\$ 867,636</b>	<b>\$ 69,876,227</b>	<b>\$ 5,309,264</b>

Continued on next page.

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

## Statement of Cash Flows - Proprietary Funds

September 30, 2022

	Business-type Activities – Enterprise Funds						Governmental Activities
	Utility Special District	Marina	Stormwater	RB CDE	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ 12,401,982	\$ 1,223,347	\$ 1,461,125	\$ 7,100	\$ (294,341)	\$ 14,799,213	\$ (515,750)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>							
Depreciation	3,032,319	822,379	570,176	221,892	55,598	4,702,364	-
Changes in assets and liabilities:							
Investment in joint venture	(496,866)	-	-	1,922,190	-	1,425,324	-
Accounts receivable	(1,259,964)	(361,006)	(96,624)	82,028	(278,010)	(1,913,576)	(287,056)
Inventory	48,456	(1,182)	-	-	-	47,274	(56,055)
Deferred outflows	(4,850,065)	(24,671)	(22,334)	-	-	(4,897,070)	-
Accounts payable	(1,267,735)	1,251,310	(10,659)	(11,162)	105,454	67,208	(889,520)
Due to other funds	-	(3,011,357)	-	-	-	(3,011,357)	-
Deposits and other liabilities	140,744	-	(1,027)	-	(123,531)	16,186	234,429
Accrued liabilities	(1,433)	3,817	-	-	-	2,384	-
Deferred inflows	2,188,205	210,459	(67,135)	-	393,876	2,725,406	-
OPEB liability	(170,220)	-	(22,696)	-	-	(192,916)	-
Compensated absences	(59,066)	-	(11,953)	-	-	(71,019)	-
Net pension asset (liability)	(5,681,982)	(310,577)	(302,416)	-	-	(6,294,976)	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 4,024,375</b>	<b>\$ (197,481)</b>	<b>\$ 1,496,456</b>	<b>\$ 2,222,049</b>	<b>\$ (140,954)</b>	<b>\$ 7,404,445</b>	<b>\$ (1,513,952)</b>

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

	<u>Pension Trust Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 4,574,933
Total Cash	4,574,933
Receivables:	
Receivables, net	14,243
Interest and dividends receivable	392,685
Unsettled trades	2,282,446
<b>Total receivables</b>	<b>2,689,374</b>
Investments at fair value:	
US Government and agency securities	42,388,175
Corporate bonds	11,949,910
Equity securities	138,022,345
Real estate funds	49,026,193
Money market funds	42,492,788
Mutual funds	12,027,289
<b>Total investments</b>	<b>295,906,700</b>
Prepaid	21,570
<b>Total assets</b>	<b>303,192,577</b>
<b>Liabilities</b>	
Accounts payable	382,632
Deferred revenues	182,729
Payable for securities purchased	2,342,478
<b>Total liabilities</b>	<b>2,907,839</b>
<b>Net position</b>	
Restricted for:	
Pensions	\$ 300,284,739
<b>Total net position</b>	<b>\$ 300,284,739</b>

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

# Statement of Changes in Fiduciary Net Position

## For the Year Ended September 30, 2022

	<u>Pension Trust Funds</u>
<b>Additions</b>	
Contributions:	
Employer	\$ 4,998,705
Employees	1,476,908
State	808,384
Total contributions	<u>7,274,997</u>
Investment earnings:	
Miscellaneous	18,647
Net increase in fair value of investments	(52,120,939)
Interest, dividends, and other	6,416,655
Total investment earnings	<u>(45,685,637)</u>
Less investment costs:	
Investment activity costs	1,632,975
Net investment earnings	<u>(47,318,612)</u>
Total additions	<u>(40,043,614)</u>
<b>Deductions</b>	
Benefits paid to participants or beneficiaries	16,546,877
Refunds and transfers to other systems	2,032,600
Administrative and other expenses	421,641
Total deductions	<u>19,001,118</u>
Net increase (decrease) in fiduciary net position	(59,044,733)
Net position - beginning of the year	359,329,472
<b>Net position - end of the year</b>	<b><u>\$ 300,284,739</u></b>

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



# NOTES TO THE BASIC FINANCIAL STATEMENTS



# Notes to the Basic Financial Statements

September 30, 2022

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## **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the City of Riviera Beach (City) are presented in conformity with Generally Accepted Accounting Principles (GAAP) for governments in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). These significant accounting policies are presented to assist the reader in interpreting the basic financial statements, which are considered essential and should be read in conjunction with the basic financial statements. The following is a summary of the City's significant accounting policies and reporting practices.

### **A. Financial Reporting Entity**

The City is a municipal corporation created and governed by Chapter 63-1844, Laws of Florida, enacted by the Florida Legislature. The City was originally incorporated in 1923 and was reincorporated in 1973 pursuant to the Municipal Home Rule Powers Act, Florida Statutes, Chapter 166. The City operates under a mayor-council-manager form of government and provides a wide range of community services, including general government, public safety, planning, zoning, public works, stormwater drainage, culture and recreation, marina, and water, wastewater and stormwater utilities. The Council is responsible for legislative and fiscal control of the City.

The GASB is the standard setting body for governmental accounting and financial reporting. The financial statements of the City have been prepared in accordance with GASB. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. The City has the option of following subsequent guidance for its enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

One of the objectives of financial reporting is to provide the reader with a basis for assessing the accountability of the elected officials. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has a separately elected or appointed governing body.

The financial reporting entity consists of the primary government, which includes all funds, agencies and departments, and those component units for which the City is financially accountable. Blended component units, while legally separate entities, are in substance part of the government's operations, therefore, data from these units are presented with data of the City. Each blended component unit has a fiscal year end of September 30.

Although legally separate entities, the Riviera Beach Community Redevelopment Agency (CRA), the Riviera Beach CDE (RBCDE) and the Riviera Beach Utility Special District (USD) are in substance part of the City's operations and are included as blended components in the governmental and enterprise funds, respectively. Based on the application of criteria set forth by the GASB, management has determined that there are no other component units that are required to be reported as part of the financial statements.

### **Blended Component Units:**

The criteria for including component units consist of the identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with information of the primary government. The City has no discretely presented component units.



**Utility Special District (USD)** – The USD was formed on June 16, 2004, as a dependent special district under the Florida Constitution and laws of the State of Florida. A dependent special district is a local unit of special purpose government created to implement specialized functions, including water and sewer utility services. The USD's governing body is the same as the governing body of the primary government, the City. USD was formed for the public purpose, among others, of acquiring, owning, operating and maintaining the water and sewer assets and establishing, implementing, financing and administering projects in furtherance of such purposes.

**Riviera Beach Community Redevelopment Agency (CRA)** – The CRA was established by a special act in 1969 of the Florida Legislature under Chapter 163 to develop and revitalize the blighted areas of the City. The CRA's services are rendered wholly within the boundaries of the City, and its activities and transactions are intended to benefit the City by returning improved property to the City's tax rolls, enhance the business and cultural environment and provide employment. The CRA was created on August 7, 1984 and its governance was bestowed on the five-member Council of the City. The CRA is responsible for over 858 acres within the City's boundaries and over 185 acres of the Port of Palm Beach.

The City Council serves as the CRA board. Although legally separate, the CRA is blended as a governmental fund component unit into the primary government because the structure of the CRA meets the GASB Statement 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34 (GASB Statement 61), criteria for blending. The criteria assessed and determined to result in blending are: (a) the boards of the CRA and the City are the same, and (b) management of the City has operational responsibility for the CRA. The operations of the CRA are reported as a Major Governmental Fund. Although legally separate, The CRA is dependent on the City to fund deficits, meet debt service requirements, and pay other expenditures in the event that the revenues of the CRA are insufficient.

Separate financial statements are issued for the CRA and may be obtained from Riviera Beach Community Redevelopment Agency, 600 West Blue Heron Blvd, Riviera Beach, Florida, 33404.

**Riviera Beach CDE, Inc (RB CDE)** – The RB CDE was organized on May 26, 2011, pursuant to the laws of the State of Florida as a 501(c)(3) non-profit corporation and its primary mission is to provide investment capital to low-income communities or persons of low-income and to engage in other community development activities for neighborhood improvement and community and economic development by providing sustainable job opportunities for low income residents. The RB CDE is certified by the U.S. Department of Treasury, CDFI Fund, as a Community Development Entity. The RB CDE is governed by a Board of Directors that is to consist of a minimum of five directors. At least three directors must be either City or CRA employees and two shall be residents of business owners of the CRA and represent low income communities.

The RB CDE is the sole member of the Riviera Beach Event Center, LLC (RBEC) which was formed on September 23, 2013, pursuant to the laws of the State of Florida as a limited liability company. The RBEC is also recognized by the Internal Revenue Service as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. The purpose of the RB CDE is to facilitate the redevelopment and improvement of areas of blight and deterioration within the municipal limits of the City and to own and operate a community facility open to the public. These entities are part of a combined New Markets Tax Credit financing structure created for the purpose of constructing the Riviera Beach Event Center to support the redevelopment of the Marina and to provide a community event center for the residents, businesses, and visitors of the City.

The RB CDE and RBEC are consolidated and all material intercompany transactions and balances have been eliminated in consolidation.

In accordance with standards prescribed by the Financial Accounting Standards Board (FASB), the RB CDE evaluated its interests and determined that based on the rights afforded to it in the agreements, the RB CDE controls the RBEC and both entities have been consolidated in its statements.

Separate financial statements are issued for the RB CDE and may be obtained from Riviera Beach Community Redevelopment Agency, 600 West Blue Heron Blvd, Riviera Beach, Florida, 33404.

### Pension Trust Funds

The City sponsors three separate single employer defined benefits pension plans: City of Riviera Beach General Employees' Retirement System (GERS), Riviera Beach Municipal Firefighters' Pension Trust Fund (FPTF), and Riviera Beach Police Pension Fund (PPF). Each pension plan is a separate entity established to account for the financial activities of each plan and is governed by its own independent Board of Trustees. Although each pension plan is administered by its respective Board of Trustees, all three pension plans are fiscally dependent on the City, as the City is obligated to fund the liabilities of each based on actuarial valuations.

The pension plans are not incorporated into the government-wide statements. Net pension liability is reported in the accompanying financial statements with actuarial data disclosed in the *Notes to the Basic Financial Statements* at Note 12.

### Joint Venture

The City is a participant with the East Coast Regional Wastewater Treatment Facilities (ECR) in a joint venture to receive, treat, and dispose of sewage generated within each member municipality. The City has an ongoing financial interest in this joint venture, which is discussed in Note 10.

### Change in Accounting Principles

GASB has issued pronouncements, which are effective as of the fiscal year ended September 30, 2022. During the fiscal year, the City implemented GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting. During the fiscal year, the City's implementation was guided by the Implementation Guide No. 2019-3, *Leases* and assisted the City with the implementation of GASB Statement No. 87, *Leases*.

### Implementation of New GASB Pronouncements

GASB Statement No. 87, *Leases*. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement 87 will be effective for the fiscal year ending September 30, 2022. The adoption of this statement did not significantly impact the City's financial statements.

### Future Adoption of GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of September 30, 2022:

GASB Statement No. 91, *Conduit Debt Obligations*. This statement was issued May 2019 to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement 91 will be effective for the fiscal year ending December 31, 2022. Due to the global COVID-19 pandemic, grace periods were announced extending effective dates to finalize implementation of pronouncements, but earlier application is encouraged.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement is designed to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is effective for the fiscal year ending September 30, 2021. Additionally, in March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement is designed to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for the fiscal year ending September 30, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement is effective for the fiscal years ending June 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for the fiscal year ending June 30, 2023.

The City will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements and component unit.

## B. Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. 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 blended component units. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net costs per functional category which are otherwise being supported by general government revenues (property, utility service tax, local surtax, business taxes, licenses and permits, intergovernmental revenues, etc.) The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. The program revenues must be directly associated with the function (public safety, general government, transportation, culture and recreation, physical environment, and economic environment) or a business-type activity (water and sewer, marina, solid waste collection, stormwater, and parking). The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, the financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. The costs of these services are charged to the appropriate functional activity. Surpluses or deficits in the Internal Service Funds are allocated back to customers at the government-wide level Statement of Activities. This creates a reconciling item between the business-type activities column at the government-wide level and the proprietary fund statements at the fund level as reflected on the bottom of each statement.

The City's fiduciary funds are presented in the fund financial statements by type. 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.

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 revenue 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 when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues to be available if they are collected within 90 days after year-end, except for property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to earned vacation pay and claims and judgments, are recorded only when payment is due.

The measurement focus of the Governmental Funds (in the fund financial statements) is based upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the City:

The City reports the following major governmental funds:

- **General Fund** – Primary operating fund which accounts for all financial resources of the general government, except for those accounted for in another fund. Revenue is derived primarily from property taxes, state and federal distributions, grants and other intergovernmental revenue. The general operating expenditures, fixed charges, and capital outlay not paid through other funds are paid from the General Fund.
- **Community Redevelopment Agency Fund** – Accounts for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment area. Revenues must be utilized and expended in accordance with the respective community redevelopment plan.
- **Public Improvement Bonds 2021** – Accounts for restricted funds to finance the cost of acquiring, constructing, and equipping two new fire stations in the City.
- **State and Local Fiscal Recovery Fund (SLFRF)** – Accounts for United States Department of the Treasury direct grant proceeds to be spent for purposes authorized under applicable regulations, such as community assistance, small business and hospitality support, revenue replacement to maintain critical services, housing and homelessness, community health, transit and infrastructure.

The City reports the following major enterprise funds:

The focus of Proprietary Fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses. The following is a description of the Proprietary Funds of the City:

- **Utility Special District Fund** – Accounts for the provision of water and wastewater services to the residents of the City and to some residents in surrounding areas.
- **Solid Waste Collection Fund** – Accounts for the activities of the City's residential and commercial collection system.
- **Marina Fund** – Accounts for the activities of the Marina.
- **Stormwater Fund** – Accounts for the stormwater system.
- **Parking Fund** – Accounts for the activities relating to the City's parking facility.
- **RBCDE Fund** – Accounts for the activities relating to the RB CDE.

Additionally, the City reports the following fund types:

Internal service funds account for services provided to by one department to other City departments on a cost reimbursement basis. The City maintains three internal service funds.

- **Fleet Services Fund** – Accounts for the acquisitions and maintenance services of the City's vehicles.
- **Risk Management Fund** – Accounts for the City's risk management activities for worker's compensation, auto liability, property and contents loss, and general liability.
- **Information Technology Fund** – Accounts for the City's network, applications, geographic information system, maintenance and replacement of the City's infrastructure including hardware and software, desktops, laptops, and network equipment.

Pension trust funds account for the activities of the City's three pension plans that accumulate resources for pension benefits and disability payments as follows:

- **General Employees' Retirement System** – Accounts for the pension trust for general employees.
- **Riviera Beach Police Pension Fund** – Accounts for the pension trust for police officers.
- **Riviera Beach Municipal Firefighters Pension Trust Fund** – Accounts for the pension trust for firefighters.

### **Basis of Accounting**

Basis of accounting refers to the point at which revenues, expenditures, expenses, and transfers (and assets, deferred outflows of resources, liabilities, and deferred inflows of resources) are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide financial statements and the Proprietary, Fiduciary, and Component Unit fund financial statements are presented on an accrual basis of accounting. The Governmental Funds in the fund financial statements are presented on a modified accrual basis.

### **Accrual**

Revenues are recognized when earned and expenses are recognized when incurred.

### **Modified Accrual**

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means (except for property taxes) collectible within the following nine (9) months. Because of the statutorily defined property tax calendar, most property taxes are collected during the fiscal year in which they are levied, or within 60 days of the end of the fiscal year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt and compensated absences, if any, are recognized when due.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions* (GASB Statement 33) (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and unearned revenue by the recipient.

#### **D. Encumbrances**

Encumbrance accounting is utilized by the governmental funds of the City. Monies are set aside when a purchase order is issued in order to reserve a portion of the applicable budget appropriation. Encumbrances lapse at year-end.

#### **E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance**

##### **1. Cash and Cash Equivalents**

The City defines cash and cash equivalents as cash on hand, demand deposits, cash with fiscal agents, and the City’s cash management pool. The cash management pool is used by all funds and component units, and consists of a variety of short-term investments such as Treasury Securities, U.S. Government agencies and instrumentalities, various corporate debt, mortgages, commercial paper, and overnight investments. Interest earnings of the pool are apportioned to each fund based on the fund’s relative share of the investment pool. The City’s banking contract requires that a compensating balance be maintained. This balance is adjusted monthly based on charges for services utilized by the City in the prior month and the City’s earnings credit rate, an interest factor on collected funds.

The City’s cash management pool is treated as a cash equivalent for financial reporting purposes because each individual fund can deposit additional cash or make withdrawals (at any time) without prior notice or penalty.

##### **2. Investments**

All investments (including pension funds) are stated at fair value, generally based on quoted market prices. The fair values of investments without quoted market prices, including certain commingled funds, alternative investments and fixed income securities, are estimated by a third party utilizing various pricing sources or based on fund net asset value (NAV). However, because of the inherent uncertainty of valuation, the estimated fair values for investments without quoted market prices may differ significantly from the values that would have been used had a ready market for the investments existed.

Pension Trust Funds are discretely presented component units and separately invest their funds and report investments pursuant to their respective investment policies.

##### **3. Receivable and Payables**

Receivables include amounts due from other governments, and other services provided by the City are recorded when the revenue is earned. Accounts receivable are reported net of any allowances for uncollectible. Allowances for uncollectible receivables are based upon a review of accounts and the knowledge of the creditor’s ability to pay. Management determines the allowance based on a review of accounts and their knowledge of creditors. Other long-term receivables are analyzed for collectability based on terms and conditions of the agreements.

Other accounts receivable reported in governmental funds and which represent amounts considered measurable and available are recorded as revenue but based on state law, are restricted in fund balance at year-end. Any other accounts receivable which represent amounts not subject to accrual as earned revenue are recorded as assets and are offset by unavailable revenue in an equal amount. Assessments receivable have been reduced by an amount deemed to be uncollectible. The amounts due from other governmental agencies are grants and participation agreements which are restricted for specific programs and capital projects. Program grants, primarily accounted for in the special revenue funds, are recognized as receivables and revenue in the period benefited, i.e., at the time reimbursable program costs are incurred. Capital project grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.



#### 4. Lease receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

#### 5. Interfund Receivables and Payables

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year of a short-term nature and any other outstanding balances between funds are reported as due to and due from other funds. The long-term portion of any borrowings between funds is reported as advances to and from other funds. Long-term advances of the governmental funds are recorded by the advancing fund as a receivable and non-spendable fund balance. Any residual outstanding balances between the governmental activities and business-type activities at year-end are reported in the government-wide financial statements as internal balances. Amounts receivable from, or payable to, other funds are reflected in the accounts of the fund until liquidated, usually within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

#### 6. Inventories of Materials and Supplies

Inventories consist of materials and supplies held for consumption, are stated at the lower of cost or market value on a first-in, first-out basis. Perpetual inventory records are maintained and adjusted periodically to physical inventory amounts. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as expenditures at the time inventory items are used, rather than purchased. Inventories included in the enterprise funds consist of fuel, chemicals, food concessions, maintenance parts, and supplies. Inventories included in the Internal Service Funds consist of maintenance parts, tires, fuel, and supplies.

#### 7. Prepaid Items

Prepaid items represent payments made to vendors for goods and services that will benefit the period beyond the fiscal year end. These services are recorded as expenditures / expenses when consumed.

#### 8. Restricted Assets

Proceeds of revenue bonds or funds set aside in accordance with bond covenants or by ordinance are classified as restricted assets on the fund level statement of net position of the enterprise funds. Restricted assets include operating accounts which are used for accumulations of resources equal to operating costs for specified periods; renewal and replacement accounts used for accumulation of resources for replacement of existing system assets; debt service accounts used for accumulation of resources to meet debt service requirements; capital projects accounts used for acquisition and construction of assets funded by revenue bond proceeds; impact fees restricted by local ordinance for future plant expansion; and customers' deposit accounts.

Restricted long-term assets are not required to be presented on the balance sheets of governmental funds under the modified accrual basis of accounting; however, certain assets are restricted as to use. Such assets include debt proceeds, permit fees, state and federal forfeiture awards, grants, and amounts held for debt service.

#### 9. Capital Assets and Depreciation

Capital assets, which include land, buildings and improvements, improvements other than buildings, machinery and equipment, construction in progress, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined as property that has a value of \$10,000 or more with a useful life of three or more years and maintain its identity while in use.

Capital assets, constructed or acquired, are capitalized and reported at historical cost. Reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are recorded at acquisition value.

Expenditures that materially extend the useful life of existing assets are capitalized. The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts, and any resulting gain or loss is included in net income.

Construction in progress (CIP) is tracked as a separate asset until the time of completion, at which point the value is transferred to another appropriate fixed assets account. Construction in progress (CIP) is traced as a separate asset until the time of completion, at which point the value is transferred to another appropriate capital asset account. CIP assets are reclassified to the relevant capital asset account once it has been determined that all the expenditures have been recorded. In addition, the purpose of recognizing depreciation expense is to allocate a proportionate share of cost to each period that receives a benefit. No benefit is received until a capital asset is substantially ready to be placed in service. CIP is a major class of capital assets is used for costs incurred to construct a capital asset, before it is ready to be placed into service at which time the asset would be reclassified into the appropriate major asset class.

Capital assets are depreciated using the straight-line method over the estimated useful lives, and assets purchased during the year are capitalized for six months during the first year, regardless of when acquired. Normal useful life is defined as the physical life that an asset is expected to last before it deteriorates to an unusable condition or becomes functionally obsolete.

Asset classes have been assigned an estimated useful life as outlined below:

Asset Description	Useful Life in Years
Buildings and Improvements	20 to 40
Land Improvements	5 to 40
Utility Plant and Systems	20 to 50
Regional Sewer Systems	30 to 99
Furniture, Fixtures, Machinery and Equipment	3 to 12
Marina and Waterside Improvements	20 to 40

Enterprise Funds – Capital assets intended primarily for business activities are accounted for in the operating fund for the respective enterprise fund.

When capital assets are disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is recognized in the government-wide and proprietary fund financial statements.

**10. Right to use assets**

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease

**11. Investment in Joint Venture**

The City accounts for its investment in joint ventures using the equity method of in accordance with GAAP and the agreements pertaining to the respective joint venture.

**12. Bond Discounts, Bond Premiums, and Issuance Costs**

In the governmental funds, bond discounts and bond premiums are treated as period costs in the year of issue. Bond premiums and discounts are shown as an "Other Financing Source/Use". In the proprietary funds (and for the governmental activities, in the government-wide statements) bond discounts and bond premiums are amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest rate method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the bonds payable. Issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

**13. Deferred Inflows of Resources and Deferred Outflows of Resources**

In the proprietary funds (and for the governmental activities, in the government-wide statements) the difference between the re-acquisition price (new debt) and the net carrying value of the old debt on refunded debt transactions is recorded as a deferred outflow of resources and recognized as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the old debt or the life of the new debt. In the general fund, revenue that is not available to fund current operations, is recorded as deferred inflows of resources.

**14. Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions and OPEB**

Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB derived from differences between projected and actual earnings on the respective pension or OPEB plan investments are amortized to pension or OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period.

Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB derived from differences between expected and actual experience with regard to economic or demographic factors (differences between expected and actual experience) in the measurement of the respective pension plan's total pension liability or the OPEB total liability are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan or OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB that are derived from changes in actuarial assumptions about future economic or demographic factors or of other inputs are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan or OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

Contributions to the pension or OPEB plan from the employer subsequent to the measurement date of the net pension or net OPEB liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions or OPEB. This contribution is included as an increase in the respective pension plan or OPEB plan fiduciary net position in the subsequent fiscal year.

**15. Unearned Revenues**

In the governmental funds, certain revenue transactions have been reported as unearned revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. Revenue that is earned but not available is reported as a deferred inflow of resources until such time as the revenue becomes available. In the proprietary funds (and for the governmental activities in the government-wide statements), unearned revenue is reported regardless of its availability.

**16. Compensated Absences**

Regular full time employees accrue from 12 to 20 days of vacation and 12 days of sick leave annually. A liability is accrued for unused vacation leave at year end. Sick leave is accrued as a liability as the benefits are earned by the employee only to the extent that it is probable that the employee will be compensated for the benefits upon termination or retirement. Compensated absences liability is calculated based on the salary rate in effect at year end.

For proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. Compensated absences liability is classified into two components – amounts due within one year (current portion) and amounts due in more than one year (non-current portion).

### 17. Pensions

For the purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's General Employees' Retirement System, Police Pension Fund, and the Firefighters' Pension Trust Fund (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Investments in real estate are recorded at market using valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available. Certain money market funds and investments in real estate are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed. The Net Pension Liability is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the respective pension plan's fiduciary net position. See Note 12 for additional information on the Net Pension Liability.

### 18. Other Post-Employment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPEB and additions to/deductions from OPEB fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. The Net OPEB Liability is the difference between the actuarial present value of projected benefit payments attributable to employees' past service and the OPEB plan's fiduciary net position. See Note 13 for additional information on the Net OPEB Liability.

### 19. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary fund type Statement of Net Position. Bonds payable are reported net of the applicable bond premiums or discounts and deferred refunding amounts. Premiums, discounts, and issuance costs are amortized over the life of the bonds using the effective interest method. Deferred amounts 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. Costs of issuing bonds and deferred charges on refunding bonds are capitalized in the governmental activities Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as issuance costs during the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures. Debt payments are reported as expenditures.

### 20. Interfund Activity

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

These transactions consist of one or more of the following types:

Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from that fund, are properly applicable to another fund.

Transfers in and transfers out, as appropriate, for all other interfund transactions are shown as other financing sources or uses.

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year of a short-term nature and any other outstanding balances between funds are reported as due to and due from other funds. The long-term portion of any borrowings between funds is reported as advances to and from other funds. Long-term advances of the governmental funds are recorded by the advancing fund as a receivable and non-spendable fund balance. Any residual outstanding balances between the governmental activities and business-type activities at year-end are reported in the government-wide financial statements as internal balances.

The City uses its cost allocation plan to identify costs associated with providing certain services. These indirect charges reimburse the administration and overhead services provided by certain General Fund departments (e.g., finance, personnel, procurement, legal, information technology, etc.).

## 21. Fund Balance

In the fund financial statements, governmental funds report the fund balance into classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on specific purposes for which those funds can be spent. Fund balance is divided into five classifications. The classifications are as follows:

**Nonspendable** – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

**Restricted** – The restricted fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

**Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Council, and anything separate from these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City, for planning purposes, may assign fund balances for a specific purpose, such as setting aside funds for capital equipment replacement, emergency preparedness, and accrued benefit payouts to retired/terminated employees. Unlike commitments, assignments generally exist temporarily.

**Unassigned** – The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

## 22. Net Position

In the governmental-wide financial statement and proprietary fund financial statements, net positions are classified as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.

Restricted net position is restricted by external creditors, grantors, contributors, or laws and regulations of other governments.

Unrestricted net position is all resources that do not meet the definition of "net investment in capital assets" or "restricted net position".

## 23. Estimates

Management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and amounts of revenues and expenses expenditures during the reporting period. Actual results could differ from management's estimates. Significant estimates used in these financial statements include the amount of insurance claims payable, actuarial assumptions related to pension plans, and allowances for uncollectible accounts.

## 24. Revenues, Expenditures, and Expenses

Substantially all governmental fund revenues (including sales taxes, franchise fees, and licenses) are accrued. Property taxes are generally billed and collected within the same period in which the taxes are levied.

Revenue from Federal and State reimbursement type grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. Approximately, 90% the enterprise funds' operating revenues are from charges for services. Operating revenues for proprietary operations generally result from providing services in connection with a proprietary fund's principal on-going operation (e.g., USD, Stormwater, Solid Waste Collection, Marina, and Parking). The principal operating revenue of the proprietary funds is receipts from customers. Operating expenses for these operations include all costs related to providing the service. These costs include salaries, contractual services, depreciation, and administrative expenses. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Expenditures are recognized when the related fund liability is incurred except for the following:

General obligation long-term debt principal and interest and compensated absences are reported, if any, only when due. Inventory costs are reported in the period when inventory items are consumed, rather than in the period purchased.



**25. Operating Subsidies, Grants, and Impact Fees**

Subsidies and grants to proprietary funds, which finance either capital or current operations, are recorded as nonoperating revenue when earned.

The City's policy requires restriction of all monies collected as impact fees. These fees represent a capacity charge for the proportionate share of the cost of expanding, over-sizing, separating or constructing new additions to the water and sewer system. The City is obligated to expend these funds only to provide expanded capacity to the system.

Certain grants under federal, state, and local programs are accounted for in special revenue funds and reported as a component of intergovernmental revenues. Grants are disbursed from these funds as prescribed under the respective grant programs. These programs are dependent on continued financial assistance from federal and state governments. Potentially disallowable amounts, on reimbursement type grants constitute a contingent liability of the City. The City does not expect any such occurrences and since the potential disallowed amounts are not estimable, such contingencies are not reflected within the financial statements.

**26. Income Taxes**

The RB CDE and RBEC are exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code (IRC), except for income taxes on 'unrelated business income,' as defined in the IRC. Management believes that all material activities of the RB CDE and the RBEC are not subject to income taxes. The RB CDE and RBEC are required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, the consolidated financial statements of the RB CDE do not reflect a provision for income taxes and the RB CDE and RBEC have no other tax positions which must be considered for disclosure. Income tax returns filed by the RB CDE and RBEC are subject to examination by the IRS for a period of three years. The first year that the RB CDE was required to file tax returns with the IRS was 2014.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY****Budgeting Policy**

The Council annually adopts the Budget Ordinance for all operating funds of the City except for certain restricted accounts of the proprietary funds and the pension trust funds. Budgetary control is legally maintained at the fund level. The budget is prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures. The City's Director of Finance and Administrative Services is authorized (1) to transfer within and between departments and funds, as long as the total budget of the City (net of interfund transfers) is not increased, (2) to implement grant budgets as the grant applications are accepted by the City, and (3) to amend (re-appropriate) each new year's budget, to the extent of outstanding encumbrances, and/or unexpended project/grant appropriations at year end. City Council action is required for (1) use of the budgeted contingency, and (2) the approval of a supplemental appropriation(s).

All budget amounts presented in the accompanying supplementary information reflect the original budget (including the prior year carry forward) and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year.

Florida Statutes require that all city governments prepare, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. Accordingly, the City has established budgetary procedures.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents comparisons of the original and final budget with actual data. Since the legally adopted budget is on a basis that differs from GAAP, the actual data is similarly presented on a budgetary basis for comparison purposes



### NOTE 3 – PROPERTY TAXES

The Council is permitted by State law to levy taxes up to 10 mills of assessed valuation. The millage rate levied by the City for the fiscal year ended September 30, 2022 was 8.2450 mills. Current tax collections (inclusive of legally available early payment discounts) for the City were approximately 99% of the total tax levy.

Under Florida law, the assessment of all properties and the collection of all county, municipal, special district, and school board property taxes are provided by the County's Property Appraiser and Tax Collector, respectively, who are elected County officials.

The property tax calendar provides for the tax revenue to be billed and collected within the applicable fiscal year.

#### Property Tax Calendar

- January 1, 2021 – Property taxes are based on assessed property value at this date as determined by the Palm Beach County Property Appraiser.
- July 1, 2021 – Property assessment roll and certificates of value by the Palm Beach County Property Appraiser are provided to the City.
- July 15, 2021 – Proposed tax millage rate approved by the Council.
- July 20, 2021 – Proposed tax millage rate provided to the Palm Beach County Property Appraiser Office for notices to be mailed to taxpayers.
- September 15, 2021 – Property tax millage rate ordinance approved by the Council.
- October 1, 2021 – Beginning of fiscal year for which taxes are levied.
- December 31, 2021 – City is notified of the taxable value on the final property tax assessment roll by the Palm Beach County Property Appraiser Office.
- April 1, 2022 – Unpaid property taxes become delinquent and become a lien.
- June 1, 2022 – Tax certificates are sold by the Palm Beach County Tax Collector.

#### Property Tax Collection

Assessment of real and tangible properties and the collection of county, municipal and school district property taxes are consolidated in the offices of the Palm Beach County Property Appraiser and the Palm Beach County Tax Collector. Property is reassessed according to its fair market value on January 1 of each year. Assessment rolls are submitted to the State Department of Revenue for review to determine compliance with State law.

Florida Statutes, Chapter 197, govern the collection of property taxes. The Palm Beach County Tax Collector bills and collects property taxes levied within Palm Beach County. The tax levy is established by Council prior to October 1 of each year during the budget process. The Palm Beach County Property Appraiser's Office incorporates the City's millage into the total tax levy, which includes taxes levied by Palm Beach County, Palm Beach County School Board, and Special Taxing Districts. During the month of November, the Palm Beach County Property Appraiser's Office prepares and delivers a Notice of Property Taxes and Non-Ad Valorem Assessments to each taxpayer.

The Tax Collector remits current taxes collected through four distributions to the City in the first two months of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied. The Tax Collector pays the City interest on monies held from day of collection to day of distribution to the City.

Taxes imposed are due and payable starting in November. Discounts for allowed for early payment of 4% in November, 3% in December, 2% in January, and 1% in February. Unpaid taxes become delinquent on April 1 following the year in which assessed. On or prior to June 1, certificates are offered for sale for delinquent taxes on real property. Tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after two years. Unsold certificates are held by Palm Beach County.

As of fiscal year end, unpaid delinquent taxes owed are insignificant and have not been recorded by the City.

### Property Tax Limitation

According to Florida Statutes, unless voted, no municipality shall levy ad valorem taxes against real or tangible property in excess of 10 mills. The total millage levied by the City for the fiscal year ended September 30, 2022 was 8.4520.

## NOTE 4 – DEPOSITS AND INVESTMENTS

### A. Pooling of Cash and Investments

A cash management pool is available for use by all funds with the exception of the City's pension trust funds. Participation in the pool is limited to normal operating activities of the fund and other funds that are restricted because of statutory or contractual considerations. Investment earnings are distributed monthly to the individual funds based on the funds' average cash balance. Deposits and investments of the City's pension trust funds are held separately from those of the City and adhere to the investment policies and guidelines established for the pension trust funds.

### B. Deposits and Investments

#### 1. Primary Government Activities

##### Cash

The City's cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. The City's cash deposits are fully insured by the Public Deposits Trust Fund. The City is required to maintain a minimum balance at the City's primary banking institution in order to for the City to not pay bank fees and earn higher rates of interest on deposits.

##### i. Authorized Investment Instruments and Portfolio Composition

Florida Statutes, City Ordinances, the Investment Policy, and legal covenants related to outstanding bond issues govern the City's investment practices. Florida Statutes establish permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City's cash and investments assets. Investments are managed and governed according to meet investment objectives of safety of principal, maintenance of liquidity, and return on investment.

The Investment Policy states that the management and responsibility for City funds in the investment program and investment transactions is delegated to the Director of Finance and Administrative Services (Director) who will establish written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls to regulate the activities of employees. The City engages a registered investment manager to assist in investing, monitoring, or advising on investments. The Policy does not apply to the investment of accounts created by ordinance or resolution pursuant to the issuance of bonds. The three pension trust funds are not governed by the City's Investment Policy.

The City's Investment Policy authorizes the investments in following instruments, which are limited to credit quality ratings from Nationally Recognized Statistical Rating Organization (NRSRO) at the time of purchase:

- Florida PRIME investment pool that is consistent with Section 215.47, Florida Statutes and operated as a '2a7-like' fund using the U.S. Securities and Exchange Commission's (SEC) investment requirements for 2a-7.
- U.S. Treasury securities which are guaranteed by the full faith and credit of the United States with maturities not to exceed five years from the date of purchase.
- U.S. Government agencies and Federal Instrumentality obligations which are backed by the full faith and credit of the United States with maturities not to exceed five years from the date of purchase.
- Mortgage-Backed Securities, which are based on mortgages that are guaranteed by a government agency for payment of principal and guarantee of timely payment.
- Interest Bearing Time Certificates of Deposit or Savings Accounts provided that such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes with maturities not to exceed one year from the date of purchase.
- Repurchase Agreements that compose investments based on the requirements set forth by the City's Master Repurchase Agreement with maturities not to exceed 90 days from the date of purchase.

- Commercial Paper of any U.S. company that is rated, at the time of purchase, 'Prime1' by Moody's and 'A-1' by Standard and Poor's or the equivalent by accredited rating agencies with maturities not to exceed 270 days from the date of purchase.
- Corporate Notes issued by corporations organized and operating within the U.S. by depository institutions licensed by the U.S. that have a minimum long term debt rating, at the time of purchase, of 'A' or better by any NRSRO with maturities not to exceed 3 years from the date of purchase.
- Asset-Backed Securities which are backed by financial assets that have a minimum long term debt rating, at the time of purchase, of 'A' or better by any NRSRO with maturities not to exceed 3 years from the date of purchase.
- Bankers' Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System that have a minimum short term rating, at the time of purchase, of 'P-1' by Moody's or 'A-1' by Standard and Poor's with maturities not to exceed 180 days from date of purchase.
- State and/or Local Government Taxable and/or Tax-Exempt Debt that are rated least 'Aa' by Moody's and 'AA' by Standard & Poor's for long-term debt, or rated at least 'MIG-1' by Moody's and 'SP-1' by Standard & Poor's for short-term debt or the equivalent by accredited ratings agencies with maturities not to exceed three years from date of purchase.
- Money Market Mutual Fund shares in open-end, no-load funds that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. The prospectus of such funds must indicate that the share value shall not fluctuate which have an average weighted maturity of 90 days or less.
- Mutual Funds shares in open-end and no-load mutual funds, with fluctuating net asset values, provided such funds are registered under the Federal Investment Company Act of 1940. The prospectus of such funds must indicate that the mutual fund's average duration is maintained at three (3) years or less and the mutual fund invests exclusively in investment instruments as authorized by the City's Investment Policy.
- Intergovernmental Investment Pools that are authorized pursuant to the Florida Inter-local Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

The City's investment portfolio is designed to reduce the concentration of credit risk within the City's investment portfolio. A maximum of 25% of available funds may be invested in the Florida PRIME Fund, 100% of available funds may be invested in U.S. Treasury Securities, 50% of available funds may be invested in U. S. Government Agencies with a 25% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 50% limit on individual issuers, 30% of available funds may be invested in Mortgage-Backed Securities with at 20% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements with a 25% limit on any one institution, 30% of available funds may be directly invested in commercial paper with a 10% limit on individual issuers, 30% of available fund may be invested in Corporate Notes with a limit of 10% on individual issuers, 15% of available funds may be invested in Asset Backed Securities with a limit of 5% on individual issuers, 25% of available funds may be directly invested in Bankers' Acceptances with a 5% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts, 75% of available funds may be invested in money market mutual funds with a limit of 25%, 40% of available funds may be invested in mutual funds with a limit of 20%, and 50% of available funds may be invested in intergovernmental investment pools. The maximum amount of corporate investments cannot exceed 40%, which is the combination of Commercial Paper, Corporate Notes, and Asset Backed Securities.

The City has investments in two investment pools, Florida Cooperative Liquid Assets Securities System (FL CLASS) administered by Public Trust Advisors, LLC and Florida Public Assets for Liquidity Management (FL PALM) is administered by PFM Asset Management. Investments in these two pools have been valued based on their respective fair value factor as of the financial statement date.

## Notes to the Basic Financial Statements

September 30, 2022

Investment in any derivative products or use of reverse repurchase agreements requires specific Council approval prior to their use. If the Council approves the use of derivative products, the Director shall develop sufficient understanding of the derivative products and have the expertise to manage them. If the Council approves the use of reverse repurchase agreements or other forms of leverage, the investment shall be limited to transactions in which the proceeds are intended to provide liquidity and for which the Director has sufficient resources and expertise to manage such investments. As of September 30, 2022, the City did not have investments in any derivative products or reverse repurchase agreements. The city has no formal policy relating to foreign currency risk. For the year ended September 30, 2022, the City had no investment exposure to foreign currency.

The Investment Policy is reviewed annually by the Finance Director for any adjustments due to changes or developments that may benefit the City. Modifications to the Investment Policy must be approved by Council and adopted by resolution.

As of September 30, 2022, the primary government had cash and investment types and effective duration as presented below:

Investment Vehicle	Credit Rating	Percent of Portfolio at Year End	Effective Duration (years)	Cash Equivalents	Investments	Total Portfolio
Cash deposits	NR	18.99%	-	\$ 36,498,242	\$ -	\$ 36,498,242
FL PALM	AAAm	39.80%	0.13	-	76,480,757	76,480,757
FLCLASS	AAAm	7.84%	0.22	-	15,072,058	15,072,058
U.S. Treasuries	NR	19.65%	1.18	-	37,735,454	37,735,454
U.S. Government Agencies	NR	4.63%	1.34	-	8,888,736	8,888,736
Municipal bonds	AA1	1.01%	1.33	-	1,945,306	1,945,306
Corporate notes	AAA to A3	7.44%	1.56	-	14,298,950	14,298,950
Asset backed securities	AAA	0.64%	2.57	-	1,251,408	1,251,408
		<b>101%</b>		<b>\$ 36,498,242</b>	<b>\$ 155,672,669</b>	<b>\$ 192,170,911</b>

Amounts from Statement of Net Position	Governmental	Business	Total
Cash and cash equivalents – unrestricted	\$ 18,045,934	\$ 27,362,941	\$ 45,408,875
Cash and cash equivalents – restricted	8,624,083	1,126,025	9,750,108
Investments – unrestricted	35,465,337	29,277,704	64,743,041
Investments – restricted	60,159,327	12,109,560	72,268,887
	<b>\$ 122,294,681</b>	<b>\$ 69,876,230</b>	<b>\$ 192,170,911</b>

## ii. Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of its investment or collateral security that are in the possession of an outside party. The City's investment policy requires that all securities, with the exception of certificates of deposit, are held with a third-party custodian. Security transactions between the broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on delivery versus payment basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2022, the City's investment portfolio was held with a third-party custodian.

**iii. Interest Rate Risk**

Interest rate risk is the risk that interest rate changes adversely affect the fair value of an investment. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities may cause the price to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. As of fiscal year end, the City did not have investments with embedded options allowing the issuer to call the obligation or demand a stated increase in the interest rate.

**iv. Credit Risk**

Credit risk is the risk that an investment issuer will not fulfill its obligation. Credit risk is measured by the assignment of a rating by a nationally recognized rating agency. The Policy allows the City to invest in insured or registered securities including commercial paper and security repurchase agreements, however, the Policy provides limits for these investment types.

**v. Concentration of Credit Risk**

Concentration credit risk is the risk that an investment issuer or other counter party will not fulfill its obligations. The City's policy provides limits to control credit risk based on investment concentrations in various percentages for different types of investments. GASB Statement No. 40 requires disclosures when the percent is 5% or more of total investments position in any one issuer. The percentage allocation of each cash investment type in the City's portfolio is shown in the table above. As of September 30, 2022, all investments were within the allowable percentages.

**vi. Maturity and Liquidity Requirements**

The Policy sets limits for investment maturities to match known cash needs and cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of reserves, capital funds, and other non-operating funds shall have a term appropriate to the needs for funds, but in no event shall exceed five (5) years and the average duration of the portfolio as a whole may not exceed three (3) years. As of September 30, 2022 there were no investments in the City's portfolio that exceeded this maximum maturity.

**vii. Effective Duration**

Short Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Policy requires that 100% of the short term portfolio be invested in maturities of no longer than twenty-four (24) months.

Long Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Policy requires that the duration of the long term portfolio as a whole not exceed three (3) years.

**viii. Fair Value Measurements**

The City categorizes its investment portfolio using the fair value measurements in accordance with GASB Statement No. 72 which uses a hierarchy based on the valuation inputs used to measure the fair value of the asset. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices for similar assets in markets that are active and not active; Level 3 inputs are significant unobservable inputs.

## Notes to the Basic Financial Statements

September 30, 2022

As of September 30, 2022, the City had the following cash and investments with stated maturities categorized as Level 1 and Level 2:

Investment Vehicle	Fair Value			Total
	Level 1 Prices in Active Markets for Identical Assets	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs	
U.S. Treasuries	\$ 37,735,454	\$ -	\$ -	\$ 37,735,454
U.S. Government Agencies	-	8,888,736	-	8,888,736
Municipal bonds	-	1,945,306	-	1,945,306
Corporate notes	-	14,298,950	-	14,298,950
Asset backed securities	-	1,251,408	-	1,251,408
Total investments at fair value level	<u>\$ 37,735,454</u>	<u>\$ 26,384,400</u>	<u>\$ -</u>	64,119,854
Cash deposits				36,498,242
FL PALM				76,480,757
FL CLASS				15,072,058
				<u>\$ 192,170,911</u>

## 2. Fiduciary Activities

The City reports three fiduciary accounts, which include three defined benefit pension plans. Each of the pension plan has a separate governing board of trustees, a separate investment policy, and differing investment restrictions/risks. Investments at year-end were in compliance with the respective plan investment policies. The investments are reported at fair value and are managed by third party money managers. Investments without quoted market prices include certain commingled funds for which fair value is determined by a third party utilizing various pricing sources. However, because of the inherent uncertainty of valuation, the estimated fair values for investments without quoted market prices may differ significantly from the values that would have been used had a ready market for the investments existed. Investments in certain alternative investments are valued using the net asset value (NAV) per shares outstanding. The difference between the cost and fair value of investments is recorded as unrealized gains (or losses) and is included in net investment earnings. Each plan employs a professionally qualified independent investment consultant to provide investment advisory services and performance monitoring and measurement services with respect to the funds.

## 3. Pension Plans Portfolios

The City maintains three separate single employer defined benefit pension plans: General Employees' Retirement System (GERS), Police Pension Fund (PPF), and Firefighters' Pension Trust Fund (FPTF). Each of the pension plan has adopted an investment policy that specifies investment objectives and guidelines for the portfolio. Investment policies are determined by the respective pension plan's Board of Trustees. The policies guide the operations of the plan in a manner so that the assets will provide for the pension and other benefits provided under applicable laws including City ordinances, preserving principal while maximizing return on investment. The policies authorize each Board of Trustees to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

**i. General Investment Guidelines**

Funds are covered by Securities Investor Protection Corporation insurance, and for the amount in excess of such federal depository insurance, by the State of Florida’s Security for Public Deposits Act. Provisions of the Act require that public deposits may only be held at QPDs. The Act requires each Qualified Public Depositories (QPD) to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by the QPD, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other QPDs of the same type as the depository in default. Cash and cash equivalents include demand accounts and short-term investment funds (STIF). STIF investments are custodial short-term commingled funds, commercial paper and U.S. government obligations. Deposits are carried at cost and are included in cash and cash equivalents in the Statement of Plan Net Position.

**ii. Credit Risk**

The schedule below provides the credit quality ratings of the fixed income investments of the City’s three pension plans:

Rating	General Employees		Police		Firefighters	
	Fair value	Percent of portfolio	Fair value	Percent of portfolio	Fair value	Percent of portfolio
U.S. government guaranteed*	\$ 19,779,424	83%	\$ 18,520,266	76%	\$ 4,088,485	22%
Credit risk debt securities:						
AAA	-	0%	-	0%	5,226,056	29%
AA+ to AA-	-	0%	-	0%	1,359,998	7%
A+ to A-	1,790,270	8%	2,586,330	11%	892,096	5%
BBB+ to B-	2,210,713	9%	3,208,405	13%	6,216,664	34%
Not rated	-	0%	-	0%	486,667	3%
Total credit risk debt securities	4,000,983	17%	5,794,735	24%	14,181,481	78%
Total fixed income securities	<b>\$ 23,780,407</b>	<b>100%</b>	<b>\$ 24,315,001</b>	<b>100%</b>	<b>\$ 18,269,966</b>	<b>100%</b>



## Notes to the Basic Financial Statements

September 30, 2022

## Fair Value Hierarchy

The following table presents fair value hierarchy for the pension funds' investments at fair value as of September 30, 2022:

## General Employees

	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. Treasuries	\$ 16,599,657	\$ 13,149,664	\$ 3,449,993
U.S. Government Agencies	3,179,767	-	3,179,767
Corporate bonds	4,000,983	-	4,000,983
Total debt securities	<u>23,780,407</u>	<u>13,149,664</u>	<u>10,630,743</u>
Equity securities			
Common stock	36,071,644	34,059,315	2,012,329
Total equity securities	<u>36,071,644</u>	<u>34,059,315</u>	<u>2,012,329</u>
Total investments at fair value	<u>59,852,051</u>	<u>47,208,979</u>	<u>12,643,072</u>
Investments measured at Net Asset Value (a)			
Core real estate fund	17,708,100	-	17,708,100
Pooled index equity fund	<u>40,732,611</u>	-	<u>40,732,611</u>
Total investments measured at Net Asset Value	<u>58,440,711</u>	-	<u>58,440,711</u>
Cash deposits (exempt)	2,736,877		
Total investments	<u>\$ 121,029,639</u>		

**Police**

	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. Government agencies	\$ 14,531,597	\$ 4,930,146	\$ 9,601,451
Corporate bonds	3,988,669	3,988,669	-
Mortgage backed securities	5,794,735	-	5,794,735
Mutual fund fixed income	7,984,645	7,984,645	-
Total debt securities	<u>32,299,646</u>	<u>16,903,460</u>	<u>15,396,186</u>
Equity securities			
Common stock	30,072,460	30,072,460	-
Foreign stock	2,279,323	1,645,754	633,569
Mutual fund equities	6,626,818	6,626,818	-
Total equity securities	<u>38,978,601</u>	<u>38,345,032</u>	<u>633,569</u>
Total investments at fair value	<u>71,278,247</u>	<u>55,248,492</u>	<u>16,029,755</u>
Investments measured at Net Asset Value (a)			
Core real estate fund	<u>5,669,118</u>		
Total investments measured at Net Asset Value	<u>5,669,118</u>		
Total investments	<u><b>\$ 76,947,365</b></u>		

## Notes to the Basic Financial Statements

September 30, 2022

Firefighters

	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. Treasuries	\$ 4,084,795	\$ 4,084,795	\$ -
U.S. Government agencies	3,690	-	3,690
Corporate notes	2,154,192	-	2,154,192
Mutual fund fixed income	12,027,289	12,027,289	-
Total debt securities	<u>18,269,966</u>	<u>16,112,084</u>	<u>2,157,882</u>
Equity securities			
Common stock	35,866,864	35,866,864	-
Foreign stock	2,034,104	2,034,104	-
Mutual fund equities	9,791,237	9,791,237	-
International mutual fund equities	<u>7,283,041</u>	<u>7,283,041</u>	-
Total equity securities	<u>54,975,246</u>	<u>54,975,246</u>	-
Total investments at fair value	<u>73,245,212</u>	<u>71,087,330</u>	<u>2,157,882</u>
Investments measured at Net Asset Value (a)			
Real estate funds	<u>25,648,975</u>		
Total investments measured at Net Asset Value	<u>25,648,975</u>		
Money market funds (exempt)	<u>1,760,177</u>		
Total investments	<u>\$100,654,364</u>		

**Investments measured at Net Asset Value (a)**

As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

The following table summarizes investments for which fair value is measured using the net asset value per share (or its equivalent), including the related unfunded commitments and redemption restrictions.

General Employees	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Core real estate fund	\$ 17,708,100	\$ -	Quarterly	45 days
Pooled index equity fund	<u>40,732,611</u>	-	Daily	1 day
Total investments measured at NAV	<u>\$ 58,440,711</u>	<u>\$ -</u>		

**Real estate fund** – This fund is an open-end, commingled real estate fund consisting primarily of real estate properties in the apartment, industrial, office, and retail sectors. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to the first business day of the following quarter.

**Pooled index equity fund** – This fund is an open-ended fund consisting of domestic equity (large-cap core) stocks. The investment is valued at NAV and redemption requests must be received by the fund 1 day prior to the trade date, where possible.

Firefighters	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate fund (1)	\$ 16,219,607	\$ -	Quarterly	45 days
Real estate fund (2)	5,227,678	-	Quarterly	10 days
Real estate fund (3)	4,201,690	-	Quarterly	10 days
<b>Total investments measured at NAV</b>	<b>\$ 25,648,975</b>	<b>\$ -</b>		

- (1) Real estate fund – This fund is an open-end, commingled real estate fund consisting primarily of real estate properties in the multi-family, industrial, office, retail and hotel sector. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to the quarter end.
- (2) Real estate fund – This fund is an open-end, commingled investment vehicle with a multi-disciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire core stable institutional quality office, retail, industrial and multi-family residential properties that are substantially leases and have minimal deferred maintenance or functional obsolescence. The investment is valued at NAV and redemption request must be received by the fund 10 days prior to quarter end.
- (3) Real estate fund – This fund is an open-end, commingled investment vehicle with a multi-disciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire yield-driven assets consisting of all property types. The investment is valued at NAV and redemption requests must be received by the fund 10 days prior to quarter end.

Police	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate fund	\$ 5,669,118	\$ -	Quarterly	10 business days
<b>Total investments measured at NAV</b>	<b>\$ 5,669,118</b>	<b>\$ -</b>		

**Real estate fund** – This fund invests primarily in core institutional quality office, retail, industrial, and multi-family properties in the U.S. The fair value of the investment in the fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

## Notes to the Basic Financial Statements

September 30, 2022

## Interest Rate Risk

The following table shows the sensitivity of the fair values of the pension plans' investments to market interest rate fluctuations:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
<b>General Employees</b>					
U.S. Treasuries	\$ 16,599,657	\$ -	\$ 8,159,979	\$ 8,439,678	\$ -
U.S. Government Agencies	3,179,767	-	-	-	3,179,767
Corporate notes	4,000,983	-	921,672	3,079,311	-
<b>Total fixed income securities</b>	<b>23,780,407</b>	<b>-</b>	<b>9,081,651</b>	<b>11,518,989</b>	<b>3,179,767</b>
<b>Police</b>					
U.S. Government Obligations	14,531,597	-	441,429	9,786,275	4,303,893
Mortgage backed securities	3,988,669	-	-	-	3,988,669
Corporate notes	5,794,735	-	571,409	5,223,326	-
<b>Total fixed income securities</b>	<b>24,315,001</b>	<b>-</b>	<b>1,012,838</b>	<b>15,009,601</b>	<b>8,292,562</b>
<b>Firefighters</b>					
U.S. Treasuries	4,084,795	131,481	2,325,939	1,036,673	590,702
U.S. Government Agencies	3,690	-	-	-	3,690
Mutual funds	12,027,289	1,499,880	2,343,389	2,473,629	5,710,391
Corporate notes	2,154,192	323,236	428,566	717,576	684,814
<b>Total fixed income securities</b>	<b>\$ 18,269,966</b>	<b>\$ 1,954,597</b>	<b>\$ 5,097,894</b>	<b>\$ 4,227,878</b>	<b>\$ 6,989,597</b>

## Investing in Foreign Markets

Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the U.S. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and present and future adverse political, social and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

Plans did not hold any securities in the portfolio which represent foreign investments, other than those which are represented by American Depository Receipts (ADR) which do have inherent political risk, but trade in U.S. dollars, and therefore are not subject to currency risk. These investments represent less than one percent of the combined portfolio.

## Foreign Tax Withholdings and Reclaims

Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the U.S. and applicable foreign jurisdictions, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statement of operations. Where treaties allow for a reclaim of taxes, the plan will make a formal application for refund. Such reclaims are included as an addition to dividend income.

## Investing in Real Estate

Plans are subject to risks inherent in the ownership and operation of real estate. These risks include, among others those normally associated with changes in the general economic climate, trends in the industry including creditworthiness of the tenants, changes in the tax laws, interest rate levels, and availability of financing and potential liability under environmental and other laws.

## NOTE 5 – RECEIVABLES AND UNEARNED REVENUES

### Receivables

Receivables as of September 30, 2022, for the City's individual major and non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Governmental	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Total
Receivables:				
Accounts (gross)	\$ 2,051,046	\$ 524,563	\$ 3,157,418	\$ 2,575,609
Allowance for uncollectibles	(100,567)	-	-	(100,567)
Accounts (net)	1,950,479	524,563	3,157,418	2,475,041
Assessments	-	23,176	-	23,176
<b>Total receivables</b>	<b>\$ 1,950,479</b>	<b>\$ 547,738</b>	<b>\$ 3,157,418</b>	<b>\$ 2,498,217</b>

Receivables for the business-type activities are as follows:

Business-type	Utility Special District (USD) Funds	Marina Funds	Stormwater Funds	Nonmajor Proprietary Funds	Total
Receivables:					
Accounts (gross)	\$ 5,472,580	\$ 2,328,717	\$ 531,756	\$ 610,151	\$ 8,943,204
Allowance for uncollectibles	(1,379,274)	-	(240,909)	(160,169)	(1,780,352)
<b>Total receivables</b>	<b>\$ 4,093,306</b>	<b>\$ 2,328,717</b>	<b>\$ 290,848</b>	<b>\$ 449,982</b>	<b>\$ 7,162,852</b>

### Lease receivable

For the financial year ended September 30, 2022, the financial statements include the adoption of GASB No. 87 Leases. The primary objective of this statement is to enhance the relevance and consistency of information above governments' leasing activities. This statement establishes a single model for lease accounting based on the principles that leases are financings to the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to use lease assets, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City entered into a lease as Lessor for the use of Ocean Mall. As of September 30, 2022, the value of the lease receivable is \$2,871,060. The lease has an interest rate of 1.8820%. The value of the deferred inflow of resources as of September 30, 2022 \$2,855,401.59, and City recognized lease revenue of \$34,314 during the fiscal year.

The City entered into a lease as Lessor for the use of property owned by the City for a communication tower. As of September 30, 2022, the value of the lease receivable is \$38,433. The lessee is required to make annual fixed payments of \$38,528. The lease has an interest rate of 0.2480%. The value of the deferred inflow of resources as of September 30, 2022 was \$42,729 and City has recognized lease revenue of \$34,184 during the fiscal year.

The City entered into multiple leases as Lessor for the use of property owned by the City for use of telecommunications tower. As of September 30, 2022, the value of the lease receivable is \$127,470. The lessee is required to make annual fixed payments of \$51,758. The lease has interest rates ranging from 0.3280% to 0.6320%. The value of the deferred inflow of resources as of September 30, 2022 was \$111,949 and City has recognized lease revenue of \$46,791 during the fiscal year.

## Notes to the Basic Financial Statements

September 30, 2022

The CRA has entered into multiple governmental activities leases as lessor of buildings. For the year September 30, 2022, the value of the lease receivable is \$422,499. The leases have interest rates ranging from 0.2130% to 0.2480%. The value of the deferred inflows of resources for the year ended September 30, 2022 was \$418,996, and the CRA recognized lease revenue of \$254,420 during the year

**Unearned/unavailable revenues**

Unearned revenue from resources that have been received but not yet earned is reported on the fund financial statements. The governmental fund financial statements also report unavailable revenue from receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The components of unearned revenues as of September 30, 2022 are as follows:

	General Fund	Community Redevelopment Agency (CRA) Funds	Nonmajor Governmental Funds	Total
Revenues earned but not available				
Other receivables	\$ -	\$ -	\$ 42,069	\$ 42,069
<b>Total unearned revenues</b>	<b>-</b>	<b>-</b>	<b>42,069</b>	<b>42,069</b>
Unearned revenues:				
Prepaid business tax receipts	392,189	-	-	392,189
Grant receipts	-	-	82,740	82,740
Prepaid rent payments	-	96,336	-	96,336
<b>Total unearned revenues</b>	<b>392,189</b>	<b>96,336</b>	<b>82,740</b>	<b>571,266</b>
<b>Total unearned/unavailable revenues</b>	<b>\$ 392,189</b>	<b>\$ 96,336</b>	<b>\$ 124,810</b>	<b>\$ 613,335</b>



## NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2022 is as follows:

	Beginning Balance Oct 1, 2021	Additions	Deletions	Ending Balance Sep 30, 2022
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 21,934,579	\$ 1,967,239	\$ -	\$ 23,901,818
Construction in progress	43,991,369	16,994,151	(38,289,222)	22,696,298
<b>Total capital assets not being depreciated</b>	<b>65,925,948</b>	<b>18,961,390</b>	<b>(38,289,222)</b>	<b>46,598,116</b>
Capital assets being depreciated:				
Buildings and improvements	57,005,688	7,313,810	-	64,319,498
Infrastructure	69,703,285	29,658,707	-	99,361,992
Equipment	21,678,258	2,551,435	(254,804)	23,974,889
Right to use leased assets	9,677,743	1,910,212	-	11,587,955
<b>Total capital assets being depreciated</b>	<b>158,064,974</b>	<b>41,434,164</b>	<b>(254,804)</b>	<b>199,244,334</b>
Less accumulated depreciation for:				
Buildings and improvements	(24,095,809)	(2,463,604)	-	(26,559,412)
Infrastructure	(37,068,054)	(2,695,502)	-	(39,763,556)
Equipment	(18,173,617)	(1,080,051)	254,804	(18,998,864)
Right to use leased assets	(4,875,958)	(1,377,153)	-	(6,253,111)
<b>Total accumulated depreciation</b>	<b>(84,213,438)</b>	<b>(7,616,310)</b>	<b>254,804</b>	<b>(91,574,943)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 139,777,484</b>	<b>\$ 52,779,244</b>	<b>\$ (38,289,222)</b>	<b>\$ 154,267,507</b>

### Right to use leased assets

The City has right to use leased assets for land, buildings and equipment which are shown above. The related leases are discussed in the Liabilities section of the notes. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity by asset category for the primary government for the year ended September 30, 2022 is as follows:

	Beginning Balance Oct 1, 2021	Additions	Deletions	Ending Balance Sep 30, 2022
<b>Right to use assets</b>				
Land improvements	\$ -	\$ 70,831	\$ -	\$ 70,831
Vehicles	9,677,743	1,315,450	-	10,993,193
Buildings	-	302,697	-	302,697
Equipment	-	221,234	-	221,234
<b>Total right to use leases</b>	<b>9,677,743</b>	<b>1,910,212</b>	<b>-</b>	<b>11,587,955</b>
Less accumulated amortization:				
Land improvements	-	(30,356)	-	(30,356)
Vehicles	(4,875,958)	(1,259,185)	-	(6,135,143)
Buildings	-	(64,163)	-	(64,163)
Equipment	-	(23,449)	-	(23,449)
<b>Total accumulated amortization</b>	<b>(4,875,958)</b>	<b>(1,377,153)</b>	<b>-</b>	<b>(6,253,111)</b>
<b>Right to use leased assets, net of amortization</b>	<b>\$ 4,801,785</b>	<b>\$ 533,059</b>	<b>\$ -</b>	<b>\$ 5,334,844</b>

## Notes to the Basic Financial Statements

September 30, 2022

	Beginning Balance Oct 1, 2021	Additions	Deletions	Ending Balance Sep 30, 2022
<b>Business-type activities</b>				
Capital assets not being depreciated:				
Land	\$ 901,659	\$ -	\$ -	\$ 901,659
Construction in progress	44,826,575	9,836,552	(26,466,128)	28,196,999
<b>Total capital assets not being depreciated</b>	<b>45,728,234</b>	<b>9,836,552</b>	<b>(26,466,128)</b>	<b>29,098,658</b>
Capital assets being depreciated:				
Buildings and improvements	31,569,912	10,002,849	-	41,572,761
Utility plants and systems	76,585,343	16,403,920	-	92,989,263
Equipment	8,574,382	264,007	-	8,838,389
Waterside improvements	17,886,379	-	-	17,886,379
<b>Total capital assets being depreciated</b>	<b>134,616,016</b>	<b>26,670,776</b>	<b>-</b>	<b>161,286,792</b>
Less accumulated depreciation for:				
Buildings and improvements	(15,635,156)	(971,687)	-	(16,606,843)
Utility plants and systems	(45,049,419)	(2,372,774)	-	(47,422,193)
Equipment	(6,056,629)	(535,522)	-	(6,592,151)
Waterside improvements	(5,359,507)	(822,379)	-	(6,181,886)
<b>Total accumulated depreciation</b>	<b>(72,100,711)</b>	<b>(4,702,362)</b>	<b>-</b>	<b>(76,803,073)</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 108,243,539</b>	<b>\$ 31,804,966</b>	<b>\$ (26,466,128)</b>	<b>\$ 113,582,377</b>

Depreciation expense was charged to functions as follows for the fiscal year ending September 30, 2022:

**Governmental activities:**

General government	\$ 3,330,604
Public safety	1,888,632
Transportation	251,628
Human services	51,088
Culture and recreation	1,828,442
Economic environment	265,916
<b>Total depreciation expense – Governmental</b>	<b>7,616,310</b>

**Business-type activities:**

Water and sewer	3,032,317
Marina	822,379
Solid waste collection	55,598
Stormwater	570,175
Economic environment	221,893
<b>Total depreciation expense – Business-type</b>	<b>4,702,362</b>
<b>Total depreciation expense</b>	<b>\$ 12,318,672</b>

## NOTE 7 – LONG-TERM LIABILITIES

### Governmental Activities

The following is a summary of changes in the long-term debt and liabilities for governmental activities for the fiscal year ended September 30, 2022:

	Beginning Balance Oct 1, 2021	Additions	Reductions	Ending Balance Sep 30, 2022	Amount Due in One Year	Noncurrent
<b>Governmental activities:</b>						
Bonds and notes payable	\$100,400,173	\$ -	\$ (3,282,412)	\$ 97,117,761	\$ 3,747,761	\$ 93,370,000
Unamortized premium	7,347,805	-	(53,658)	7,294,147	-	-
<b>Net bonds and notes payable</b>	<b>107,747,978</b>	<b>-</b>	<b>(3,336,070)</b>	<b>104,411,908</b>	<b>3,747,761</b>	<b>93,370,000</b>
Capital leases	2,073,519	1,249,145	(937,606)	2,385,058	1,064,082	1,320,976
Net pension liability (asset)	(9,740,633)	(2,231,421)	-	(11,972,054)	-	-
Net OPEB liability	6,335,131	-	(1,441,194)	4,893,937	-	-
Compensated absences	5,053,895	-	(325,919)	4,727,976	369,818	4,358,158
<b>Total</b>	<b>111,469,890</b>	<b>(982,276)</b>	<b>(6,040,789)</b>	<b>104,446,825</b>	<b>5,181,661</b>	<b>105,384,265</b>
<b>Community Redevelopment activities:</b>						
Bonds and notes payable	\$ 27,473,000	\$ -	\$ (2,186,000)	\$ 25,287,000	\$ 2,890,000	\$ 22,397,000
Lease liabilities	-	207,831	-	207,831	89,063	118,768
Net pension liability	1,561,688	441,310	-	2,002,998	-	-
Compensated absences	161,823	33,525	-	195,348	-	-
<b>Total</b>	<b>29,196,511</b>	<b>682,666</b>	<b>(2,186,000)</b>	<b>27,693,177</b>	<b>2,979,063</b>	<b>22,515,768</b>
<b>Total governmental activities</b>	<b>\$140,666,401</b>	<b>\$ (299,610)</b>	<b>\$ (8,226,789)</b>	<b>\$132,140,002</b>	<b>\$ 8,160,724</b>	<b>\$127,900,033</b>

### Revenue Bonds:

#### Community Redevelopment Projects Note, Series 2006

CRA issued two series of bond anticipation notes to finance the development and implementation of capital projects included in the Community Redevelopment Plan. Series 2002A, in the amount of \$5,010,000, were issued in March 2002. Series 2003A, in the amount of \$2,000,000, were issued in August 2003. Series 2002A and Series 2003A Notes were retired in full on July 5, 2006. In July 2006, the City issued the *Community Redevelopment Projects Note, Series 2006* in the amount of \$7,175,876 to repay Series 2002A and 2003A Notes. Although Series 2006 Notes were issued by the City, the proceeds were used to refinance CRA debt and the CRA is making the debt service payments pursuant to its agreement with the City. The Notes have a fixed interest rate of 4.19% per annum until expiration. Principal and interest payments are secured by a pledge of tax incremental revenues to the City which in turn has subordinated its interest to Truist Bank (formerly BB&T Bank) and the Series 2011 Notes.

#### Public Improvement Revenue Bonds, Series 2014

The City issued the *Public Improvement Revenue Bonds, Series 2014* to fund infrastructure projects, reconstruction of streets within the City, and improvements to the Marina District Uplands. A portion of the Series 2014 project involves a grant to the CRA to finance the cost of refurbishment and upgrade of property within Bicentennial Park and reconstruction of certain streets located within the Marina District Uplands.

The Series 2014 bonds are not general obligations of the City within the meaning of the State of Florida, but are payable from and secured by a lien only on the pledged revenues and on the deposits in the funds and accounts, and the earnings on those deposits as provided by the bond's resolution.

Payment is due in semi-annual principal and interest installments and commenced on October 1, 2015. Stated interest rates on bonds are between 2.00% and 3.625% per annum.

#### **Taxable Public Improvement Revenue Bonds, Series 2015**

The City issued *Taxable Public Improvement Revenue Bonds, Series 2015* to pay the cost of funding the unfunded actuarial accrued liability (UAAL) of the City's three pension plans, make payments required to purchase past service credits for employees who opted to participate in the FRS, and to pay the costs of issuance of the Series 2015 bonds, including the premium for municipal bond insurance.

The Series 2015 bonds are not general obligations of the City within the meaning of the State of Florida, but are payable from and secured by a lien only on the pledged revenues and on the deposits in the funds and accounts, and the earnings on those deposits as provided by the bond's resolution.

Payments on the Series 2015 bonds are due in semi-annual principal and interest installments, which commenced on April 1, 2016. Stated interest rates on the bonds are between 1.227% and 5.116% per annum.

#### **Public Improvement Revenue Bonds, Series 2021**

The City issued *Public Improvement Revenue Bonds, Series 2021* to finance the cost of acquiring, constructing, and equipping two new fire stations in the City, including to the extent permissible under the Code, reimbursement to the City of any moneys previously advanced by the City to pay any portion of such cost, to pay capitalized interest on the bonds, and to pay the costs of issuance of the bonds.

The Series 2021 bonds are not general obligations of the City within the meaning of the State of Florida, but are payable from and secured by a lien only on the pledged revenues and on the deposits in the funds and accounts, and the earnings on those deposits as provided by the bond's resolution.

Payments on the Series 2021 bonds are due in semi-annual principal and interest installments, which will commence on April 1, 2022. Stated interest rates on the bonds are between 4% and 5% per annum.

#### **Tax Increment Revenue Bonds:**

##### **Redevelopment Refunding Revenue Note, Series 2020A**

In August 2020, the CRA issued *Redevelopment Refunding Revenue Note, Series 2020A* in the amount of \$13,297,000 in order to refinance its outstanding Redevelopment Revenue Note, Series 2013A and a portion of its outstanding Redevelopment Revenue Note, Series 2018.

##### **Taxable Redevelopment Refunding and Improvement Revenue Note, Series 2020B**

In August 2020, the CRA issued *Taxable Redevelopment Refunding and Improvement Revenue Note, Series 2020B* in the amount of \$16,338,000 to refinance the outstanding Redevelopment Taxable Refunding Revenue Note, Series 2013B and a portion of its outstanding Redevelopment Revenue Notes, Series 2018 and to fund various community redevelopment projects within the Riviera Beach Community Redevelopment area including the acquisition and renovation of certain property within the CRA, marina infrastructure, street improvements, affordable housing projects, and qualified grants and such other projects as may be approved by the CRA from time to time in accordance with the redevelopment plan.

The future debt service requirements to maturity on the notes and bonds outstanding as of September 30, 2022 are as follows:

Fiscal Years ending September 30	Revenue Bonds			Tax Increment Revenue Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2023	\$ 3,747,761	\$ 4,190,670	\$ 7,938,431	\$ 2,890,000	\$ 545,251	\$ 3,435,251
2024	4,565,000	4,040,074	8,605,074	2,952,000	487,431	3,439,431
2025	4,610,000	3,856,024	8,466,024	3,010,000	428,365	3,438,365
2026	4,975,000	3,662,087	8,637,087	1,899,000	368,161	2,267,161
2027	5,745,000	3,443,392	9,188,392	1,941,000	325,671	2,266,671
2028-2032	30,080,000	10,959,625	41,039,625	8,209,000	858,221	9,067,221
2033-2037	31,400,000	5,649,098	37,049,098	4,386,000	148,053	4,534,053
2038-2042	11,995,000	1,494,100	13,489,100	-	-	-
<b>Total</b>	<b>\$ 97,117,761</b>	<b>\$ 37,295,070</b>	<b>\$134,412,831</b>	<b>\$ 25,287,000</b>	<b>\$ 3,161,153</b>	<b>\$ 28,448,153</b>
Current portion	(3,747,761)			(2,890,000)		
Premium	7,294,147			-		
<b>Long-term portion</b>	<b>\$100,664,147</b>			<b>\$ 22,397,000</b>		

### Leases

For the year ended September 30, 2022, the financial statements include the adoption of GASB No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model of lease accounting based on the principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City has entered into multiple leases as lessee for vehicles to meet the needs of the City's fleet replacement schedule to provide for critical public safety vehicles. Lease agreements were executed under a Master Lease Purchase Agreement with U.S. Bancorp Government Leasing and Finance Inc. The equipment has five to ten year estimated useful life. This year, \$895,254 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future lease payments as of the inception date.

On November 30, 2018, the City entered into a 3-year capital leasing arrangement for \$850,000 to finance the purchase of police vehicles for the City's police department. The lease carries an interest rate of 3.255% with annual payments of \$301,975 including principal and interest. At September 30, 2022, the lease was repaid in full.

On November 30, 2018, the City entered into a 5-year capital leasing arrangement for \$928,464 to finance the purchase of a fire ariel platform vehicle for the City's fire department. The lease carries an interest rate of 3.361% with annual payments of \$204,829 including principal and interest. At September 30, 2022, the principal outstanding balance is \$389,893.

On October 15, 2019, the City entered into a 3-year capital leasing arrangement for \$984,284 to finance the purchase of police vehicles for the City's police department. The lease carries an interest rate of 2.033% with annual payments of \$341,524 including principal and interest. At September 30, 2022, the principal outstanding balance is \$334,720.

On October 15, 2019 the City entered into a 5-year capital leasing arrangement for \$671,870 to finance the purchase of fire rescue vehicles for the City's fire department. The lease carries an interest rate of 2.057% with annual payments of \$142,779 including principal and interest. At September 30, 2022, the principal outstanding balance is \$411,301.

## Notes to the Basic Financial Statements

September 30, 2022

The City has entered into multiple leases as lessee of vehicles for the City's police department. For the year ended September 30, 2022, the value of the lease liability is \$1,101,636. The leases have interest rates ranging from 0.6320% to 2.1570%. The value of the right to use assets for the year ended September 30, 2022 was \$1,315,450 with accumulated amortization of \$241,678.

The City has entered into a lease as a lessee of a building. For the year ended September 30, 2022, the value of the lease liability is \$80,921. The City is required to make monthly payments of \$7,366. The lease has an interest rate of 0.2480%. The value of the right to use asset for the year ended September 30, 2022 was \$169,023 with accumulated depreciation of \$88,186.

The City has entered into multiple leases as lessee of equipment. For the year ended September 30, 2022, the value of the lease liability is \$66,588. The leases have interest rates ranging from 0.2130% to 2.0150%. The value of the right to use assets for the year ended September 30, 2022 was \$100,735 with accumulated amortization of \$34,068.

The CRA has entered into multiple leases as lessee of a building and parking facility. For the year ended September 30, 2022, the value of the lease liability is \$110,749. The leases have interest rates of 0.2130%. The value of the right to use assets for the year ended September 30, 2022 was \$204,505 with accumulated amortization of \$94,520.

The CRA has entered into multiple leases as lessee of equipment. For the year ended September 30, 2022, the value of the lease liability is \$97,082. The leases have interest rates of 0.6320%. The value of the right to use assets for the year ended September 30, 2022 was \$120,499 with accumulated amortization of \$23,449.

The future minimum lease obligations and the net present value for these minimum lease payments as of September 30, 2022 are as follows:

Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$ 1,182,820	\$ 39,781	\$ 1,222,601
2024	682,726	19,155	701,881
2025	428,946	6,985	435,931
2026	253,474	1,706	255,179
2027	44,923	148	45,072
<b>Total</b>	<b>\$ 2,592,899</b>	<b>\$ 67,775</b>	<b>\$ 2,660,664</b>

The City's long-term debt for governmental activities is summarized as follows:

	Purpose of Issue	Amount Issued	Principal Amount Outstanding	Stated Interest Rate	Maximum Annual Debt Service
Bonds:					
Revenue Bonds:					
Series 2006	Redevelopment	\$ 7,175,876	\$ 637,761	4.19%	\$ 651,122
Series 2014	Capital improvement	22,000,000	17,920,000	2% to 4%	1,970,072
Series 2015	Funding pension UAAL	57,360,000	48,910,000	1.227% to 5.116%	7,058,706
Series 2020A	Redevelopment	13,297,000	10,447,000	1.81%	2,157,541
Series 2020B	Redevelopment	16,338,000	14,840,000	2.40%	1,664,288
Series 2021	Construction of fire stations	29,650,000	29,650,000	4% to 5%	2,290,350
	<b>Total</b>	<b>\$ 145,820,876</b>	<b>\$ 122,404,761</b>		<b>\$ 15,792,079</b>

### Business-type Activities

The following is a summary of changes in long-term debt and liabilities for business-type activities:

	Beginning Balance Oct 1, 2021	Additions	Deletions	Ending Balance Sep 30, 2022	Amount Due in One Year	Noncurrent
<b>Business-type activities:</b>						
Bonds and notes payable	\$ 55,615,000	\$ 40,490,000	(\$38,425,000)	\$ 57,680,000	\$ 2,990,000	\$ 54,690,000
Unamortized premium	9,093,707	-	(407,097)	8,686,610	-	8,686,611
Net bonds and notes payable	<u>64,708,707</u>	<u>40,490,000</u>	<u>(38,832,097)</u>	<u>66,366,610</u>	<u>2,990,000</u>	<u>63,376,611</u>
Utility purchase obligation	132,722	-	(132,722)	-	-	-
Net pension liability (asset)	(829,012)	(6,294,975)	-	(7,123,987)	-	-
Net OPEB liability	906,983	-	(192,916)	714,067	-	-
Compensated absences	283,595	-	(71,020)	212,575	16,090	196,485
Total business-type activities	<u>65,202,995</u>	<u>34,195,025</u>	<u>(39,228,755)</u>	<u>60,169,265</u>	<u>3,006,090</u>	<u>64,480,079</u>
<b>Total long-term liabilities</b>	<u><b>\$205,869,396</b></u>	<u><b>\$ 33,895,415</b></u>	<u><b>\$(47,455,544)</b></u>	<u><b>\$192,309,267</b></u>	<u><b>\$11,166,814</b></u>	<u><b>\$192,380,112</b></u>

### Revenue Bonds

#### Water and Sewer Revenue Refunding Bonds, Series 2014

In September 2014, USD issued *Water and Sewer Revenue Refunding Bonds, Series 2014* with an aggregate principal amount of \$22,645,000 to refund and defease USD's outstanding *Water and Sewer Revenue Bonds, Series 2004* and to pay for costs of issuing the Series 2014 Bonds, including the premium for municipal bond insurance. USD called the refunded bonds for redemption on October 1, 2014. USD has pledged funds to serve as security for the payment of bonds which consist of net revenues, impact fees that may be legally used for the payment of debt service, and applied in accordance with the provisions of the Bond Resolution, including investments, except the rebate fund.

During the fiscal year, USD issued *Water and Sewer Revenue Bonds, Series 2022A* to refund *Water and Sewer Revenue Refunding Bonds, Series 2014*. USD has irrevocably deposited with an escrow agent for such payment, cash, and U.S. Government securities, maturing as to principal and interest in such accounts at such times as will ensure availability of sufficient moneys to pay the principal and interest and redemption premium, if any on the refunded bonds, *Water and Sewer Revenue Refunding Bonds, Series 2014* maturing on October 1, 2025 through October 1, 2034 totaling \$13,905,000. Therefore, the refunded bonds were removed from the City's financial statements as they are considered defeased. As of September 30, 2022, principal balance of \$3,045,000 remains with an annual interest rate of 5%.

#### Water and Sewer Revenue Bonds, Series 2016

In August 2016, USD issued *Water and Sewer Revenue Bonds, Series 2016* with an aggregate principal amount \$33,205,000 to finance the costs of acquiring, constructing and equipping improvements and upgrades to the combined water supply, treatment and distribution system and wastewater collection system and to pay for costs of issuing the Bonds. USD has pledged funds to serve as security for the payment of bonds which consist of net revenues, impact fees that may be legally be used for the payment of debt service, and applied in accordance with the provisions of the Bond Resolution, including investments, except the rebate fund.

During the fiscal year, USD issued *Water and Sewer Revenue Bonds, Series 2022B* to refund *Water and Sewer Revenue Bonds, Series 2016*. USD has irrevocably deposited with an escrow agent for such payment, cash, and U.S. Government securities, maturing as to principal and interest in such accounts at such times as will ensure availability of sufficient moneys to pay



## Notes to the Basic Financial Statements

September 30, 2022

the principal and interest and redemption premium, if any on the refunded bonds, *Water and Sewer Revenue Refunding Bonds, Series 2016* maturing on October 1, 2027 through October 1, 2036 totaling \$22,105,000. Therefore, the refunded bonds were removed from the City's financial statements as they are considered defeased. As of September 30, 2022, principal balance of \$6,260,000 remains with an annual interest rate of 5%.

#### Water and Sewer Bonds, Series 2022A – Refunding of Series 2014

In March 2022, USD issued *Water and Sewer Bonds, Series 2022A – Refunding of Series 2014* to defease *Water and Sewer Revenue Refunding Bonds, Series 2014* with an aggregate principal amount of \$15,145,000. USD has pledged funds to serve as security for the payment of bonds which consist of net revenues, impact fees that may be legally used for the payment of debt service, and applied in accordance with the provisions of the Bond Resolution, including investments, except the rebate fund. Interest rates on the remaining annual principal amounts payable are 2.410% and matures on October 1, 2034. As of September 30, 2022, principal balance of \$15,145,000 remains.

#### Water and Sewer Bonds, Series 2022B– Refunding of Series 2016

In March 2022, USD issued *Water and Sewer Bonds, Series 2022B – Refunding of Series 2016* to defease *Water and Sewer Revenue Bonds, Series 2016* with an aggregate principal amount of \$25,345,000. USD has pledged funds to serve as security for the payment of bonds which consist of net revenues, impact fees that may be legally used for the payment of debt service, and applied in accordance with the provisions of the Bond Resolution, including investments, except the rebate fund. Interest rates on the remaining annual principal amounts payable are 2.580% and matures on October 1, 2036. As of September 30, 2022, principal balance of \$25,345,000 remains.

#### Stormwater Management Utility Revenue Bonds, Series 2016

In March 2016, the City issued *Stormwater Management Utility Revenue Bonds, Series 2016* with an aggregate principal amount \$10,000,000 to finance improvements to the stormwater system and to pay for costs of issuing the Bonds. The City has pledged funds that serve as security for the payment of bonds which consist of net revenues, including investments, except the rebate fund. Interest rates on the remaining annual principal amounts payable vary between 2.125% and 5.0% and matures on November 1, 2035. As of September 30, 2022, principal balance of \$7,885,000 remains.

The annual requirements to pay business-type activities principal and interest on the bonds outstanding at September 30, 2022 are as follows:

Fiscal Years ending September 30	Business-type Activities					
	Water and Sewer Bonds			Stormwater Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2023	\$ 2,545,000	\$ 1,426,110	\$ 3,971,110	\$ 445,000	\$ 240,556	\$ 685,556
2024	2,680,000	1,307,030	3,987,030	470,000	217,681	687,681
2025	2,805,000	1,154,199	3,959,199	490,000	193,681	683,681
2026	2,940,000	1,012,166	3,952,166	515,000	175,959	690,959
2027	3,040,000	854,905	3,894,905	530,000	164,525	694,525
2028-2032	16,625,000	2,891,879	19,516,879	2,845,000	608,838	3,453,838
2033-2037	19,160,000	1,036,772	20,196,772	2,590,000	163,100	2,753,100
Total	\$ 49,795,000	\$ 9,683,060	\$ 59,478,060	\$ 7,885,000	\$ 1,764,341	\$ 9,649,341
Current portion	(2,545,000)			(445,000)		
Premium	8,670,847			15,764		
<b>Long-term portion</b>	<b>\$ 55,920,847</b>			<b>\$ 7,455,764</b>		

**Water and Sewer Obligation**

**Consolidated Utility:**

USD assumed the *Water and Sewer Fund's* obligation to the previous owner of Consolidated Utility. The primary source of repayment of the debt is a pledge of net revenue collected from water and sewage usage. Payments are due monthly with an annual interest rate of 8% for a period of 35 years, ending September 30, 2022. As of September 30, 2022, the Consolidated Utility obligation has been paid in full.

The City's long-term debt for business-type activities is summarized as follows:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Amount Outstanding</u>	<u>Stated Interest Rate</u>	<u>Maximum Annual Debt Service</u>
<b>Utility System Revenue Bonds</b>					
Series 2016	Water and sewer	\$ 33,205,000	\$ 3,045,000	5%	\$ 1,093,125
<b>Utility System Revenue Refunding Bonds</b>					
Series 2014	Water and sewer	22,645,000	6,260,000	2% to 5%	1,416,875
Premium	Water and sewer	6,820,847	9,034,026		
<b>Utility System Revenue Refunding Bonds</b>					
Series 2022A	Water and sewer	15,145,000	15,145,000	2.41%	1636443
Series 2022B	Water and sewer	25,345,000	25,345,000	2.58%	4,143,460
Total Water and Sewer System Fund		<u>103,160,847</u>	<u>58,829,026</u>		<u>8,289,903</u>
<b>Stormwater Revenue Bonds</b>					
Series 2016	Stormwater	10,000,000	7,885,000	2.125% to 5%	700,762
Premium	Stormwater	486,598	15,764		
Total Stormwater Fund		<u>10,486,598</u>	<u>7,900,764</u>		<u>700,762</u>
Total Business-type activities		<u>\$ 113,647,445</u>	<u>\$ 66,729,790</u>		<u>\$ 8,990,665</u>

**NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND ADVANCES**

During the course of operations, transactions occur between individual funds for goods and services to be provided. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Interfund balances represent short-term loans made between funds to cover temporary negative cash balances at fiscal year end. The outstanding balances between funds mainly result from the time lag between the dates goods and services are provided or reimbursable expenditures occur, when transactions are recorded in the accounting system, and payments are made between funds. These amounts also include short-term cash borrowing to cover negative cash balances and payments made to vendors.

An advance in the amount of \$10,194,621 represents payments made by the City on behalf of the CRA to OMRD for construction and improvements to the Ocean Mall and the municipal beach. This advance was made in accordance with an interlocal agreement between the City and the CRA. During the fiscal year, the CRA made a principal payment in the amount of \$679,641. As of September 30, 2022, the outstanding balance is \$8,835,338.

As of September 30, 2022, interfund receivables, payables, and advances balances are as follows:

**Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Non-major governmental funds	\$ 505,862
General fund	Marina	4,984,709
	<b>Total</b>	<b><u>5,490,571</u></b>

**Advances to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal service fund	CRA	8,835,338
	<b>Total</b>	<b><u>\$ 8,835,338</u></b>

**NOTE 9 – INTERFUND TRANSFERS**

Transfers are used to move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and provide contributions and supplemental funding.

Transfers out from the General Fund and non-major governmental funds are to fund debt service requirements, capital improvements, and grant matching. Transfers to the General Fund and non-major governmental funds are primarily to fund capital projects, debt service requirements, and matching of grants.

As of September 30, 2022, interfund transfers are as follows:

	Transfer In Funds			
	General	Debt Service	Non-major Governmental	Total
<b>Transfer Out Funds:</b>				
General	\$ -	\$ 6,652,608	\$ 5,202,272	\$ 11,854,880
Non-major governmental	-	715,839	-	715,839
Non-major governmental	-	-	912,131	912,131
Utility Special District	1,119,575	-	-	1,119,575
Stormwater	134,197	-	-	134,197
<b>Total transfers</b>	<b>\$ 1,253,772</b>	<b>\$ 7,368,447</b>	<b>\$ 6,114,403</b>	<b>\$ 14,736,622</b>

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**NOTE 10 – INVESTMENT IN JOINT VENTURES****East Central Regional Wastewater Treatment Facility (ECR):**

On September 9, 1992, the City entered into a joint interlocal agreement (the Agreement) with Palm Beach County (the County) and three municipalities, the City of West Palm Beach, the Town of Palm Beach, the City of Lake Worth collectively referred to as the Entities for an initial period of thirty years with a renewable term of thirty years upon the consent of all the entities. Under the Agreement, the entities participate in the operation of a regional sewer plant, herein referred to as the East Central Regional Wastewater Treatment Facility (ECR). The purpose of the Agreement was to consolidate prior separate agreements into a single unified agreement to establish rules and procedures for the operation and management of the existing facility. After the Agreement of 1992, each participating entity held a financial interest in the ECR, whose purpose is to receive, treat, and dispose of sewage generated within each municipality and the County. In addition to providing services to the Entities, the ECR operates a septage receiving facility where private haulers can deposit wastewater into the treatment system.

On April 20, 2010, through USD Resolution No. 8-10UD, the ECR Interlocal Agreement was renewed for a term of thirty years commencing September 9, 2022 through September 9, 2052. The Agreement provides for the establishment of a Governing Board (the "Board"), comprised of one representative from each entity participating in the Agreement, to administer the ECR. Under the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Florida Statutes, Section 163.01(7). In accordance with the Agreement, the City of West Palm Beach operates and manages the ECR on behalf of the Board and is paid an administrative fee by the ECR members for those services.

The Agreement establishes the duties and responsibilities among the Entities for the operation of the ECR. The Agreement can be terminated only with the unanimous consent of the Entities. An Entity may withdraw from participation in the Agreement; however, the Entity will forfeit its interest and allocation in the ECR and would still be required to meet its obligations under the Agreement. In the event the ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among the entities, based on their reserve capacity as of the date of disposition. As of September 30, 2022, the City's interest in the ECR was 11.42860%.

The City has participating equity ownership in ECR. The terms of the Agreement provide that each entity is required to pay a proportional part of the annual operating costs, fund a separate Renewal and Replacement Account based on a percentage of the capital cost of the facility, and, make contributions towards fleet costs. All costs of operating the ECR, including depreciation, are shared by each of the entities based on actual flows of wastewater.

Costs associated with capital projects, renewal and replacement, and debt service are shared among the participating governments based on their pro-rata share of reserve capacity. Under the equity method, the City recorded its initial investment at cost and records its ongoing financial interest as an adjustment to the investment in joint venture for its share of the following: Any income or loss reported by the ECR; depreciation and loss on disposal of the ECR assets attributable to capital contributions; additional debt assumed for which the Entities are obligated to repay; and capital and debt reserve contributions, including revenue earned by ECR on such contributions.

As of September 30, 2022, the ECR reported total assets of \$345,987,667 and total net position of \$182,555,754 comprising of \$127,022,796 net investment in capital assets, \$44,192,731 restricted for renewal and replacement and plant; \$6,020,772 for debt service, and \$5,319,455 of unrestricted net position.

In order to expand the plant capacity to 70 million gallons per day (MGD), the ECR must meet certain Florida Department of Environmental Protection permitting requirements. In November 2011, ECR met the permitting requirements for rating the plant capacity at 70 MGD; however, demand for treatment capacity from the Entities does not currently require 70 MGD.

Each Entity is required to make a minimum annual contribution to the renewal and replacement fund equal to 1% of the Entity's share of the facility's replacement value, as estimated by the Board or such other percentage as the board determines annually. Each Entity's share of its proportion of total reserve capacity is multiplied by the replacement value. Once an

Entity's renewal and replacement cash balance reaches 10% of its share of the replacement value, the Entity is not required to make annual payments until its cash balance falls below 5% of its share of that value. The renewal and replacement cash balance for any Entity may not fall below 1% of its share of the replacement value. As of September 30, 2022, all Entities met the renewal and replacement annual contribution and cash balance requirement.

The reserve capacity percentages based on a capacity of 70 MGD by entity as of September 30, 2022 are shown below. For fiscal year 2022, the Entities effected a 2% renewal and replacement contribution.

<u>Participant</u>	<u>Reserve Capacity</u>
City of West Palm Beach	29.29%
Palm Beach County	34.29
City of Lake Worth	16.43
City of Riviera Beach	11.43
Town of Palm Beach	8.57

During fiscal year 2022, the City made payments to the ECR of \$3,911,389 comprising \$961,752 for annual contribution to the ECR and \$2,949,637 towards monthly operating charges.

According to current generally accepted accounting principles, the City accounts for its interest in the joint venture under the equity method. The following is a reconciliation of the City's investment in the ECR as of September 30, 2022:

October 1, 2022 balance	\$ 20,366,701
City's 11.42860% share of the 2022 operating change	496,866
September 30, 2022 balance	<u><u>\$ 20,863,567</u></u>

On September 13, 2012, the ECR entered into an agreement with JP Morgan for private placement of \$14,000,000 of ECR bonds. A portion of the proceeds were used to pay off outstanding balances on the SRF loans. The JP Morgan bonds are due on October 1, 2022 and bear a fixed interest rate of 1.85%. Principal is to be paid serially commencing October 1, 2014 through October 1, 2022. Interest is to be paid semiannually on each April 1 and October 1.

On April 13, 2013, the ECR entered into an agreement with JP Morgan for private placement of \$11,000,000 of ECR bonds. The proceeds were used to purchase processing capacity in the Solid Waste Authority's Biosolids Processing Facility. The bonds are due on October 1, 2023 and bear a fixed interest rate of 1.92%. Principal is to be paid serially commencing October 1, 2014 through October 1, 2023. Interest is to be paid semiannually on each April 1 and October 1.

On November 25, 2014, the ECR issued \$86,590,000 of revenue bonds. The proceeds are being used to construct a biosolids processing facility at the existing ECR plant. The bonds are due on October 1, 2044 and bear coupon interest rates from 5% to 5.25%. Principal is to be paid serially commencing on October 1, 2023 through October 1, 2044. Interest is to be paid semiannually on each April 1 and October 1.

On July 29, 2016, the ECR issued \$11,130,000 of revenue bonds. The proceeds are being used to finance the Headworks facility and safety improvements. The bonds are due on October 1, 2023 and bear a fixed interest rate of 1.43%. Principal is to be paid serially commencing October 1, 2017 through October 1, 2023. Interest is to be paid semiannually on each April 1 and October 1.

On December 21, 2017 the ECR issued \$82,350,000 of revenue refunding bonds. The proceeds are being used for an advanced refunding of most of the outstanding principal balance of the Series 2014 bonds. The refunding bonds are due on October 1, 2044 and bear coupon interest rates between 4 and 5%. Principal is to be paid serially commencing October 1, 2025 and running through October 1, 2044. Interest is to be paid semiannually on each April 1 and October 1.

On October 1, 2018, the ECR issued \$41,500,000 Revenue Bonds, Series 2018. The proceeds are to be used primarily to fund new and existing construction projects. The bonds are due on October 1, 2033 and bear a fixed interest rate of 2.96%. Principal is to be paid serially commencing October 1, 2019 and running through October 1, 2033. Interest is to be paid semiannually on each April 1 and October 1.

ECR revenues net of operating expenses are pledged as security for these bonds. The bond resolutions require that the ECR sets aside equal monthly amounts in preparation of the next semiannual debt service payments. These principal and interest amounts are included in the calculation of flow charges billed monthly to the Entities.

The ECR's complete financial statements, related questions or requests for additional financial information can be obtained from the City of West Palm Beach, Finance Department, 401 Clematis Street, West Palm Beach, Florida, 33401.

#### **CRA and CDE Investment in the Riviera Beach Event Center:**

The Riviera Beach Event Center, LLC (RBEC), a subsidiary of the RBCDE, executed a loan payable with NDC New Markets Investments LXXXIV, LLC (Lender) on July 8, 2014 in the amount of \$4,761,400. The loan bears an interest rate of 1.00% per annum. The loan is secured by a mortgage, assignment of leases and rents, security agreement, and a performance and completion guaranty from the RBEC.

RBEC executed a loan payable with the Lender on July 8, 2014 in the amount of \$2,028,600. The loan bears an interest rate of 1.00% per annum. The loan is secured by a mortgage, assignment of leases and rents, security agreement, and a performance and completion guaranty from the RBEC.

The New Market Tax Credit (NMTC) agreements and financial structures for the Riviera Beach Event Center reached its seven-year term. The City owns the land the Event Center is built upon and currently leases the property to the entities created by the NMTC transaction. On November 10, 2021, the CRA board of commissioners, through CRA Resolution Number 2021-19, authorized the acceptance of an assignment and assumption of ground lease from Riviera Beach Event Center, LLC (RBEC) and authorized the agreement of termination of facility lease agreement and agreement of termination of parking agreement between the CRA and the Riviera Beach Event Center, LLC for the Marina Event Center. The CRA agreed to accept an Assignment and Assumption of Ground Lease from RBEC and in consideration of such assignments, agrees that any obligation for Riviera Beach CDE, Inc. (RBCDE) to repay any amount under that certain Recoverable Grant Agreement dated as of December 11, 2013 between the CRA and RBCDE, as amended that certain First Modification to Recoverable Grant Agreement dated as of June 25, 2014 is deemed satisfied and following such assignment to enter into an Agreement of Termination of Facility Lease Agreement and an Agreement of Termination of Parking Agreement. This transaction resulted in both Loans A and B to be written off.

## **NOTE 11 – RISK MANAGEMENT**

The City is exposed to the risks of workers' compensation, third-party liability, theft, property damage, destruction of assets, errors and omissions, and natural disasters. The Risk Management program is a combination of self-insured retentions at a specified amount and excess insurance policies for potential claims or losses above the self-insured retentions. The City purchases insurance to cover excess liabilities and catastrophic losses. Within the self-funded layer, the City's liability is limited to the following retentions: third-party liability - \$350,000; public officials/employment practices liability - \$350,000; workers' compensation - \$275,000; and crime - \$75,000. There is a corridor retention of \$175,000 that applies to these lines of coverages and retentions. The City maintains a total liability limit of \$2,725,000 for all self-insured losses before aggregate excess coverage applies. Additionally, the City maintains the following deductibles: municipal property - \$100,000; utilities property - \$50,000; boiler and machinery - \$25,000; cyber risk - \$250,000; and pollution - \$25,000. In the event of damage from a named windstorm, certain percentage deductibles apply, as is common for property insurance in the State of Florida. The total potential self-insured losses are funded through a Loss Fund which is administered by a third party.

The Risk Management program is accounted for in the Internal Service Fund. All operating funds participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims. Expenses for claims paid are recorded in the individual funds and a transfer is used to record the reimbursement to the Internal Service Fund.



Pursuant to GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount provided by the third-party administrator for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount, as it depends on factors, such as inflation, changes in legal doctrines, and damage awards. Claims are evaluated periodically. The claims liability estimate includes amounts for incremental claim adjustment expenses related to specific claims, other claim adjustment expenses regardless of whether allocated to specific claims or estimated recoveries. Settlements have not exceeded coverage for the past two fiscal years.

The summary of the changes in claims liability for the Insurance Fund for the fiscal years ended September 30:

Fiscal Year	Balance October 1	Claims and Changes in Estimates	Claim Payments	Balance September 30
2020	\$ 1,468,253	\$ 4,408,211	\$ (2,110,384)	\$ 3,766,080
2021	3,766,080	4,616,100	(4,637,973)	3,744,207
2022	3,744,207	909,267	(2,000,366)	2,653,108

## NOTE 12 – PENSION PLANS

The City maintains three separate single-employer defined benefit pension plans: General Employees’ Retirement System (GERS), Police Pension Fund (PPF), and Firefighters’ Pension Trust Fund (FPTF) which cover full-time employees. Pursuant to Ordinance, general employees and firefighters hired by the City on or after June 1, 2015, and elected officials, are required to participate in the Florida Retirement System (FRS) instead of a City sponsored pension plan (Pension Plans). General employees and firefighters hired by the City before May 1, 2015, were also required to become compulsory participants in FRS, except for those general employees and firefighters who elected prior to June 1, 2015 to not participate in FRS. The Ordinance does not apply to police officers. As of June 1, 2015, GERS and FPTF were closed to new members.

In December 2020, the City approved Ordinance No. 4154 to amend the City’s Code of Ordinances, Sections 41-1 through and including 14-8 of Chapter 14. On March 13, 2020, the Police Benevolent Association (PBA) Bargaining Unit members ratified a three-year labor agreement. The parties bargained to close the Riviera Beach Police Pension Fund to new hires at acceptance into the Florida State Retirement System (FRS). On August 19, 2020, the Council, by Resolution 71-20, approved the enrollment of newly sworn police officers into the Florida Retirement System (FRS). The resolution required all police officers, hired after FRS enrollment, except those excluded by law, to participate in the Florida Retirement System as compulsory members. The Department of Management Services provided an enrollment date of December 1, 2020. Florida is a divided vote referendum state, meaning two votes are required. The first vote is a by secret ballot. An affirmative vote of the majority of the eligible persons in the Retirement Plan and Trust for the police officers of the City of Rivera Beach must vote affirmatively in favor of the City joining the FRS. Following a favorable majority vote referendum, each eligible police officer will vote a second time. The second vote is not a secret ballot. The first vote occurred on April 30 and May 1, 2020. Eighty-one (81) members of the eligible one-hundred ten (110) members voted in the affirmative to join FRS. Each police officer will elect to transfer to the FRS or remain in Police Pension Fund. All police officers hired after December 1, 2020 will be members of the FRS with Social Security coverage.

The CRA has a defined contribution plan in which all eligible full-time employees participate. Employer contributions are equal to approximately 6% of the qualified employee’s annual compensation. Contributions are immediately 100% vested. Employees are not required to contribute. Effective June 1, 2015, those CRA employees who were eligible to participate in the FRS became participants in FRS jointly with the City.

In September 2015, the City issued *Taxable Public Improvement Bonds, Series 2015* to fund the unfunded accrued actuarial liability (UAAL) of the City's three Pension Plans. Further details on the Series 2015 Bonds are available in Note 7 - Long-term Liabilities.

For this report dated September 30, 2022, the actuarial valuation date for all plans is September 30, 2021, and the measurement date is September 30, 2021 for General Employees and Firefighters and September 30, 2022 for Police. The Required Supplementary Information section of this report provides additional detailed information about actuarial methods and assumptions used to determine the contribution rates for each plan. That section also provides schedules of employer contributions, total pension asset/liability, plan fiduciary net position, and changes in net pension asset/liability for each plan. The schedules of employer contributions and pension liabilities will be expanded each year until a total of ten years is presented.

### 1 - Defined benefit plans

**General Employees' Pension Plan:** The General Employees' Retirement System ("the plan") was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, on November 1, 1972 and was most recently amended Under Ordinance No. 4058 passed and adopted on February 4, 2015. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. GERS covers regular full-time employees excluding members of the PPF, FPTF and FRS. GERS is reported as a trust fund in the City's financial statements, therefore, a separate set of financial statements is not issued. GERS is administered by a board of trustees comprising of seven members, of which four members are appointed by the Mayor with approval of the Council, and three members are elected by GERS's participants.

Benefit provisions and contribution requirements for the plan are established and may be amended by the City of Riviera Beach in conjunction with the Service Employees' International Union and the Professional Managers and Supervisors Association. Employee members of the Plan make regular contributions. For fiscal year 2022, the City withheld 6% of earnings from employee members and remitted to the pension plan. The City's actual contribution for fiscal year 2022, as discounted for payment at the beginning of the fiscal year, was \$1,532,624. This contribution represented 26.16% of covered payroll.

**Police Pension Plan:** The Police Pension Fund ("the plan") was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, on May 14, 1957 and was most recently amended Under Ordinance No. 4058 passed and adopted on February 4, 2015. The plan is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. The plan provides retirement benefits to all regular full-time employees of the City classified as police officers, which include both Law Enforcement Officers and Supervisory and Command personnel. The plan is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings. Pursuant to Florida Statutes, Chapter 185, contributions from the State of Florida Department of Insurance consist of a tax imposed by the City upon certain casualty insurance policies covering property within the City for property and casualty coverage and annually remits a contribution to the plan provided that the City has met its actuarial funding requirement for the most recently completed fiscal year. Employee members of the plan make regular contributions. For fiscal year 2022, the City withheld 8% of earnings from employee members and remitted to the pension plan. The City's recommended and actual contribution for fiscal year 2022, as discounted for payment at the beginning of the fiscal year, was \$1,524,207. This contribution represented approximately 15.90% of covered payroll. Chapter 185 funds amounted to \$376,600 for fiscal year 2022.

Benefit provisions and contribution requirements are established and may be amended by the City of Riviera Beach in conjunction with the Palm Beach County Police Benevolent Association. Any such amendments take effect upon passage by the Florida State Legislature. The plan is administered by a board of trustees comprising of five members, of which two members are appointed by the City with approval of the Council, two members are elected by the plan's participants, and one is selected as the fifth member by the board of trustees. The board has the ability to make recommendations on establishing and amending pension plan provisions which can only be authorized by the City Council. Since the plan is sponsored by the City, the plan is included as a pension plan in the City's financial report as part of the City's financial reporting entity. The plan annually produces a separately audited annual report including financial statements and required supplementary information. This report may be obtained from the City of Riviera Beach, Finance Department, 600 W. Blue Heron Boulevard, Riviera Beach, Florida, 33404 or from the City's website: [www.rivierabeach.org](http://www.rivierabeach.org).

**Firefighters' pension plan:** The Firefighters' Pension Trust Fund ('the plan') was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, and was most recently amended under Ordinance No. 4058 passed and adopted on February 4, 2015. The plan is also governed by certain provisions of Chapter 175, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. The plan provides retirement benefits for all regular uniformed members of the Fire department hired prior to May 1, 2015, including active volunteers, are eligible to participate in the plan was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, and was most recently amended Under Ordinance No. 4058 passed and adopted on February 4, 2015. Effective May 1, 2015, the plan is closed to new entrants pursuant to Ordinance No. 4058. The plan is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings. In addition, the State of Florida, pursuant to Chapter 175 of the Florida Statutes, pays to the plan all property insurance premium surcharges collected from within the city limits. These surcharges are distributed annually provided the local government has met its actuarial funding requirement for the most recently completed fiscal year. Employee members of the plan make regular contributions. For fiscal year 2022, the City withheld 8% of earnings from employee members and remitted to the pension plan.

Benefit provisions and contribution requirements are established and may be amended by the City of Riviera Beach in conjunction with the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, I.A.F.F. Any such amendments take effect upon passage by the Florida State Legislature. The City's recommended and actual contribution for fiscal year 2022, as discounted for payment at the beginning of the fiscal year, was \$1,999,165. Chapter 175 funds, as mentioned above, amounted to \$86,456 for fiscal year 2022 was remitted to the plan. These combined contributions, amounting to \$1,999,165 represented 40.81% of covered payroll.

The plan is administered by a board of trustees comprising of five members, of which two members are legal residents of the City appointed by the Council, two active firefighters elected by the active participants of the plan and a fifth participant who is chosen by a majority of the other four trustees. Since the plan is sponsored by the City, the plan is included as a pension plan in the City's financial report as part of the City's financial reporting entity. The plan annually produces a separately audited annual report including financial statements and required supplementary information. The plan annually produces a separately audited annual report including financial statements and required supplementary information.. This report may be obtained from the City of Riviera Beach, Finance Department, 600 W. Blue Heron Boulevard, Riviera Beach, Florida, 33404 or from the City's website: [www.rivierabeach.org](http://www.rivierabeach.org).

## Notes to the Basic Financial Statements

September 30, 2022

Selected actuarial data for the defined benefit pension plans is presented below:

	General Employees September 30, 2021	Police September 30, 2021	Firefighters September 30, 2021
Membership of as valuation date:			
Membership consisted of:			
Retirees and beneficiaries	228	89	76
Inactive, nonretired members	9	2	1
Active members	91	97	39
Total	<u>328</u>	<u>188</u>	<u>116</u>
Covered payroll	\$ 6,330,867	\$ 9,586,528	\$ 5,479,117
<b>Net pension asset (liability):</b>			
Total pension liability	106,595,474	96,671,250	98,954,321
Fiduciary net position	142,768,630	78,578,044	118,057,392
Net pension liability (asset)	<u>\$ (36,173,156)</u>	<u>\$ 18,153,206</u>	<u>\$ (19,103,071)</u>
Net position as % of total pension liability	133.93%	81.22%	119.30%
Net pension asset (liability) as a % of covered payroll	(571.38%)	189.36%	(348.65)
<b>Total Pension Liability</b>		<b>Increase(Decrease)</b>	
Balance at September 30, 2021	<u>110,387,486</u>	<u>89,898,336</u>	<u>94,431,964</u>
Changes for the year:			
Service cost	1,792,510	1,750,141	2,292,703
Interest on total pension liability	7,574,204	6,622,108	6,230,338
Difference between expected and actual experience	(3,196,424)	(224,515)	1,703,182
Increase in DROP and share account liabilities	-	247,047	-
Changes of assumptions	(2,008,139)	3,335,406	(1,381,779)
Benefit payments	(7,954,163)	(4,775,320)	(4,651,210)
Refunds	-	(181,953)	-
Other	-	-	329,123
Net Change in Total Pension Liability	<u>(3,792,012)</u>	<u>6,772,914</u>	<u>4,522,357</u>
Total Pension Liability – Ending (a)	<u>\$ 106,595,474</u>	<u>\$ 96,671,250</u>	<u>\$ 98,954,321</u>
<b>Plan Fiduciary Net Position</b>			
Balance at September 30, 2021	\$ 121,714,425	\$ 98,489,681	\$ 99,138,516
Contributions – Employer (from City and State)	1,697,358	1,900,807	2,271,131
Contributions – Members	379,852	726,533	441,483
Net investment income	27,174,514	(17,482,241)	20,972,496
Benefit payments	(7,954,163)	(4,775,320)	(4,651,210)
Refunds	-	(181,953)	-
Administrative expenses	(145,201)	(160,238)	(115,024)
Other	(98,155)	775	-
Net Change in Plan Fiduciary Net Position	<u>21,054,205</u>	<u>(19,971,637)</u>	<u>18,918,876</u>
Plan Fiduciary Net Position – Ending (b)	<u>142,768,630</u>	<u>78,518,044</u>	<u>118,057,392</u>
<b>Net Pension (Asset) Liability – Ending (a) – (b)</b>	<u>\$ (36,173,156)</u>	<u>\$ 18,153,206</u>	<u>\$ (19,103,071)</u>
Plan Fiduciary Net Position as a Percentage of			
Total Pension Liability	133.93%	81.22%	119.30%
Covered Payroll	\$ 6,330,867	\$ 9,586,528	\$ 5,479,117
Net Pension Liability as a Percentage of			
Covered-Employee Payroll	(571.38%)	189.36%	(348.65)

The schedule of changes in the net pension liability and related ratios and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements and provides additional information about the net pension liability, asset and contributions.

The following table summarizes the net pension asset, net pension liability, deferred inflow and outflow of resources and pension expense as disclosed above for each defined benefit pension plan:

Governmental Activities				
Pension Plan	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
General Employees Pension	\$ (26,044,672)	\$ 2,540,646	\$ 13,572,784	\$ (3,916,915)
Police Pension	18,153,206	25,298,281	7,636,010	6,322,287
Firefighters Pension	(19,103,071)	1,390,597	13,065,234	(651,217)
<b>Total</b>	<b>\$(26,994,537)</b>	<b>\$30,333,013</b>	<b>\$34,274,028</b>	<b>\$1,754,155</b>

Business-Type Activities				
Pension Plan	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
General Employees Pension	\$ (10,128,484)	\$ 988,029	\$ 5,278,305	\$ (1,523,245)
<b>Total</b>	<b>\$ (10,128,484)</b>	<b>\$ 988,029</b>	<b>\$ 5,278,305</b>	<b>\$ (1,523,245)</b>

Net pension liabilities attributable to governmental activities are generally liquidated by the General Fund or the appropriate proprietary fund for business-type activities.

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# Notes to the Basic Financial Statements

## September 30, 2022

### Actuarial Methods and Assumptions

The following assumptions were used to produce the actuarial reports:

	General Employees	Police	Firefighters
Valuation date	September 30, 2021	September 30, 2021	September 30, 2021
Measurement date	September 30, 2021	September 30, 2022	September 30, 2021
Reporting date	September 30, 2021	September 30, 2022	September 30, 2022

### Methods and assumptions used to determine Net Pension Liability:

	General Employees	Police	Firefighters
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Inflation	2.50%	4.50%	2.50%
Salary increases	6.2% to 11%, including inflation	5.6% to 8.6% including inflation	7.50%
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Investment rate of return	7.00%	7.00%	6.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition	Age-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The same versions of Pub-2010 Headcount Weighted Mortality Tables as used by the FRS in its July 1, 2020 actuarial valuation for Regular Class members (with mortality improvements projected to all future years after 2010 using Scale MP-2018).	The FRS mortality tables which use variations of the fully generational RP-2010 Headcount Weighted Safety Employee, Retiree and General Disabled Retiree Mortality Tables with improvement MP-2018.	The same versions of Pub-2010 Headcount Weighted Mortality Tables as used by the FRS in its July 1, 2019 actuarial valuation for the Special Risk class members (with mortality improvements projected for non-disabled lives to all future years after 2010 using MP-2018).

The City is reporting deferred outflows of resources and deferred inflows of resources from the following sources at September 30, 2022:

Description	Deferred Outflows (Inflows)			
	General Employees	Police	Firefighters	Total
City and state contributions subsequent to measurement date	\$ 1,532,624	\$ 1,900,807	\$ 2,344,493	\$ 5,777,924
Differences between expected and actual experience	(1,858,462)	2,096,512	756,970	995,020
Changes of assumptions	(613,570)	1,893,506	(614,124)	665,812
Net difference between projected and actual earnings on pension plan investments	(12,850,382)	13,672,253	(11,817,513)	(10,995,642)
<b>Total</b>	<b>\$ (13,789,790)</b>	<b>\$ 19,563,078</b>	<b>\$ (9,330,174)</b>	<b>\$ (3,555,886)</b>

The deferred outflows of resources resulting from contributions to the pension plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Subsequent to the measurement date of September 30, 2021, but before September 30, 2022, the City contributed \$1,532,624 to General Employees, \$1,524,207 to Police, and \$1,912,709 to Firefighters pension plans. The amount reported as a deferred outflow (inflow) of resources related to the pensions will be recognized in pension expense in future years as follows:

Fiscal year ending September 30	General Employees	Police	Firefighters
2023	\$ (5,762,829)	\$ 5,416,276	\$ (3,183,380)
2024	(2,893,168)	3,377,932	(2,633,743)
2025	(2,904,557)	3,891,773	(2,950,558)
2026	(3,761,860)	4,976,290	(2,906,986)
2027	-	-	-
Thereafter	-	-	-
<b>Total</b>	<b>\$ (15,322,414)</b>	<b>\$ 17,662,271</b>	<b>\$ (11,674,667)</b>

## 2 - Pension Plan Assets

**Discount rate:** The discount rates illustrated in the table below were used to measure the total pension liability for all three plans. This rates were based on the expected rate of return on each pension plan investments. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position of all funds was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



## Notes to the Basic Financial Statements

September 30, 2022

**Sensitivity of the discount rate:** Regarding the sensitivity of the net pension liability (asset) to changes in the single discount rate, the following presents each plan's net pension liability (asset), calculated using a single discount rate, as well as what each plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the current rate assumption.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
General employees	6.00%	7.00%	8.00%
	\$ (25,420,167)	\$ (36,173,156)	\$ (45,305,822)
Police	6.00%	7.00%	8.00%
	29,757,736	18,153,206	8,515,706
Firefighters	5.50%	6.50%	7.50%
	\$ (8,832,339)	\$ (19,103,071)	\$ (27,728,683)

**Long-Term Expected Rate of Return:** The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table.

General Employees		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	60%	6.54% to 6.99%
International equities	7%	7.08%
Fixed income	23%	2.47% to 4.95%
Real estate	10%	5.98%
Police		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	45%	7.50%
International equities	10%	8.50%
Domestic bonds	30%	2.50%
International bonds	10%	3.50%
Real estate	5%	4.50%

Firefighters		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	35% to 65%	6.70% to 9.70%
International equities	5% to 25%	7.10%
Fixed income	15% to 30%	3.20% to 6.90%
Real estate	5% to 25%	6.20%

### 3 – State of Florida Retirement System (FRS)

Pursuant to the City’s ordinance, general employees and firefighters hired by the City on or after June 1, 2015, and elected officials, are required to participate in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Trust fund administered by the Florida Department of Management Services, Division of Retirement. FRS and HIS are cost-sharing, multiple-employer defined benefit pension plans with approximately 1,000 participating employers. FRS and HIS were established and are administered in accordance with Florida Statutes, Chapter 121 and Section 112.363, respectively. General employees and firefighters hired by the City before May 1, 2015, were also required to become compulsory participants in FRS, except for those general employees and firefighters who elected prior to June 1, 2015 to not participate in FRS. The Ordinance does not apply to police officers. As of June 1, 2015, GERS and FPTF were closed to new members.

In December 2020, the City approved Ordinance No. 4154 to amend the City’s Code of Ordinances, Sections 41-1 through and including 14-8 of Chapter 14. On March 13, 2020, the Police Benevolent Association (PBA) Bargaining Unit members ratified the current three-year labor agreement. The parties bargained to close the Riviera Beach Police Pension Fund to new hires at acceptance into the Florida State Retirement System (FRS). On August 19, 2020, the Council, by Resolution 71-20, approved the enrollment of newly sworn police officers into the Florida Retirement System (FRS). The resolution required all police officers, hired after FRS enrollment, except those excluded by law, to participate in the Florida Retirement System as compulsory members. The Department of Management Services provided an enrollment date of December 1, 2020. Florida is a divided vote referendum state, meaning two votes are required. The first vote is a by secret ballot. An affirmative vote of the majority of the eligible persons in the Retirement Plan and Trust for the police officers of the City of Riviera Beach must vote affirmatively in favor of the City joining the FRS. Following a favorable majority vote referendum, each eligible police officer will vote a second time. The second vote is not a secret ballot. The first vote occurred on April 30 and May 1, 2020. Eighty-one (81) members of the eligible one-hundred ten (110) members voted in the affirmative to join FRS. Each police officer will elect to transfer to the FRS or remain in Police Pension Fund. All police officers hired after December 1, 2020 will be members of the FRS with Social Security coverage.

The CRA has a defined contribution plan in which all eligible full-time employees participate. Employer contributions are equal to approximately 6% of the qualified employee’s annual compensation. Contributions are immediately 100% vested. Employees are not required to contribute. Effective June 1, 2015, those CRA employees who were eligible to participate in the FRS became participants in FRS jointly with the City.

FRS includes a Deferred Retirement Option Program (DROP) available for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Florida Statutes, Sections 121.053 and 121.122, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation is optional for municipalities, special districts, charter schools and metropolitan planning organizations.

HIS membership is optional and available to all retirees under a state administered retirement system, provided the retiree provides proof of health insurance coverage, which may include Medicare. Participation is compulsory for municipalities, special districts, charter schools and metropolitan planning organizations that participate in FRS.

### Benefits Provided

FRS provides retirement, survivor, and disability benefits to plan members and beneficiaries. Pension benefits to FRS are established by Florida Statutes, Chapter 121 and may be amended by the Florida Legislature. Benefits under FRS are computed on the basis of age and /or years of service, average final compensation, and service credit. Members initially enrolled on or after July 1, 2008 through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011 vest after eight years of service. HIS provides retirees and beneficiaries a monthly benefit equal to the number of years of service completed at the time of retirement multiplied by \$5. The monthly benefit payment is established by Florida Statutes, Section 112.363, and is at least \$30, but not more than \$150.

In addition to the above benefits, the FRS DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

### Contributions

Enrolled members of FRS, other than DROP participants, are required to contribute 3% of their salary to FRS and no contribution is required for HIS members. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

Employer contribution rates by job class for the period from October 1, 2021 to June 30, 2022 and July 1, 2022 to September 30, 2022, respectively, were as follows: Regular – 10.82% and 11.91%, Special Risk – 25.89% and 27.83%, Elected Officers – 63.73% and 67.79%, Senior Management – 29.01% and 31.57%, and FRS DROP participants – 18.34% and 18.60%. Employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2021 through September 30, 2022. The City's contributions to FRS and HIS for the fiscal year ended September 30, 2022, was \$2,296,302 which was equal to 100% of the required contributions for the year.

### Funding Policy

FRS funding policy provides for monthly employer contributions at actuarially determined rates that expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. HIS uses a pay-as-you go funding policy based on monthly employer contributions at a flat percentage of gross compensation for all active FRS members. Employer and employee contribution rates are established by State law as a level percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature. The FRS and HIS net pension liabilities have historically been and will continue to be liquidated primarily by the General Fund.

### Summary of Significant Accounting Policies

The financial statements of FRS and HIS are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Employee contributions are recognized in the period for which the contributions are assessed. Employer contributions are recognized in the period in which employee services are performed. Benefit payments, including refunds of employee contributions, are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are managed by external investment managers. The independent investment custodian for FRS and HIS determines the fair value of securities using various third party pricing sources. For private market investments, where no readily ascertainable market value exists, fair values are based on net asset value provided by investment managers at the closest available reporting period and adjusted for subsequent contributions and distributions. The net appreciation (depreciation) in fair value of investments is recorded as an increase (decrease) to investment income based on the valuation of investments. Investment earnings are net of investment related expenses, such as management fees, portfolio evaluation and custodial services. For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information of fiduciary net position of FRS and HIS and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by FRS and HIS.

**FRS Annual Financial Report**

The State of Florida issues a publicly available financial report for FRS and HIS that includes financial statements and required supplementary information. The complete financial report is available on the Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://www.frs.myflorida.com) or by writing to Division of Retirement, P.O. Box 9000, Tallahassee, FL, 32399-9000 or by calling (844) 377-1888 or (850) 907-6500.

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

As of September 30, 2022, the City reported a liability of \$15,873,106 and \$4,156,873 for its proportionate share of the net pension liability of FRS and HIS, respectively. The net pension liability of each plan was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, as actuarially determined. As of June 30, 2022, the City's FRS proportionate share was 0.042660424%, which was an increase from 0.037903046% from its proportionate share measured as of June 30, 2021. The HIS proportionate share was 0.039246893% at June 30, 2022, which was an increase from 0.036307873% from proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$2,228,991 and \$777,075 for FRS and HIS, respectively. As of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to FRS pensions and HIS from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 753,881	\$ -	\$ 126,171	\$ (18,291)
Changes of assumptions	1,954,839	-	238,275	(643,065)
Net difference between projected and actual investment earnings on pension plan investments	1,048,099	-	6,018	-
<b>Total</b>	<b>\$ 3,756,819</b>	<b>\$ -</b>	<b>\$ 370,464</b>	<b>\$ (661,356)</b>

Deferred outflows of resources related to FRS and HIS pensions of \$626,096 resulting from the City's contributions subsequent to the measurement date of June 30, 2022 are recognized as a reduction of the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred inflows and outflows related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30	FRS	HIS
2023	\$ 908,528	\$ (69,664)
2024	342,831	(37,566)
2025	(306,814)	(17,176)
2026	2,669,524	(38,020)
2027	142,750	(88,249)
Thereafter	-	(40,218)
<b>Total</b>	<b>\$ 3,756,819</b>	<b>\$ (290,892)</b>

## Notes to the Basic Financial Statements

September 30, 2022

## Actuarial Assumptions

The total pension liability for FRS and HIS in the most recent actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
Valuation date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2022	June 30, 2022
Actuarial cost method	Individual age entry	Individual age entry
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Equivalent single amortization period	20 years	15 years
Asset valuation method	Fair market value	Fair market value
Discount rate	6.70%	3.54%
Inflation	2.40%	2.40%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of investment expenses	6.80%	N/A
Municipal bond rate	N/A	3.54%
Cost of living adjustments	3% pre-July 2011 0% thereafter	N/A
Mortality rates	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018	PUB-2010 with Projection Scale MP-2018

The discount rate for FRS changed from 6.80% for 2021 to 6.70% for 2022. The discount rate for HIS changed from 2.16% for 2021 to 3.54% for 2022.

The Florida Retirement System (FRS) Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The division determines the assumptions in the valuations for GASB 67 reporting purposes. The FRS Pension Plan's GASB 67 valuation is 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 most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.80%. The plan's 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.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both the FRS Pension Plan and the HIS Program were based on the PUB-2010 base table.

Asset Class	Target Allocation (1)	Long-Term Expected Real Rate of Return
Cash	1.0%	2.6%
Fixed income	19.8	4.4
Global equity	54.0	8.8
Real estate	10.3	7.4
Private equity	11.1	12.0
Strategic Investments	3.8	6.2

Note: (1) As outlined in the FRS Pension Plan's Investment Policy.

### Discount Rate

The discount rate used to measure the total pension liability of FRS at June 30, 2022 was 6.7% for FRS and 3.54% for HIS. The FRS discount rate was based on the expected rate of return on FRS investments. The HIS discount rate was based on the municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the fiduciary net position of FRS was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments of FRS was applied to all periods of projected benefit payments to determine the projected total pension liability. Since HIS uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine total pension liability.

### Sensitivity to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability of FRS and HIS as of September 30, 2022, calculated using the current discount rate, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
FRS	5.70%	6.70%	7.70%
	\$ 27,451,445	\$ 15,873,106	\$ 6,192,237
HIS	2.54%	3.54%	4.54%
	\$ 4,755,804	\$ 4,156,873	\$ 3,661,270

### Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of FRS and HIS are available in a separately issued financial report, which is available on the Publications page of the Division of Retirement's website at [www.frs.myflorida.com](http://www.frs.myflorida.com) or by writing to Division of Retirement, P.O. Box 9000, Tallahassee, FL, 32399-9000 or by calling (844) 377-1888 or (850) 907-6500.

## FRS Investment Plan

### Plan Description

The State Board of Administration (SBA) administers the FRS Investment Plan, a defined contribution plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida's Annual Comprehensive Financial Report.

Eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to the individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of the investment funds. Benefit terms, including contribution requirements for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS Pension Plan.

### Contributions

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the FRS Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the FY 2022 are based on a percentage of gross compensation, by class as follows: Regular-3.30%, Special Risk Regular-11.0%, Senior Management-4.67%, and City Elected Officials-8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for the FRS Pension Plan vesting to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will forfeit the accumulated account balance.

### Benefits Provided

After termination and application to receive benefits, a member may rollover vested funds to another qualified plan, structure a periodic payment, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. In the case of a disability; the member may either the transfer the account balance to the FRS Pension Plan when approved for disability retirement guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan.

## 4 – Voluntary Employees' Beneficiary Association Plans

The City participates in a Voluntary Employees' Beneficiary Association Plan (VEBA) for the Firefighters. The VEBA plan is administered by a separate board of trustees. The assets of the VEBA plan are held in trust and are the sole property of the participants. Therefore, no financial information related to the VEBA plan is reported in the Basic Financial Statements.

The VEBA plan for the firefighters is authorized in the collective bargaining agreement between the City and the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc (IAFF). The Agreement, effective January 20, 2021, requires the City to contribute 1% of pensionable wages of members of the bargaining unit to the VEBA plan commencing with the first full pay period beginning on or after April 1, 2021. Contributions shall cease immediately after the pay period including March 31, 2024, thereafter, contributions are subject to the parties agreeing to same and if no agreement is reached, the City's contribution shall cease until an agreement is reached.

The VEBA plan is administered by a Board of Trustees appointed by the bargaining unit. The Board of Trustees approved the Plan Document on November 8, 2018. The Board may amend the Agreement and Declaration of Trust, which sets out provisions for the payment of benefits to the Fire VEBA members.



## NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

### General Information

In June 2015, GASB released GASB Statement No. 75 which replaces the accounting standards for other post employment benefits (OPEB) for employer accounting. This standard will be applied to post employment medical benefits that are provided to the City's retirees. Prior to the GASB No. 75, benefits were accounted for under GASB No. 45.

Under GASB No. 45, the net OPEB obligation was a liability of the City. Under GASB No. 75, the entire unfunded actuarial accrued liability is now reported on the financial statements. There is no longer a net OPEB obligation. The annual expense is equal to the increase (decrease) in the funded actuarial accrued liability. To minimize expense volatility, some of the increase (decrease) is deferred.

According to Florida Statutes, Section 112.081, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available to active employees. Retirees are required to pay the full amount of the premium in order to remain covered under the medical plan. Premiums charged by the insurance company are based on the blending of the experience among active employees and older retired employees. Since retirees tend to have higher costs, the City is subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, which is referred to as the implicit rate subsidy.

### OPEB Trust Arrangement

The City has not set up a trust to prefund benefits.

### Plan Description

Full-time employees who satisfy the disability, early or normal retirement provisions of the applicable City sponsored plan may be eligible for certain OPEB. OPEB include lifetime access to coverage for retirees and their dependents under the medical and prescription plans and participation in the City's dental, vision, and life insurance plans.

Eligible retirees may choose the same medical plan options available for active employees. Dependents of retirees may be covered at the retiree's option, same as dependents of active employees. Prescription drug coverage is automatically extended to retirees and dependents who continue coverage under any one of the medical plan options. Covered retirees and dependents are subject to the same medical and prescription benefits and rules for coverage as active employees. Retirees and dependents age 65 and over are not required to enroll in Part B under Medicare. The plan pays as secondary for claims, otherwise covered under Part B.

Retirees may continue their participation in the City's dental, vision, and life insurance plans. However, these benefits are not considered as other post employment benefits for the purposes of GASB No. 45.

### Funding Policy

The City's policy is to pay benefits on a pay-as-you basis.

### Plan membership

The valuation is based on February 1, 2022 data, the number of participants included in the plan is as follows:

Current retirees:	
Under age 65	18
Over age 65	7
Total current retirees	25
Active employees:	430
Total active employees	430
<b>Total number of participants</b>	<b>455</b>

## Net OPEB Liability

Balance as of September 30, 2021	\$ 7,242,114
Changes for the fiscal year:	
Service cost	893,199
Interest	171,691
Experience losses (gains)	(2,331,818)
Changes in assumptions	(119,572)
Benefits payment	(247,610)
Net change in net OPEB	(1,634,110)
<b>Net OPEB liability as of September 30, 2022</b>	<b><u>\$ 5,608,004</u></b>

## Actuarial Methods and Assumptions

In any long-term actuarial valuation, demographic, economic and behavioral assumptions are made concerning the population, investment discount rates, and benefits provided. Future determinations of the funded status of the plan and the employer's annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Actuarial assumptions form the basis for the actuarial model which is used to project the future population, future benefits and future contributions. Investment discount rate assumptions are used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost that will be expensed in the City's financial statements and the Unfunded Actuarial Accrued Liability disclosed in the statements. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial methods and significant actuarial assumptions used for the current year are summarized below:

Measurement Date	September 30, 2021
Actuarial Cost Method	Entry age normal funding, level percentage of payroll
Asset valuation method	Unfunded
Actuarial Assumptions:	
Discount Rate	2.19%
Projected Salary Increase	3.00%
Inflation Rate	2.50%
Medical trend assumption rate	6.00%
Mortality	Healthy - Pub-2010 Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale. Disabled - Pub-2010 Mortality Projected with Fully Generational MP2021 Mortality Improvement Scale.

**Change in Net OPEB Liability**

Total OPEB liability:	
Service cost	\$ 893,199
Interest	171,691
Experience losses (gains)	(2,331,818)
Changes in assumptions	(119,572)
Benefits payment	(247,610)
Net change in total OPEB liability	(1,634,110)
Total OPEB liability – beginning of year	7,242,114
Total OPEB liability – end of year (a)	<u><u>\$ 5,608,004</u></u>

Plan Fiduciary Net Position:	
Contributions – employer	247,610
Benefit payments	(247,610)
Net change in plan fiduciary net position	-
Plan Fiduciary Net Position – beginning of year	-
Plan Fiduciary Net Position – end of year (b)	-
<b>Net OPEB Liability – end of year (a-b)</b>	<u><u>\$ 5,608,004</u></u>

**OPEB Expense**

Service cost	\$ 893,199
Interest	171,691
Differences between expected and actual earnings:	
In current fiscal year recognized in current year	(388,636)
From past years recognized in current year	53,980
<b>Total</b>	<u>(334,656)</u>
Changes in assumptions:	
In current fiscal year recognized in current year	(19,929)
From past years recognized in current year	(21,072)
<b>Total</b>	<u>(41,001)</u>
<b>Total OPEB expense</b>	<u><u>\$ 689,233</u></u>

## Notes to the Basic Financial Statements

September 30, 2022

## Schedule of Deferred Inflows and Outflows of Resources

For the fiscal year ended September 30, 2022, OPEB expense of \$689,233 was recognized. Deferred outflows and inflows of resources are as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 161,937	\$ 1,943,182
Changes of assumptions	111,317	224,954
<b>Total</b>	<b>\$ 273,254</b>	<b>\$ 2,168,136</b>

The deferred outflows and deferred inflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized as expense as follows:

Fiscal year ending September 30	Expense Amount
2023	\$ (375,657)
2024	(375,656)
2025	(354,269)
2026	(380,735)
2027	(408,565)
Thereafter	-
	<b>\$ (1,894,882)</b>

## Discount Rate Assumption

The discount rate assumption is 2.19%, which is based on an index rate for 20-year exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

## Sensitivity of Net OPEB Liability to changes in the Discount Rate

The following table presents the total and net OPEB liability, using a discount rate that is 1-percentage point lower and 1-percentage point higher:

	1% Decrease 1.19%	Discount Rate 2.19%	1% Increase 3.19%
Net OPEB Liability (Asset)	\$ 5,913,134	\$ 5,608,004	\$ 5,289,782

## Sensitivity of Net OPEB Liability to changes in the Healthcare Cost Trend Rates

The following table presents the total and net OPEB liability, using a health care cost trend rate that is 1-percentage point lower and 1-percentage point higher.

	1% Decrease 2.94%	Trend Rate 3.94%	1% Increase 4.94%
Net OPEB Liability (Asset)	\$ 4,985,540	\$ 5,608,004	\$ 6,329,452

## NOTE 14 – FUND BALANCE CONSTRAINTS

The following table provides the five categories of constraints:

	General Fund	CRA Funds	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventories	\$ 278,517	\$ -	\$ -	\$ 278,517
Restricted:				
Emergency reserve	-	-	7,303,751	7,303,751
Debt service	-	-	168,514	168,514
Economic environment	-	4,822,008	-	4,822,008
Capital projects	-	-	63,551,978	63,551,978
Development Services	3,672,207	-	-	3,672,207
Committed:				
Special revenue funds:				
Public safety	-	-	262,850	262,850
Culture and recreation	-	-	400,575	400,575
Human services	-	-	127,061	127,061
Assigned	-	-	-	-
Unassigned	30,344,905	-	-	30,344,905
<b>Total</b>	<b>\$ 34,295,629</b>	<b>\$ 4,822,008</b>	<b>\$ 71,814,729</b>	<b>\$ 110,932,366</b>

## NOTE 15 – RELATED PARTY TRANSACTIONS

### 2006 Note

In July 2006, the City issued the *Community Redevelopment Projects Note, Series 2006*, in the amount of \$7,175,876 to refund the *Community Redevelopment Bond Anticipation Notes, Series 2002A and Series 2003A*. Through an interlocal agreement, the CRA pledged its tax incremental revenues to the City for the payment of the amounts due by the City pursuant to the Series 2006 Note.

### Ocean Mall Redevelopment (OMRD) Loan

The Ocean Mall, a retail property, and Municipal Beach are owned by the City. The properties are located within the CRA boundaries. In October 2009, the City loaned \$10,194,621 to the CRA and in turn, the CRA provided a grant to Ocean Mall Redevelopment, LLC (OMRD) to make required infrastructure, parking and beach improvements. On behalf of the CRA, the City advanced the loan proceeds to OMRD based on draw requests from OMRD for construction of the improvements based on inspection and approval of the requests by the City.

In April 2011, the City agreed to modify the loan agreement by offering more flexible terms to the CRA. In February 2016, the CRA Board approved a Second Modification reducing the interest rate to zero percent and adjusting payments to 15 equal installments of \$679,641 each October 1, commencing October 1, 2023 until the loan is paid in full.

In February 2016, the City agreed to modify the loan agreement with the CRA for OMRD loan of \$10,194,621. The restructure of the loan is necessary to enhance CRA's cash flow to meet ongoing operational needs. The CRA Board approved a Second Modification to the Loan Agreement. The terms of the Second Modification will reduce the interest rate to zero percent for the remainder of the term of the loan and the CRA will pay fifteen equal installments of \$679,641 each October 1st, commencing October 1, 2023 until the loan is paid in full.

In October 2020, the City agreed to modify the loan agreement with the CRA to change the date of the previously agreed to repayment schedule to begin payments in FY 2021. The CRA shall pay fifteen equal annual installments of \$679,641 each January 1st, commencing January 1, 2021 until the loan is paid in full.

## NOTE 16 – COMMITMENTS AND CONTINGENCIES

### Construction

As of September 30, 2022, outstanding commitments relating to projects for the City, CRA, USD, Stormwater, and Marina was \$40,593,368. Projects are funded from various sources, including bonds and notes payable, grants, and City funds. Commitments with contractors are as follows:

	Expended at September 30, 2022	Approved Contract Amount	Balance to Complete
Governmental funds	\$ 22,409,632	\$ 46,650,000	\$ 24,240,368
Business-type activities:			
Water and sewer	21,452,869	34,450,000	12,997,131
Stormwater	24,315	100,000	75,685
Marina	6,719,816	10,000,000	3,280,184
<b>Total</b>	<b>\$ 50,606,632</b>	<b>\$ 91,200,000</b>	<b>\$ 40,593,368</b>

### Litigation, Claims and Assessments

The City is engaged in routine litigation, claims and assessments incidental to the conduct of its business. Outstanding claims and lawsuits are pending against the City. The City purchases insurance to assist in covering most judgments and settlements. As of September 30, 2022, management estimates that the combined out-of-pocket net liability to the City to be in the range of \$500,000 to \$1,000,000.

*Annie Smith, as Guardian of Jeremiah Dunning; DOL: 3/9/2020* - This is an alleged wrongful death claim made by Annie Smith on behalf of Jeremiah Dunning who passed away on March 9, 2020 at Palm Beach Gardens Hospital after being transported by the City of Riviera Beach EMS. The Plaintiff is alleging the actions and/or inactions of the City of Riviera Beach EMS contributed and/or caused the death of the Decedent, Jeremiah Dunning.

*Fane Lozman v. City of Riviera Beach - Case No.: 22CV-80118-SMITH* - The Plaintiff is seeking to recover damages from the City of Riviera Beach for an alleged taking of property located on Singer Island, Palm Beach County, Florida. The Plaintiff alleges in the Complaint, amongst other things, that the City of Riviera Beach has taken his property without just compensation.

*Kathleen McIntyre on behalf of Travis Fletcher; DOL: 3/24/2020* - This is an alleged wrongful death claim brought by Kathleen McIntyre on behalf of her son, Travis Fletcher who was arrested by the Riviera Beach Police Department and died while in custody at the Palm Beach County Detention Center. The Plaintiff is alleging that the wrongful arrest of the City's Police Department contributed to his death while in custody.

*Brandon Maradeo v. City of Riviera Beach; DOL: 4/7/2022* - Plaintiff alleges that the City of Riviera Beach Fire Rescue Personnel deviated from the prevailing professional standard of care with respect to placement of an IV, causing compartment syndrome, which Defendant denies.

*Marochee Lindor; DOL: 10/14/2022* - Claimant alleges that City of Riviera Beach Paramedic(s) tried several times to insert IV into r-hand and was not successful causing his right hand to lose sensation. He also alleges he felt numbness and needles pain, resulting in his now no longer being able to open his hand normally.

*Dominque Washington v. CRB; DOL: 2/18/2017* - This case stems from an accident that occurred on February 18, 2017 when law enforcement officers were on patrol in the 1500 Block of Avenue E when they noticed a red Chevrolet Tahoe that slowed and made a rolling stop. When police made an attempt to stop the Chevrolet Tahoe, it appeared to be slowing, but then fled onto Avenue E, eastbound on 15th where the Riviera Beach Police Department initiated a pursuit. The pursuit reached speeds in excess of 70 mph heading northbound on Avenue E that intersects with Blue Heron Boulevard. The Plaintiff in this matter, Domonique Washington, was on Blue Heron Boulevard in his Mazda Protégé when the red Chevrolet Tahoe entered the intersection causing the two (2) vehicles to collide

## Other Contingencies

### Arbitrage Rebate Liability

The Cumulative Rebate Liability was determined pursuant to Treasury Regulations generally applicable to tax-exempt obligations. Earnings from the investment of tax exempt bond proceeds, which exceed related interest expenditures on bonds, must be remitted to the Federal government on every fifth anniversary of the bond issue.

The City used an independent consultant to evaluate the *Utility Special District Water and Sewer Revenue Refunding Bonds, Series 2014, Water and Sewer Revenue Bonds, Series 2016, and Stormwater Revenue Bonds, Series 2016* for arbitrage liability and it was determined that there is no arbitrage liability due as of September 30, 2022.

The CRA used an independent consultant to evaluate the *Redevelopment Revenue Note, Series 2011 and Redevelopment Revenue Note, Series 2013A* for arbitrage liability and it was determined that the notes have not accrued a liability as of September 30, 2022.

Copies of the reports on the arbitrage rebate calculation may be obtained from the City of Riviera Beach, Finance and Administrative Services Department, 600 W. Blue Heron Boulevard, Riviera Beach, Florida 33404.

### Amounts Received From Grantors

Grant funds received and disbursed by the City are for specific purposes and are subject to audit by the grantor agencies. Amounts received or receivable from the agencies are subject to audit and adjustment. Any disallowed claims, including the amounts already collected, may constitute a liability of the applicable funds. Future disallowances, if any, cannot be determined at this time although in the opinion of management, any disallowed expenditures would not have a material adverse effect on the financial condition of the City.

## NOTE 17 – ON-BEHALF PAYMENTS

The State of Florida makes a contribution to the Police Officers' and Firefighters' Retirement Plans from the Casualty Insurance Premium Tax and the Fire Insurance Premium Tax, respectively. During fiscal year 2022, the State of Florida, Division of Retirement, was authorized by the City to remit distributions directly to the Police and Firefighters' pension funds.



**Notes to the Basic Financial Statements**

September 30, 2022

**NOTE 18 – STEWARDSHIP**

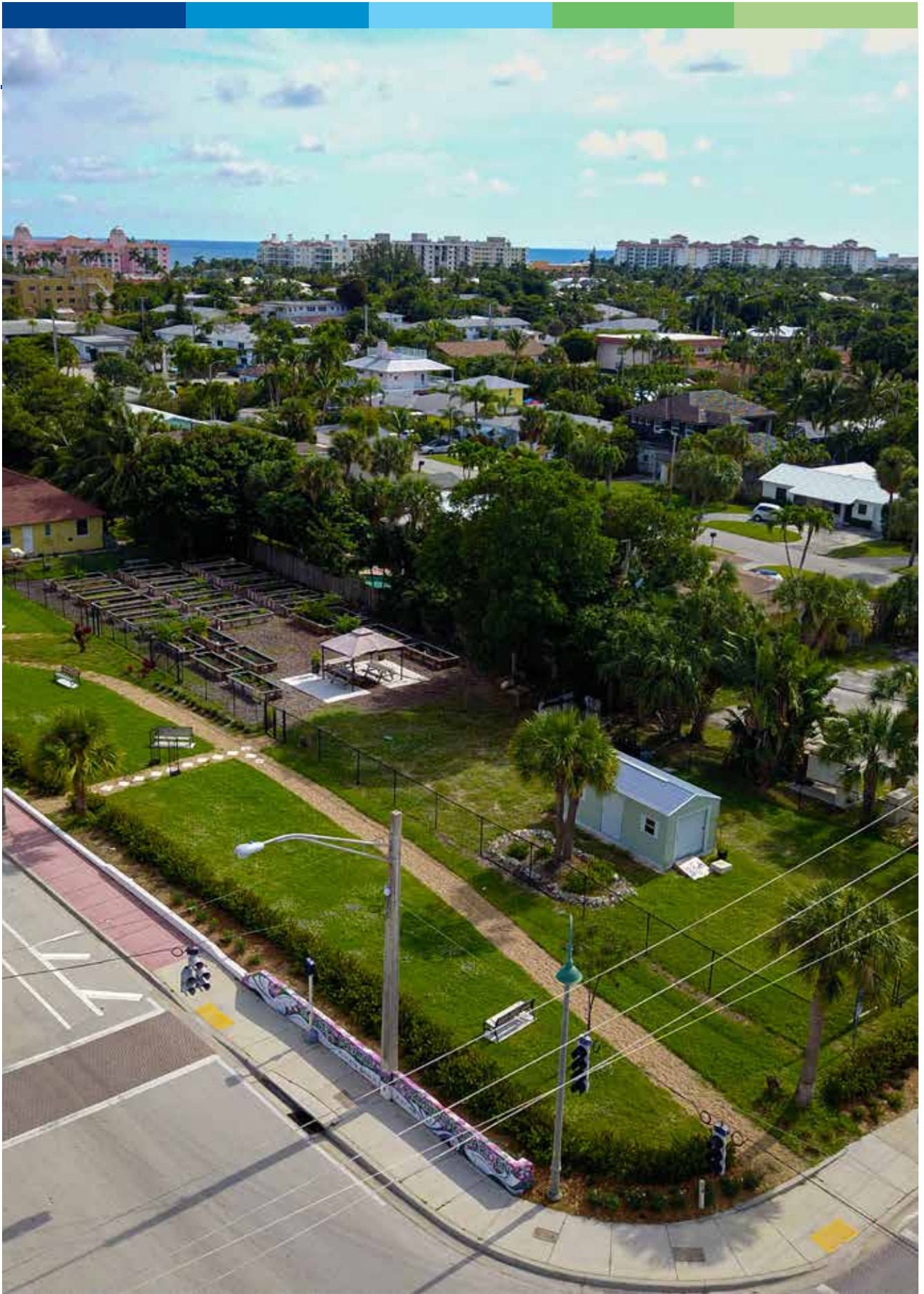
As of September 30, 2022, expenditures exceeded appropriations for the following General Fund departments:

Department	Amount	% of Budget
Human Resources	\$ 289,786	24.02%
Police	2,206,994	9.39
Fire	1,198,423	7.29
Public Works	435,546	9.63
Parks and Recreation	421,466	8.21

The departments exceeded their respective budgetary allowances during fiscal year 2022, due mainly to personnel and retirement related costs and repairs and maintenance costs for vehicle maintenance, fuel, and building.

**NOTE 19 – SUBSEQUENT EVENTS**

The City has evaluated all events that occur after the end of the fiscal year through the date when the financial statements were issued to determine if they must be reported and has determined that there were no reported subsequent events to be disclosed.





## REQUIRED SUPPLEMENTARY INFORMATION



**GENERAL FUND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**For The Fiscal Year Ended September 30, 2022**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$ 59,877,523	\$ 59,877,523	\$ 60,188,948	\$ 311,425
Licenses and permits	6,130,525	6,130,525	5,684,327	(446,198)
Intergovernmental	4,195,490	4,195,490	5,038,071	842,581
Charges for services	12,067,065	12,067,065	12,543,708	476,643
Fines and forfeitures	270,641	270,641	391,210	120,569
Investment earnings	250,000	250,000	(1,101,056)	(1,351,056)
Grants and contributions	592,240	592,240	567,033	(25,207)
Miscellaneous	539,440	539,440	287,138	(252,302)
Total revenues	<u>83,922,924</u>	<u>83,922,924</u>	<u>83,599,379</u>	<u>(323,545)</u>
<b>Expenditures</b>				
Current:				
General government	22,957,122	23,243,890	21,426,428	1,817,461
Public safety	41,065,833	41,119,920	43,025,578	(1,905,658)
Transportation	2,078,122	2,146,160	2,267,287	(121,127)
Human services	1,221,690	1,281,219	1,133,901	147,318
Culture and recreation	6,242,182	6,528,980	6,417,107	111,873
Total current	<u>73,564,949</u>	<u>74,320,169</u>	<u>74,270,301</u>	<u>49,868</u>
Capital outlay:				
Capital outlay	183,995	195,722	1,364,034	(1,168,312)
Total capital outlay	<u>183,995</u>	<u>195,722</u>	<u>1,364,034</u>	<u>(1,168,312)</u>
Total expenditures	<u>73,748,944</u>	<u>74,515,891</u>	<u>75,634,335</u>	<u>(1,118,444)</u>
Excess (deficiency) of revenues over expenditures	<u>10,173,980</u>	<u>9,407,033</u>	<u>7,965,044</u>	<u>(1,441,989)</u>
<b>Other financing sources (uses)</b>				
Capital lease	-	-	1,249,144	1,249,144
Transfers in	1,253,772	1,253,772	1,253,772	-
Transfers out	(11,417,952)	(11,417,952)	(11,854,880)	(436,928)
Total other financing sources (uses)	<u>(10,164,180)</u>	<u>(10,164,180)</u>	<u>(9,351,964)</u>	<u>812,216</u>
Net changes in fund balance	9,800	(757,147)	(1,386,920)	(629,773)
Fund balance - beginning	35,682,549	35,682,549	35,682,549	-
Fund balance - ending	<u>\$ 35,692,349</u>	<u>\$ 34,925,402</u>	<u>\$ 34,295,629</u>	<u>\$ (629,773)</u>

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

## Required Supplementary Information

September 30, 2022

**RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA)**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For The Fiscal Year Ended September 30, 2022**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$ 9,715,832	\$ 9,715,832	\$ 9,689,921	\$ (25,911)
Interest	-	-	4,848	4,848
Miscellaneous	594,327	594,327	916,578	322,251
Total revenues	<u>10,310,159</u>	<u>10,310,159</u>	<u>10,611,346</u>	<u>301,187</u>
<b>Expenditures</b>				
Current:				
Economic environment	9,861,058	9,861,058	5,639,154	4,221,904
Total current	<u>9,861,058</u>	<u>9,861,058</u>	<u>5,639,154</u>	<u>4,221,904</u>
Debt service:				
Principal retirement	3,473,033	3,473,033	2,793,392	679,641
Interest	628,683	628,683	628,683	-
Total debt service	<u>4,101,716</u>	<u>4,101,716</u>	<u>3,422,075</u>	<u>679,641</u>
Capital outlay				
Capital outlay	10,095,346	10,095,346	2,184,109	7,911,237
Total capital outlay	<u>10,095,346</u>	<u>10,095,346</u>	<u>2,184,109</u>	<u>7,911,237</u>
Total expenditures	<u>24,058,120</u>	<u>24,058,120</u>	<u>11,245,338</u>	<u>12,812,782</u>
Excess (deficiency) of revenues over expenditures	<u>(13,747,961)</u>	<u>(13,747,961)</u>	<u>(633,991)</u>	<u>13,113,970</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	977,531	977,531
Transfers out	-	-	(977,531)	(977,531)
Gain (loss) on investment	-	-	(7,298,000)	(7,298,000)
Use of reserves	13,747,961	13,747,961	-	(13,747,961)
Total other financing sources (uses)	<u>13,747,961</u>	<u>13,747,961</u>	<u>(7,298,000)</u>	<u>(21,045,961)</u>
Net change in fund balances	-	-	(7,931,991)	(7,931,991)
Fund balance - beginning	12,753,999	12,753,999	12,753,999	-
Fund balance - ending	<u>\$ 12,753,999</u>	<u>\$ 12,753,999</u>	<u>\$ 4,822,008</u>	<u>\$ (7,931,991)</u>

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



## NOTES TO THE BUDGETARY COMPARISON SCHEDULES

The budget is presented on a basis consistent with GAAP which for governmental funds uses the modified accrual method in which revenues are recorded when received or when they are both measurable and available to be used for current year liabilities. General government revenues and expenditures are controlled by an integrated financial accounting system. Annual budgets are legally adopted on a basis consistent with U.S. Generally Accepted Accounting Principles (GAAP) for the General, Debt Service, Special Revenue, and Capital Project Funds. Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance provides for the re-appropriation of year end encumbrances.

The City and CRA are legally required to adopt annual budgets prior to October 1 of each year. The legal level of budgetary control, is the level at which expenditures may not exceed the budget. Budget amendments which alter the original adopted budget must be approved by the Council.

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

As of September 30, 2022, actual expenditures were below total budgeted appropriations.

## Required Supplementary Information

September 30, 2022

## SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

## General Employees' Retirement System

## Last Eight Fiscal Years

(unaudited)

Measurement year ended September 30,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 1,792,510	\$ 1,835,131	\$ 1,858,286	\$ 1,898,614	\$ 1,893,098	\$ 2,247,865	\$ 2,501,084	\$ 2,257,243
Interest	7,574,204	7,657,634	7,566,267	7,546,445	7,255,022	7,081,497	7,077,437	6,902,113
Changes of benefit terms	-	-	-	-	-	-	(1,185,639)	-
Difference between expected and actual experience	(3,196,424)	(1,104,873)	(59,210)	(1,176,723)	(385,704)	507,890	725,132	537,982
Changes of assumptions	(2,008,139)	2,629,872	-	2,502,710	1,874,820	-	-	-
Benefit payments	(7,954,163)	(8,835,374)	(7,328,539)	(6,646,819)	(6,867,393)	(7,470,250)	(10,047,191)	(4,900,328)
Refunds	-	-	-	-	-	-	(103,879)	(155,661)
Net Change in Total Pension Liability	(3,792,012)	2,182,390	2,036,804	4,124,227	3,769,843	2,367,002	(1,033,056)	4,641,349
Total Pension Liability - Beginning	110,387,486	108,205,096	106,168,292	102,044,065	98,274,222	95,907,220	96,940,276	92,298,927
<b>Total Pension Liability - Ending (a)</b>	<b>\$106,595,474</b>	<b>\$110,387,486</b>	<b>\$108,205,096</b>	<b>\$106,168,292</b>	<b>\$102,044,065</b>	<b>\$98,274,222</b>	<b>\$95,907,220</b>	<b>\$96,940,276</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer (from City and State)	1,697,358	1,615,410	1,700,118	-	1,580,757	3,681,009	36,283,028	4,843,648
Contributions - Members	379,852	431,836	456,579	445,297	472,473	497,901	618,751	534,435
Net investment income	27,174,514	4,236,237	7,427,007	12,643,965	12,436,989	12,011,458	2,232,802	6,555,653
Benefit payments	(7,954,163)	(8,835,374)	(7,328,539)	(6,646,819)	(6,867,393)	(7,470,250)	(10,047,191)	(4,900,328)
Refunds	-	-	-	-	-	-	(103,879)	(155,661)
Administrative expenses	(145,201)	(146,781)	(226,846)	(204,240)	(203,086)	(156,631)	(163,633)	(163,784)
Other	(98,155)	(1,025)	151,981	-	-	(126,418)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>21,054,205</b>	<b>(2,699,697)</b>	<b>2,180,300</b>	<b>6,238,203</b>	<b>7,419,740</b>	<b>8,437,069</b>	<b>28,819,878</b>	<b>6,713,963</b>
Plan Fiduciary Net Position - Beginning	121,714,425	124,414,122	122,233,822	115,995,619	108,575,879	100,138,810	71,318,932	64,604,969
Plan Fiduciary Net Position - Ending (b)	142,768,630	121,714,425	124,414,122	122,233,822	115,995,619	108,575,879	100,138,810	71,318,932
<b>Net Pension (Asset) Liability - Ending (a) - (b)</b>	<b>\$ (36,173,156)</b>	<b>\$ (11,326,939)</b>	<b>\$ (16,209,026)</b>	<b>\$ (16,065,530)</b>	<b>\$ (13,951,554)</b>	<b>\$ (10,301,657)</b>	<b>\$ (4,231,590)</b>	<b>\$ 25,621,344</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	133.93%	110.26%	114.98%	115.13%	113.67%	110.48%	104.41%	73.57%
Covered Payroll	\$ 6,330,867	\$ 7,197,267	\$ 7,609,650	\$ 7,421,617	\$ 7,874,550	\$ 8,298,350	\$ 10,312,517	\$ 8,907,250
Net Pension Liability as a Percentage of Covered Payroll	(571.38%)	(157.38%)	(213.01%)	(216.47%)	(177.17%)	(124.14%)	(41.03%)	287.65%

Additional years will be displayed as they become available.



**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**Police Pension Fund**  
**Last Nine Fiscal Years**  
**(unaudited)**

Measurement year ended September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 1,750,141	\$ 2,169,538	\$ 2,048,359	\$ 1,582,633	\$ 1,625,734	\$ 1,508,383	\$ 1,373,828	\$ 1,244,109	\$ 1,193,728
Interest	6,622,108	6,190,595	5,472,281	5,567,654	5,354,468	5,059,070	4,945,789	4,860,129	4,623,653
Difference between expected and actual experience	(224,515)	2,509,674	8,836,602	(3,029,823)	1,753,100	229,071	509,736	457,243	-
Increase in DROP and share account liabilities	247,047	541,344	309,765	(421,083)	(413,099)	327,588	(1,560,756)	105,272	152,661
Changes of assumptions	3,335,406	(638,690)	(2,504,577)	(364,450)	(362,520)	1,576,450	1,636,347	-	-
Benefit payments	(4,775,320)	(4,573,232)	(4,535,754)	(5,014,020)	(5,076,933)	(4,394,044)	(6,351,580)	(4,621,754)	(4,660,119)
Refunds	(181,953)	(88,022)	(93,990)	(35,105)	(61,245)	(108,965)	(69,018)	(136,604)	(150,075)
Net Change in Total Pension Liability	6,772,914	6,111,207	9,532,686	(1,714,194)	2,819,505	4,197,553	484,346	1,908,395	1,159,848
Total Pension Liability - Beginning	89,898,336	83,787,129	74,254,443	75,968,637	73,149,132	68,951,579	68,467,233	66,558,838	65,398,990
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 96,671,250</b>	<b>\$ 89,898,336</b>	<b>\$ 83,787,129</b>	<b>\$ 74,254,443</b>	<b>\$ 75,968,637</b>	<b>\$ 73,149,132</b>	<b>\$ 68,951,579</b>	<b>\$ 68,467,233</b>	<b>\$ 66,558,838</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer (from City and State)	1,900,807	1,785,031	1,420,127	1,496,271	1,330,676	1,313,085	1,197,938	14,782,134	2,478,785
Contributions - Members	726,533	788,974	801,676	751,995	614,932	560,436	498,883	456,248	405,708
Net investment income	(17,482,241)	15,488,161	9,167,092	2,309,276	7,256,060	8,024,553	5,442,481	689,800	5,841,858
Benefit payments	(4,775,320)	(4,573,232)	(4,535,754)	(5,014,020)	(5,076,933)	(4,394,044)	(6,351,580)	(4,621,754)	(4,660,119)
Refunds	(181,953)	(88,022)	(93,990)	(35,105)	(61,245)	(108,965)	(69,018)	(136,604)	(150,075)
Administrative expenses	(160,238)	(157,598)	(147,083)	(173,928)	(128,781)	(159,840)	(163,192)	(156,538)	(147,766)
Other	775	1,052	859	2,629	2,614	3,466	8,795	2,218	1,394
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(19,971,637)</b>	<b>13,244,366</b>	<b>6,612,927</b>	<b>(662,882)</b>	<b>3,937,323</b>	<b>5,238,691</b>	<b>564,307</b>	<b>11,015,504</b>	<b>3,769,785</b>
Plan Fiduciary Net Position - Beginning	98,489,681	85,245,315	78,632,388	79,295,270	75,357,947	70,119,256	69,554,949	58,539,445	54,769,660
Plan Fiduciary Net Position - Ending (b)	\$ 78,518,044	\$ 98,489,681	\$ 85,245,315	78,632,388	79,295,270	75,357,947	70,119,256	69,554,949	58,539,445
<b>Net Pension (Asset) Liability - Ending (a) - (b)</b>	<b>18,153,206</b>	<b>(8,591,345)</b>	<b>(1,458,186)</b>	<b>(4,377,945)</b>	<b>(3,326,633)</b>	<b>(2,208,815)</b>	<b>(1,167,677)</b>	<b>(1,087,716)</b>	<b>8,019,393</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.22%	109.56%	101.74%	105.90%	104.38%	103.02%	101.69%	101.59%	87.95%
Covered Payroll	\$ 9,586,528	\$ 9,772,845	\$ 9,962,414	\$ 9,442,721	\$ 6,891,448	\$ 7,030,702	\$ 6,260,283	\$ 5,415,519	\$ 4,980,736
Net Pension Liability as a Percentage of Covered Payroll	189.36%	(87.91%)	(14.64%)	(46.36%)	(48.27%)	(31.42%)	(18.65%)	(20.09%)	161.01%

Additional years will be displayed as they become available.

## Required Supplementary Information

September 30, 2022

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**Firefighters' Pension Trust Fund**  
**Last Eight Fiscal Years**  
**(unaudited)**

Measurement year ended September 30,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 2,292,703	\$ 2,181,362	\$ 1,953,700	\$ 1,910,217	\$ 2,072,763	\$ 2,007,441	\$ 1,697,839	\$ 1,705,915
Interest	6,230,338	5,928,661	5,537,667	5,417,506	5,266,621	5,164,884	4,855,614	4,757,527
Benefit changes	-	-	-	-	-	(1,232,998)	(64,553)	-
Difference between expected and actual experience	1,703,182	946,646	2,294,791	(1,631,206)	(1,176,733)	(256,457)	1,648,461	(909,130)
Changes of assumptions	(1,381,779)	(4,182,159)	(4,004,040)	(3,752,449)	(3,718,306)	(4,846,547)	(4,596,421)	(4,353,458)
Benefit payments	(4,651,210)	-	-	-	(47,371)	(20,514)	(3,666)	-
Refunds	-	-	-	-	(47,371)	(20,514)	(3,666)	-
Refunds	329,123	286,708	299,881	243,844	230,855	263,758	269,930	274,190
Other contributions to share plan accounts	4,522,357	6,034,772	6,912,558	3,004,007	3,433,072	2,385,289	5,544,758	1,475,044
<b>Total Pension Liability - Beginning</b>	<b>94,431,964</b>	<b>88,397,192</b>	<b>81,484,594</b>	<b>78,480,587</b>	<b>75,047,515</b>	<b>72,662,226</b>	<b>67,117,468</b>	<b>65,642,424</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 98,954,321</b>	<b>\$ 94,431,964</b>	<b>\$ 88,397,192</b>	<b>\$ 81,484,594</b>	<b>\$ 78,480,587</b>	<b>\$ 75,047,515</b>	<b>\$ 72,662,226</b>	<b>\$ 67,117,468</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer (from City and State)	2,271,131	2,012,445	1,983,156	2,096,995	1,981,229	1,763,347	15,293,669	2,541,250
Contributions - Members	441,483	451,261	430,076	376,634	399,448	414,577	400,547	349,056
Net investment income	20,972,496	6,449,904	4,554,287	9,179,537	9,770,808	5,742,118	1,536,397	5,306,723
Benefit payments	(4,651,210)	(4,182,159)	(4,004,040)	(3,752,449)	(3,718,306)	(4,846,547)	(4,596,421)	(4,353,458)
Refunds	-	-	-	-	(47,371)	(20,514)	(3,666)	-
Administrative expenses	(115,024)	(115,105)	(111,125)	(124,296)	(113,852)	(125,298)	(117,514)	(101,092)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>18,918,876</b>	<b>4,616,346</b>	<b>2,852,354</b>	<b>7,776,421</b>	<b>8,271,956</b>	<b>2,927,683</b>	<b>12,513,012</b>	<b>3,742,479</b>
Plan Fiduciary Net Position - Beginning	99,138,516	94,522,170	91,669,816	83,893,395	75,621,439	72,693,756	60,180,744	56,438,265
Plan Fiduciary Net Position - Ending (b)	118,057,392	99,138,516	94,522,170	91,669,816	83,893,395	75,621,439	72,693,756	60,180,744
<b>Net Pension (Asset) Liability - Ending (a) - (b)</b>	<b>\$ (19,103,071)</b>	<b>\$ (4,706,552)</b>	<b>\$ (6,124,978)</b>	<b>\$ (10,185,222)</b>	<b>\$ (5,412,808)</b>	<b>\$ (573,924)</b>	<b>\$ (31,530)</b>	<b>\$ 6,936,724</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	119.30%	104.98%	106.93%	112.50%	106.90%	100.76%	100.04%	89.66%
Covered Payroll	5,479,117	5,575,164	5,315,261	4,657,792	4,944,856	5,212,098	5,022,618	4,379,691
Net Pension Liability as a Percentage of Covered Payroll	(348.65%)	(84.42%)	(115.23%)	(218.67%)	(109.46%)	(11.01%)	(0.63%)	158.38%

Additional years will be displayed as they become available.

**SCHEDULE OF METHODS AND ASSUMPTIONS**

**Measurement Date September 30, 2022**  
(unaudited)

Methods and Assumptions Used to Determine the Pension Contribution Rates:

**General Employees' Retirement System**

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.2% to 11.0% depending on service, including inflation
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount Weighted Mortality Tables as used by the FRS in its July 1, 2020 actuarial valuation for Regular Class members (with mortality improvements projected to all future years after 2010 using Scale MP-2018)

**Police Pension Fund**

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	Bases range from 6 to 25 years as of September 30, 2019
Asset valuation method	5-year smoothed market
Wage Inflation	4.50%
Salary increases	5.60% to 8.60% including inflation
Investment rate of return	7.50%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	FRS mortality tables which use variations of the fully generational Pub-2010 Headcount Weighted Safety, Employee, Retiree and General Disabled Retiree Mortality Tables with improvement scale MP-2018.

**Firefighters' Pension Trust Fund**

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Closed
Remaining amortization period	20%
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	7.50%
Investment rate of return	6.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount Weighted Mortality Tables as used by the FRS in its July 1, 2019 actuarial valuation for the Special Risk class members (with mortality improvements projected for non-disabled lives to all future years after 2010 using MP-2018).

## Required Supplementary Information

September 30, 2022

**SCHEDULE OF CITY CONTRIBUTIONS**  
**For the Last Nine Years**  
**(unaudited)**

Fiscal year ended September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Employees' Retirement System</b>									
Actuarially determined contribution	\$ 1,532,624	\$ 1,697,358	\$ 1,615,410	\$ 1,700,118	\$ 1,580,757	\$ 1,779,356	\$ 1,901,653	\$ 5,150,931	\$ 4,843,648
Contribution in relation to actuarially determined contribution	1,532,624	1,697,358	1,615,410	1,700,118	1,580,757	1,779,356	1,901,653	36,283,028	4,843,648
Contribution deficiency (excess)	-	-	-	-	-	-	-	(31,132,097)	-
Covered payroll	\$ 5,857,800	\$ 6,330,867	\$ 7,197,267	\$ 7,609,650	\$ 7,421,617	\$ 7,874,550	\$ 8,298,350	\$ 10,312,517	\$ 8,907,250
Actuarially determined contribution as % of covered payroll	26.16%	26.81%	22.44%	22.34%	21.30%	22.60%	22.92%	49.95%	54.38%
Contribution as % of covered payroll	26.16%	26.81%	22.44%	22.34%	21.30%	22.60%	22.92%	351.83%	54.38%
<b>Police Pension Fund</b>									
Actuarially determined contribution	\$ 1,524,207	\$ 1,441,757	\$ 1,097,591	\$ 1,173,745	\$ 1,059,111	\$ 1,057,175	\$ 966,436	\$ 2,135,653	\$ 2,340,959
Contribution in relation to actuarially determined contribution	1,524,207	1,441,757	1,097,591	1,173,745	1,059,111	1,057,175	966,436	14,561,471	2,340,959
Contribution deficiency (excess)	-	-	-	-	-	-	-	(12,425,818)	-
Covered payroll	\$ 9,586,528	\$ 9,772,845	\$ 9,962,414	\$ 9,442,721	\$ 6,891,448	\$ 7,030,702	\$ 6,260,283	\$ 5,415,519	\$ 4,980,736
Actuarially determined contribution as % of covered payroll	15.90%	14.75%	11.02%	12.43%	15.37%	15.04%	15.44%	39.44%	47.00%
Contribution as % of covered payroll	15.90%	14.75%	11.02%	12.43%	15.37%	15.04%	15.44%	268.88%	47.00%
<b>Firefighters' Pension Trust Fund</b>									
Actuarially determined contribution	\$ 1,999,165	\$ 1,942,008	\$ 1,725,737	\$ 1,683,275	\$ 1,853,151	\$ 1,750,374	\$ 1,499,589	\$ 2,491,591	\$ 2,267,060
Contribution in relation to actuarially determined contribution	1,999,165	1,942,008	1,725,737	1,683,275	1,853,151	1,750,374	1,499,589	15,023,739	2,267,060
Contribution deficiency (excess)	-	-	-	-	-	-	-	(12,532,148)	-
Covered payroll	\$ 4,807,344	\$ 5,479,117	\$ 5,575,164	\$ 5,315,261	\$ 4,657,792	\$ 4,944,856	\$ 52,120,989	\$ 5,022,618	\$ 4,379,691
Actuarially determined contribution as % of covered payroll	41.59%	35.44%	30.95%	31.67%	39.79%	35.40%	2.88%	49.61%	51.76%
Contribution as % of covered payroll	41.59%	35.44%	30.95%	31.67%	39.79%	35.40%	2.88%	299.12%	51.76%

Additional years will be displayed as they become available.

**SCHEDULE OF INVESTMENT RETURNS**  
**For the Last Nine Fiscal Years**  
(unaudited)

Fiscal year ended September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>General Employees' Retirement System</b>									
Annual money-weighted rate of return, net of investment expenses	(3.79%)	22.43%	3.71%	6.41%	11.23%	11.91%	12.20%	N/A	N/A
<b>Police Pension Fund</b>									
Annual money-weighted rate of return, net of investment expenses	(18.02%)	18.04%	11.51%	2.75%	9.58%	11.41%	7.86%	7.50%	7.50%
<b>Firefighters' Pension Trust Fund</b>									
Annual money-weighted rate of return, net of investment expenses	(12.24%)	21.60%	7.20%	5.40%	11.30%	13.40%	8.70%	3.20%	10.10%

Additional years will be displayed as they become available.

## Required Supplementary Information

September 30, 2022

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Florida Retirement System (FRS) Pension Plan**  
**Last Eight Fiscal Years**  
**(unaudited)**

Measurement date June 30:	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.042660424%	0.037903046%	0.03236234%	0.02810595%	0.02513408%	0.02090000%	0.01520000%	0.00060000%
City's proportionate share of the net pension liability	\$ 15,873,106	\$ 11,163,173	\$ 14,026,317	\$ 9,679,299	\$ 7,570,514	\$ 6,168,995	\$ 3,834,639	\$ 72,605
City's covered payroll	13,616,711	13,180,442	8,586,627	7,823,331	6,708,579	5,353,145	4,495,370	1,125,705
City's proportionate share of the net pension liability as a % of the City's covered payroll	116.57%	84.69%	163.35%	123.72%	112.85%	115.24%	85.30%	6.45%
HIS Plan fiduciary net pension as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

The amounts presented for each fiscal year were determined as of June 30. The City implemented FRS in June 2015, therefore, amounts are not presented for years prior to fiscal year 2015. Additional years will be displayed as they become available.

**Notes to Schedule:**

Actuarial valuation date	July 1, 2022
Actuarial measurement date	June 30, 2022
Actuarial methods and assumptions used to determine contribution rates	
Discount rate - 2022	6.70%
Discount rate - 2021	6.80%
Discount rate - 2020	6.90%
Discount rate - 2019	6.90%
Discount rate - 2018	7.00%
Discount rate - 2017	7.10%
Discount rate - 2016	7.60%
Discount rate - 2015	7.65%
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	30 years
Assumption, method and plan changes	30 years
Asset valuation method	5-year smoothed
Inflation, per year	2.40%
Salary increases (with inflation), per year	3.25%
Long-term expected rate of return (net of expenses, with inflation), per year	
2022	6.80%
2021	6.80%
2020	7.00%
2019	7.20%
2015 through 2018	7.00%
Payroll growth	3.25%
Cost of living adjustments	3.0% pre-July 2011; 0% thereafter
Retirement age	Varies by tier and member class
Mortality	RP-2000 Mortality Table Scale BB
2019	Mortality Table Scale MP-2018
2015 through 2018	RP-2000 Mortality Table Scale BB

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Florida Retiree Health Insurance (HIS) Subsidy Trust Fund**  
**Last Eight Fiscal Years**  
**(unaudited)**

Measurement date June 30:	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.039246893%	0.036307873%	0.032660%	0.028465%	0.022910%	0.01900%	0.01510%	0.00010%
City's proportionate share of the net pension liability	\$ 4,156,874	\$ 4,453,707	\$ 3,987,757	\$ 3,184,842	\$ 2,424,781	\$ 2,027,036	\$ 1,762,993	\$ 11,080
City's covered payroll	13,616,711	13,180,442	8,586,627	7,823,331	6,708,579	5,353,145	4,495,370	1,125,705
City's proportionate share of the net pension liability as a % of the City's covered payroll	30.53%	33.79%	46.44%	40.71%	36.14%	37.87%	39.22%	0.98%
HIS Plan fiduciary net pension as a percentage of the total pension liability	4.81%	4.81%	3.00%	2.63%	2.15%	1.64%	0.02%	0.00%

The amounts presented for each fiscal year were determined as of June 30. The City implemented FRS in June 2015, therefore, amounts are not presented for years prior to fiscal year 2015. Additional years will be displayed as they become available.

**Notes to Schedule:**

Actuarial valuation date	April 1, 2022
Actuarial measurement date	June 30, 2022
Actuarial methods and assumptions used to determine contribution rates	
Discount rate - 2022	3.50%
Discount rate - 2021	2.16%
Discount rate - 2020	3.50%
Discount rate - 2019	3.50%
Discount rate - 2018	3.87%
Discount rate - 2017	3.58%
Discount rate - 2016	2.85%
Discount rate - 2015	3.80%
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	15 years
Assumption, method and plan changes	15 years
Asset valuation method	Fair Market Value
Inflation, per year	2.40%
Salary increases (with inflation), per year	3.25%
Long-term expected rate of return (net of expenses, with inflation), per year	N/A
Payroll growth	3.25%
Cost of living adjustments	N/A
Retirement age	N/A
Mortality	RP-2000 Mortality Table Scale BB



## Required Supplementary Information

September 30, 2022

**SCHEDULE OF THE CITY'S CONTRIBUTIONS**  
**Schedule of the City's Contributions - Florida Retirement System FRS and HIS Plans**  
**Last Eight Fiscal Years**  
**(unaudited)**

Fiscal year ended September 30,	2022	2021	2020	2019	2018	2017	2016	2015
<b>FRS Pension Plan</b>								
Contractually required contribution	\$ 2,070,265	\$ 1,443,942	\$ 1,019,839	\$ 833,803	\$ 696,711	\$ 553,554	\$ 370,350	\$ 13,705
Contribution in relation to the contractually required contribution	2,070,265	1,443,942	1,019,839	833,803	696,711	553,554	370,350	13,705
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 13,616,711	\$ 13,180,442	\$ 8,586,627	\$ 7,823,331	\$ 6,698,579	\$ 5,353,145	\$ 6,260,283	\$ 5,415,519
Contribution as a % of covered payroll	15.20%	10.96%	11.88%	10.66%	10.40%	10.34%	5.92%	0.25%
<b>HIS Plan</b>								
Contractually required contribution	\$ 226,037	\$ 213,418	\$ 142,538	\$ 129,867	\$ 111,196	\$ 88,862	\$ 77,536	\$ 415
Contribution in relation to the contractually required contribution	226,037	213,418	142,538	129,867	111,196	88,862	77,536	415
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 13,616,711	\$ 13,180,442	\$ 8,586,627	\$ 7,823,331	\$ 6,698,579	\$ 5,353,145	\$ 6,260,283	\$ 5,415,519
Contribution as a % of covered payroll	1.66%	1.62%	1.66%	1.66%	1.66%	1.66%	1.24%	0.01%

Additional years will be displayed as they become available.

## SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

Last Five Fiscal Years  
(unaudited)

Measurement year ended September 30,	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>					
Service cost	\$ 893,199	\$ 827,554	\$ 684,727	\$ 690,285	\$ 708,908
Interest	171,691	170,369	201,088	166,057	131,841
Experience losses (gains)	(2,331,818)	-	323,877	-	-
Changes of assumptions	(119,572)	166,975	(40,539)	(145,286)	(149,722)
Benefit payments	(247,610)	(236,044)	(212,465)	(197,950)	(201,000)
Net change in total OPEB liability	(1,634,110)	928,854	956,688	513,106	490,027
Total OPEB liability - Beginning of year	7,242,114	6,313,260	5,356,572	4,843,466	4,353,439
Total OPEB liability - End of year	<b>5,608,004</b>	<b>7,242,114</b>	<b>6,313,260</b>	<b>5,356,572</b>	<b>4,843,466</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - Employer	247,610	236,044	212,465	197,950	201,000
Benefit payments	(247,610)	(236,044)	(212,465)	(197,950)	(201,000)
Administrative expenses	-	-	-	-	-
Net change in Fiduciary Net Position	-	-	-	-	-
Fiduciary Net Position - Beginning of year	-	-	-	-	-
Fiduciary Net Position - End of year	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - End of year	-	-	-	-	-
Fiduciary Net Position as a % of Total OPEB Liability	-%	-%	-%	-%	-%
Covered Payroll (1)	-	-	-	-	-
Net OPEB Liability as a % of Payroll	-%	-%	-%	-%	-%
Expected Average Remaining Service Years for all participants	6	7	7	7	7
<b>Notes to Schedule:</b>					
Valuation date	September 30, 2022	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018
Valuation date	September 30, 2021	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Asset valuation method					
Actuarial assumptions:					
Inflation rate	2.50%	2.50%	2.50%	2.40%	2.40%
Discount rate	2.19%	2.41%	2.75%	3.83%	3.50%
Payroll growth	3%	3%	3%	3%	3%
Healthcare cost trend rates					
Medical					
Select rates	4.70% for 2020 to 5.20% for 2024	4.70% for 2020 to 5.20% for 2024	4.70% for 2020 to 5.20% for 2024	5.40% for 2019 to 5.19% 2025	5.5% for 2018 to 5.19% for 2024
Ultimate rates	5%	5%	5%	5%	5%

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

The plan is funded on a pay-as-you-go basis and is not administered by a formal trust. There were no plan assets as of the date of the most recent valuation. Since there is no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

(1) Since this OPEB plan does not depend on salaries, there is no salary information.



## OTHER SUPPLEMENTARY INFORMATION







**COMBINING AND INDIVIDUAL  
FUND FINANCIAL STATEMENTS AND SCHEDULES**





## NONMAJOR GOVERNMENTAL FUNDS



# Combining and Individual Fund Financial Statements and Schedules

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

**Emergency Management Services (EMS) Grant Fund** - This fund account for the revenues received from the Department of Homeland Security. The Staffing for Adequate Emergency (SAFER) grant is used to provide funding directly to the fire department to help increase or maintain the number of trained, "front line" firefighters in the community. This fund also accounts for revenues received from the State of Florida Department of Health. The Department of Health is authorized by Chapter 401, Part II, Florida Statutes to provide grants to dispense pre-hospital emergency medical services grant funds throughout the State to improve and expand pre-hospital emergency medical services.

**Community Development Block Grant (CDBG) Fund** - This fund accounts for the revenues received from the Department of Housing and Urban Development. The revenue is restricted to accomplishing the goals of the CDBG program to address needs such as infrastructure, economic development projects, and public services.

**Edward Byrne Memorial Justice Assistance Fund** - This fund accounts for the revenues received from the Department of Justice, Office of Justice Programs. The revenue is restricted to be used for the provision of additional personnel, equipment, supplies, support, and training for law enforcement programs.

**Bulletproof Vests and Community Oriented Policing Services (COPS) Grant Fund** - This fund accounts for the revenues received from the U.S. Department of Justice, Office of Justice Programs. The revenue is restricted to be used for "uniquely fitted vests" protective armor vests.

**Dan Calloway Grant Fund** - This fund accounts for the revenues received from the Florida Energy Office for the athletic field lighting systems and revenues received from the Florida Department of Environmental Protection Land and Water Conservation Fund Program (LWCF) for the renovation of Dan Calloway recreational facility.

**Asset Forfeiture Program Fund** - This fund accounts for assets that are seized and forfeited in the course of law enforcement activities.

**Victims of Crime Act (VOCA) Grant Fund** - This fund accounts for the revenues received from the Department of Justice, Office of Justice Programs. The revenue is restricted to be used for funding crisis response services, crisis intervention, and assisting investigators that focus on areas of homicide, domestic violence, child deaths, and elderly victimization.

**Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking (SMART) On the Job Training (OJT) Grant Fund** - This fund accounts for the revenues received through the Edward Byrne Memorial Justice Assistance Grant program. The revenue is restricted to be used for the purpose of providing ex-offender reentry services in order to reduce recidivism, rebuild ties between offenders and their families, protect the public, assist offenders in establishing a self-sustaining life, and support evidence-based practices.

**Second Chance Act (SCA) Grant Fund** - Through this program, the Bureau of Justice Assistance provides funding under the Second Chance Act (SCA) to provide reentry services and programs. This program furthers the Department of Justice's mission by reducing recidivism and facilitating the successful reintegration of individuals returning from incarceration.

**Library State Grant Fund** - This fund accounts for the revenues received from the State of Florida for the general operation and maintenance of the City's library.

**Florida Department of Environmental Protection (FDEP) Lone Pine Grant Fund** - Florida Department of Environmental Protection Recreational Trails Program (RTP) provides this grant to providing funding to assist in the construction of exercise trails at Lone Pine.

**Palm Beach County Manatee Grant Fund** - This fund accounts for the revenues received from Palm Beach County. This revenue is restricted for the funding for police officers to provide additional marine law enforcement services within estuarine waters during manatee season from November 15PPthPP to the following March 31PPst.

**Beautification Program Fund** - This fund accounts for the revenues received from developers for beautification projects throughout the City.

**Prepare and Reentry Grant Fund** - This fund accounts for revenues received from Palm Beach County, Criminal Justice Commission. This revenue is restricted to provide services primarily to ex-offenders returning to the northern region of Palm Beach County.

**Palm Beach County (PBC) 911 Fund** - This fund accounts for revenues received from Palm Beach County to provide certain communications dispatch personnel costs, overtime, operating supplies, training, and equipment.

**Civil Drug Court Grant Fund** - This fund accounts for revenues received from the Palm Beach County Criminal Justice Commission. This revenue is restricted to provide services and programs through the Riviera Beach Civil Drug Court to prevent and reduce crimes associated with drug use and abuse.



## Combining and Individual Fund Financial Statements and Schedules

**Department of Juvenile Justice Grant Fund** - This fund accounts for revenues received from the Palm Beach County Criminal Justice Commission which provides activities and services to youth ages 13 to 18, including after-school programs and activities, tutoring, mentoring, job training, gang prevention outreach, parenting classes, employment services, safe school programs, and transportation.

**Major Disaster Fund** - This fund accounts for revenues received from the General Fund which represents 1.5% of the property taxes collected on an annual basis. This revenue is restricted for activities related to disasters as authorized by Council.

**Library Local Grant Fund** - This fund accounts for revenues received to provide funding for Black History program.

**Advanced Police Training Program Fund** - This fund accounts for revenues collected pursuant to Florida Statutes, Sections 318.18 (11d) and 938.15, Palm Beach County Clerk and Comptroller collects \$2.00 court costs for certain Florida Uniform Traffic citations issued within the city limits of Riviera Beach and remits the funds collected to the City which can only be used for criminal justice training.

**Derelict Vessel Removal Grant Fund** - The Florida Fish and Wild Life Conservation Commission and the City have partnered to remove derelict vessels from the waters for the ultimate good of the State of Florida, its resources, wildlife, and public welfare.

**Property Improvement Program Fund** - The City administers a code compliance program in accordance with Chapter 162, Part 1, Florida Statutes. In administering the program, the City incurs costs to assist to property owners in complying with City's code of ordinances. In order to assist the City's property owners and its citizens who face financial hardships in bringing their property into compliance, a percentage of fees received through the code compliance program is set aside in this fund.

### DEBT SERVICE FUND

The debt service fund is used to account for resources that are restricted, committed or assigned to payment of principal, interest and other expenditures on general long-term debt, other than bonds payable from the operations of the enterprise funds.

**Debt Service Fund** - This fund accounts for principal and interest payments of the City's outstanding bonds and capital leases.

### CAPITAL PROJECT FUNDS

Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

**Local Gas Tax Fund** - This fund accounts for revenue received from the State of Florida, which collects and remits to the City a portion, based on City population, of the Local Option Sixth Cent Fuel Tax from the sale of gasoline in Palm Beach County. The revenue is restricted to use for road and street improvements.

**Paving and Drainage Fund** - This fund accounts for revenues to assist in the repair of paving and drainage systems throughout the City.

**Impact Fees Fund** - This fund accounts for the collection of impact fees to pay for system improvements for fire, police, parks and recreation, library, streets, and public buildings.

**Water and Sewer Impact Fees Fund** - This fund accounts for portion of the water and sewer impact fees collected by the Utility Special District as stipulated by the 2004 Asset Purchase Agreement between the City and USD.

**Capital Contributions Fund** - This fund accounts for various capital projects not accounted for in a separate fund. Projects include improvements to various parks, renovations to City buildings, and various landscaping throughout the City.

**Capital Bond Fund** - This fund accounts for bond proceeds used to fund the cost of acquiring and constructing capital assets

**Pay as you go Fund** - This fund accounts for revenues derived from the additional property tax revenues received by the City from the FPL power plant improvements. Funds are transferred from the General Fund to a Capital Projects Fund and are used to finance capital improvement projects as opposed to incurring debt to pay for capital projects.

**One-Cent Local Sales Surtax Fund** - This fund accounts for revenues derived from the voter approved one-cent sales surtax program which are earmarked for various infrastructure capital projects such as roads, bridges, facilities, and buildings.

**American Rescue Plan Fund** - This fund accounts for revenues received through the American Rescue Plan Act of 2021 (ARP) to support the City's response to and recovery from the COVID-19 health emergency. The City will use these proceeds to invest in water and sewer infrastructure to improve access to clean drinking water and to support vital wastewater infrastructure.

**COMBINING GOVERNMENTAL BALANCE SHEET**  
**Nonmajor Governmental Funds**  
**Summary by Fund Type**  
**September 30, 2022**

	Capital Projects Funds	Debt Service Fund	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 2,400,909	\$ 168,514	\$ 2,273,450	\$ 4,842,873
Cash and cash equivalents - Restricted	2,287,030	-	-	2,287,030
Investments	345,756	-	6,291,001	6,636,757
Investments - Restricted	15,072,058	-	-	15,072,058
Receivables, net	23,176	-	524,563	547,738
<b>Total assets</b>	<b>\$ 20,128,929</b>	<b>\$ 168,514</b>	<b>\$ 9,089,014</b>	<b>\$ 29,386,456</b>
<b>Liabilities</b>				
Accounts payable	\$ 354,001	\$ -	\$ 11,606	\$ 365,608
Unearned revenue	-	-	124,810	124,810
Due to other funds	-	-	505,862	505,862
Other liabilities	-	-	352,500	352,500
<b>Total liabilities</b>	<b>354,001</b>	<b>-</b>	<b>994,778</b>	<b>1,348,779</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>354,001</b>	<b>-</b>	<b>994,778</b>	<b>1,348,779</b>
<b>Fund Balances (Deficits)</b>				
Restricted	\$ 19,774,927	\$ 168,514	\$ 7,394,841	\$ 27,338,282
Committed	-	-	667,285	667,285
Unassigned	-	-	32,110	32,110
<b>Total fund balances (deficits)</b>	<b>\$ 19,774,927</b>	<b>\$ 168,514</b>	<b>\$ 8,094,235</b>	<b>\$ 28,037,677</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 20,128,929</b>	<b>\$ 168,514</b>	<b>\$ 9,089,013</b>	<b>\$ 29,386,456</b>

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

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Governmental Funds  
 Summary by Fund Type  
 For the Year Ended September 30, 2022

	Capital Projects Funds	Debt Service Fund	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$ 3,690,137	\$ -	\$ -	\$ 3,690,137
Licenses and permits	643,497	-	-	643,497
Fines and forfeitures	-	-	42,272	42,272
Investment earnings	(164,038)	(60,147)	(2,830)	(227,015)
Grants and contributions	-	-	901,068	901,068
Miscellaneous	-	-	19,433	19,433
<b>Total revenues</b>	<b>4,169,595</b>	<b>(60,147)</b>	<b>959,943</b>	<b>5,069,391</b>
<b>Expenditures</b>				
Current:				
General government	40,473	-	845,711	886,184
Public safety	199,777	-	280,624	480,401
Human services	-	-	583,777	583,777
Culture and recreation	-	-	123,454	123,454
Debt service:				
Principal retirement	-	3,612,607	-	3,612,607
Interest	-	3,755,837	-	3,755,837
Capital outlay:				
Capital outlay	7,148,656	-	119,507	7,268,162
<b>Total expenditures</b>	<b>7,388,906</b>	<b>7,368,444</b>	<b>1,953,073</b>	<b>16,710,423</b>
Excess (deficiency) of revenues over expenditures	(3,219,311)	(7,428,591)	(993,130)	(11,641,032)
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,349,059	7,368,447	765,344	13,482,850
Transfers out	(853,158)	-	(58,973)	(912,131)
<b>Total other financing sources (uses)</b>	<b>4,495,901</b>	<b>7,368,447</b>	<b>706,371</b>	<b>12,570,719</b>
Net change in fund balances	1,276,590	(60,144)	(286,759)	929,687
Fund balances - beginning	18,498,337	228,659	8,380,994	27,107,990
<b>Fund balances - ending</b>	<b>\$ 19,774,927</b>	<b>\$ 168,514</b>	<b>\$ 8,094,235</b>	<b>\$ 28,037,677</b>

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

**COMBINING BALANCE SHEET**  
**Nonmajor Special Revenue Funds**  
**September 30, 2022**

	EMS Grant	Community Development Block Grant	Edward Byrne Memorial Justice Grant	Bulletproof Vests and COPS Grant	Dan Calloway Park Grant	Asset Forfeiture Program	FDEP Beach Access Grant	VOCA Grant
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 22,326	\$ -	\$ 41,281	\$ 71,771	\$ -	\$ (10,371)
Investments	-	-	-	-	-	-	-	-
Receivables, net	-	141,938	-	8,459	-	-	37,726	70,661
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 141,938</b>	<b>\$ 22,326</b>	<b>\$ 8,459</b>	<b>\$ 41,281</b>	<b>\$ 71,771</b>	<b>\$ 37,726</b>	<b>\$ 60,290</b>
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 7,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (120)
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	-	169,688	-	7,514	-	-	37,726	70,781
Other liabilities	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>176,709</b>	<b>-</b>	<b>7,514</b>	<b>-</b>	<b>-</b>	<b>37,726</b>	<b>70,661</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>-</b>	<b>176,709</b>	<b>-</b>	<b>7,514</b>	<b>-</b>	<b>-</b>	<b>37,726</b>	<b>70,661</b>
<b>Fund balances (deficits)</b>								
Restricted	\$ -	\$ (34,772)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	22,326	945	-	71,771	-	-
Unassigned	-	-	-	-	41,281	-	-	(10,371)
<b>Total fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ (34,772)</b>	<b>\$ 22,326</b>	<b>\$ 945</b>	<b>\$ 41,281</b>	<b>\$ 71,771</b>	<b>\$ -</b>	<b>\$ (10,371)</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 141,938</b>	<b>\$ 22,326</b>	<b>\$ 8,459</b>	<b>\$ 41,281</b>	<b>\$ 71,771</b>	<b>\$ 37,726</b>	<b>\$ 60,290</b>

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

**COMBINING BALANCE SHEET**  
**Nonmajor Special Revenue Funds**  
**September 30, 2022**

	SMART OJT Grant	Second Chance Act Grant	Library State Grant	FDEP Lone Pine Park Grant	PBC Manatee Grant	SWA Beautification Grant	Prepare & Reentry Grant	PBC 911 Grant
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ -	\$ 65,997	\$ -	\$ 5,747	\$ 744,008	\$ 1,967	\$ 172,420
Investments	-	-	-	-	-	-	-	-
Receivables, net	-	29,338	-	42,674	-	-	73,321	-
Total assets	\$ -	\$ 29,338	\$ 65,997	\$ 42,674	\$ 5,747	\$ 744,008	\$ 75,288	\$ 172,420
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 128	\$ -	\$ 401	\$ 1,070
Unearned revenue	-	-	63,441	-	5,284	-	-	13,502
Due to other funds	-	29,338	-	42,674	-	-	73,687	-
Other liabilities	-	-	-	-	-	352,500	-	-
Total liabilities	-	29,338	63,441	42,674	5,412	352,500	74,088	14,572
Total liabilities and deferred inflows of resources	-	29,338	63,441	42,674	5,412	352,500	74,088	14,572
<b>Fund balances (deficits)</b>								
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	2,557	-	335	391,508	-	157,848
Unassigned	-	-	-	-	-	-	1,200	-
Total fund balances (deficits)	\$ -	\$ -	\$ 2,557	\$ -	\$ 335	\$ 391,508	\$ 1,200	\$ 157,848
Total liabilities and fund balances (deficits)	\$ -	\$ 29,338	\$ 65,997	\$ 42,674	\$ 5,747	\$ 744,008	\$ 75,288	\$ 172,420

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

**COMBINING BALANCE SHEET**  
**Nonmajor Special Revenue Funds**  
 September 30, 2022

	Civil Drug Court Grant	Dept of Juvenile Justice Grant	Major Disaster	Property Improvement Program	Advanced Police Training Program	Total Nonmajor Special Revenue Funds
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 1,012,751	\$ 125,861	\$ 19,694	\$ 2,273,450
Investments	-	-	6,291,001	-	-	6,291,001
Receivables, net	38,844	39,232	42,069	-	302	524,563
<b>Total assets</b>	<b>\$ 38,844</b>	<b>\$ 39,232</b>	<b>\$ 7,345,821</b>	<b>\$ 125,861</b>	<b>\$ 19,996</b>	<b>\$ 9,089,014</b>
<b>Liabilities</b>						
Accounts payable	\$ 2,385	\$ 722	\$ -	\$ -	\$ -	11,606
Unearned revenue	-	514	42,069	-	-	124,810
Due to other funds	36,459	37,997	-	-	-	505,862
Other liabilities	-	-	-	-	-	352,500
<b>Total liabilities</b>	<b>38,844</b>	<b>39,232</b>	<b>42,069</b>	<b>-</b>	<b>-</b>	<b>994,778</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>38,844</b>	<b>39,232</b>	<b>42,069</b>	<b>-</b>	<b>-</b>	<b>994,778</b>
<b>Fund balances (deficits)</b>						
Restricted	\$ -	\$ -	\$ 7,303,751	\$ 125,861	\$ -	7,394,841
Committed	-	-	-	-	19,996	667,285
Unassigned	-	-	-	-	-	32,110
<b>Total fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,303,751</b>	<b>\$ 125,861</b>	<b>\$ 19,996</b>	<b>\$ 8,094,235</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 38,844</b>	<b>\$ 39,232</b>	<b>\$ 7,345,820</b>	<b>\$ 125,861</b>	<b>\$ 19,996</b>	<b>\$ 9,089,013</b>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended September 30, 2022**

	EMS Grant	Community Development Block Grant	Edward Byrne Memorial Justice Grant	Bulletproof Vests and COPS Grant	Dan Calloway Park Grant	Asset Forfeiture Program	FDEP Beach Access Grant	VOCA Grant
<b>Revenues</b>								
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-	(2,131)	-	-
Grants and contributions	(156,039)	252,946	-	12,688	55,931	-	37,726	198,005
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>(156,039)</u>	<u>252,946</u>	<u>-</u>	<u>12,688</u>	<u>55,931</u>	<u>(2,131)</u>	<u>37,726</u>	<u>198,005</u>
<b>Expenditures</b>								
Current:								
General government	-	155,548	-	-	-	-	-	-
Public safety	-	-	-	12,688	-	-	-	208,376
Human services	-	-	-	-	-	-	-	-
Culture and recreation	-	97,398	-	-	-	-	-	-
Capital outlay:								
Capital outlay	-	-	-	-	14,650	-	37,726	-
Total expenditures	<u>-</u>	<u>252,946</u>	<u>-</u>	<u>12,688</u>	<u>14,650</u>	<u>-</u>	<u>37,726</u>	<u>208,376</u>
Excess (deficiency) of revenues over expenditures	<u>(156,039)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,281</u>	<u>(2,131)</u>	<u>-</u>	<u>(10,371)</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(156,039)	-	-	-	41,281	(2,131)	-	(10,371)
Fund balances - beginning	156,039	(34,772)	22,326	945	-	73,902	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ (34,772)</u>	<u>\$ 22,326</u>	<u>\$ 945</u>	<u>\$ 41,281</u>	<u>\$ 71,771</u>	<u>\$ -</u>	<u>\$ (10,371)</u>

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



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended September 30, 2022**

	SMART OJT Grant	Second Chance Act Grant	Library State Grant	FDEP Lone Pine Park Grant	PBC Manatee Grant	SWA Beautification Grant	Prepare & Reentry Grant	PBC 911 Grant
<b>Revenues</b>								
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	(214)	-	-	-
Grants and contributions	-	72,780	26,057	26,104	20,696	-	194,031	23,430
Miscellaneous	-	-	-	-	-	-	19,433	-
Total revenues	<u>-</u>	<u>72,780</u>	<u>26,057</u>	<u>26,104</u>	<u>20,482</u>	<u>-</u>	<u>213,464</u>	<u>23,430</u>
<b>Expenditures</b>								
Current:								
General government	-	-	-	-	-	500,000	-	-
Public safety	-	-	-	-	20,482	-	-	23,430
Human services	6,632	72,780	-	-	-	-	192,879	-
Culture and recreation	-	-	26,057	-	-	-	-	-
Capital outlay:								
Capital outlay	-	-	-	26,104	-	41,027	-	-
Total expenditures	<u>6,632</u>	<u>72,780</u>	<u>26,057</u>	<u>26,104</u>	<u>20,482</u>	<u>541,027</u>	<u>192,879</u>	<u>23,430</u>
Excess (deficiency) of revenues over expenditures	<u>(6,632)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(541,027)</u>	<u>20,585</u>	<u>-</u>
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(58,973)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,973)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,632)	-	-	-	-	(600,000)	20,585	-
Fund balances - beginning	6,632	-	2,557	-	335	991,508	(19,385)	157,848
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,557</u>	<u>\$ -</u>	<u>\$ 335</u>	<u>\$ 391,508</u>	<u>\$ 1,200</u>	<u>\$ 157,848</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended September 30, 2022**

	Civil Drug Court Grant	Dept of Juvenile Justice Grant	Major Disaster	Property Improvement Program	Advanced Police Training Program	Total Nonmajor Special Revenue Funds
<b>Revenues</b>						
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 36,659	\$ 5,612	\$ 42,272
Investment earnings	-	-	-	-	(484)	(2,830)
Grants and contributions	122,456	170,925	(156,667)	-	-	901,068
Miscellaneous	-	-	-	-	-	19,433
Total revenues	<u>122,456</u>	<u>170,925</u>	<u>(156,667)</u>	<u>36,659</u>	<u>5,128</u>	<u>959,943</u>
<b>Expenditures</b>						
Current:						
General government	-	-	190,163	-	-	845,711
Public safety	-	-	15,649	-	-	280,624
Human services	122,456	189,029	-	-	-	583,777
Culture and recreation	-	-	-	-	-	123,454
Capital outlay:						
Capital outlay	-	-	-	-	-	119,507
Total expenditures	<u>122,456</u>	<u>189,029</u>	<u>205,812</u>	<u>-</u>	<u>-</u>	<u>1,953,073</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(18,104)</u>	<u>(362,479)</u>	<u>36,659</u>	<u>5,128</u>	<u>(993,130)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	765,344	-	-	765,344
Transfers out	-	-	-	-	-	(58,973)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>765,344</u>	<u>-</u>	<u>-</u>	<u>706,371</u>
Net change in fund balances	-	(18,104)	402,865	36,659	5,128	(286,759)
Fund balances - beginning	-	18,104	6,900,886	89,202	14,867	8,380,994
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,303,751</u>	<u>\$ 125,861</u>	<u>\$ 19,995</u>	<u>\$ 8,094,235</u>

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

**COMBINING BALANCE SHEET**  
**Nonmajor Capital Projects Funds**  
 September 30, 2022

	Local Gas Tax Fund	Paving and Drainage Fund	Impact Fees Fund	Water & Sewer Impact Fees Fund	Capital Contributions Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 883,542	\$ 57,910	\$ -	\$ 720,217	\$ 77,304
Cash and cash equivalents-restricted	-	-	2,068,496	-	-
Investments	-	-	-	-	-
Investments - Restricted	-	-	-	-	-
Receivables, net	-	23,176	-	-	-
<b>Total assets</b>	<b>\$ 883,542</b>	<b>\$ 81,085</b>	<b>\$ 2,068,496</b>	<b>\$ 720,217</b>	<b>\$ 77,304</b>
<b>Liabilities</b>					
Accounts payable	\$ 11,905	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>11,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and deferred inflow of resources</b>	<b>11,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances (deficits)</b>					
Restricted	\$ 871,637	\$ 81,085	\$ 2,068,496	\$ 720,217	\$ 77,304
<b>Total fund balances (deficits)</b>	<b>\$ 871,637</b>	<b>\$ 81,085</b>	<b>\$ 2,068,496</b>	<b>\$ 720,217</b>	<b>\$ 77,304</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 883,542</b>	<b>\$ 81,085</b>	<b>\$ 2,068,496</b>	<b>\$ 720,217</b>	<b>\$ 77,304</b>

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

**COMBINING BALANCE SHEET**  
**Nonmajor Capital Projects Funds**  
September 30, 2022

	Capital Bond Fund	Pay As You Go Fund	One Cent Local Surtax Fund	Total Nonmajor Capital Projects Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 606,824	\$ 55,112	\$ -	\$ 2,400,909
Cash and cash equivalents-restricted	-	-	218,535	-
Investments	-	345,756	-	-
Investments - Restricted	-	-	15,072,058	-
Receivables, net	-	-	-	-
Total assets	<u>\$ 606,824</u>	<u>\$ 400,868</u>	<u>\$ 15,290,593</u>	<u>\$ 20,128,929</u>
<b>Liabilities</b>				
Accounts payable	\$ 12,651	\$ 329,446	\$ -	-
Total liabilities	<u>12,651</u>	<u>329,446</u>	<u>-</u>	<u>354,001</u>
Total liabilities and deferred inflow of resources	<u>12,651</u>	<u>329,446</u>	<u>-</u>	<u>354,001</u>
<b>Fund balances (deficits)</b>				
Restricted	\$ 594,174	\$ 71,422	\$ 15,290,593	-
Total fund balances (deficits)	<u>\$ 594,174</u>	<u>\$ 71,422</u>	<u>\$ 15,290,593</u>	<u>\$ 19,774,927</u>
Total liabilities and fund balances (deficits)	<u>\$ 606,824</u>	<u>\$ 400,868</u>	<u>\$ 15,290,593</u>	<u>\$ 20,128,928</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Nonmajor Capital Projects Funds**  
For the Year Ended September 30, 2022

	Local Gas Tax Fund	Paving and Drainage Fund	Impact Fees Fund	Water & Sewer Impact Fees Fund	Capital Contributions Fund
<b>Revenues</b>					
Taxes	\$ 293,233	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	460,922	182,575	-
Investment earnings	(27,803)	(1,720)	(54,660)	(21,708)	(2,831)
Total revenues	<u>265,430</u>	<u>(1,720)</u>	<u>406,262</u>	<u>160,867</u>	<u>(2,831)</u>
<b>Expenditures</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Capital outlay:					
Capital outlay	329,798	-	20,000	182,480	-
Total expenditures	<u>329,798</u>	<u>-</u>	<u>20,000</u>	<u>182,480</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(64,368)</u>	<u>(1,720)</u>	<u>386,262</u>	<u>(21,613)</u>	<u>(2,831)</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	(102,903)	-	-	(22,000)	(28,255)
Total other financing sources (uses)	<u>(102,903)</u>	<u>-</u>	<u>-</u>	<u>(22,000)</u>	<u>(28,255)</u>
Net change in fund balances	(167,271)	(1,720)	386,262	(43,613)	(31,086)
Fund balances - beginning	1,038,908	82,805	1,682,234	763,830	108,390
Fund balances - ending	<u>\$ 871,637</u>	<u>\$ 81,085</u>	<u>\$ 2,068,496</u>	<u>\$ 720,217</u>	<u>\$ 77,304</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Nonmajor Capital Projects Funds**  
For the Year Ended September 30, 2022

	Capital Bond Fund	Pay As You Go Fund	One Cent Local Surtax Fund	Total Nonmajor Capital Projects Funds
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 3,396,903	\$ 3,690,137
Licenses and permits	-	-	-	643,497
Investment earnings	(42,437)	(82,831)	69,952	(164,038)
Total revenues	<u>(42,437)</u>	<u>(82,831)</u>	<u>3,466,855</u>	<u>4,169,595</u>
<b>Expenditures</b>				
Current:				
General government	-	40,473	-	40,473
Public safety	-	199,777	-	199,777
Capital outlay:				
Capital outlay	347,227	6,269,151	-	7,148,656
Total expenditures	<u>347,227</u>	<u>6,509,401</u>	<u>-</u>	<u>7,388,906</u>
Excess (deficiency) of revenues over expenditures	<u>(389,664)</u>	<u>(6,592,232)</u>	<u>3,466,855</u>	<u>(3,219,311)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	5,349,059	-	5,349,059
Transfers out	(700,000)	-	-	(853,158)
Total other financing sources (uses)	<u>(700,000)</u>	<u>5,349,059</u>	<u>-</u>	<u>4,495,901</u>
Net change in fund balances	(1,089,664)	(1,243,173)	3,466,855	1,276,590
Fund balances - beginning	1,683,838	1,314,595	11,823,738	18,498,337
Fund balances - ending	<u>\$ 594,174</u>	<u>\$ 71,422</u>	<u>\$ 15,290,593</u>	<u>\$ 19,774,927</u>

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

**COMBINING BALANCE SHEET**  
**Nonmajor Debt Service Fund**  
 September 30, 2022

	Debt Service Fund	Total Nonmajor Debt Service Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 168,514	\$ 168,514
Total assets	<b>\$ 168,514</b>	<b>\$ 168,514</b>
<b>Fund balances</b>		
Restricted	\$ 168,514	\$ 168,514
Total fund balances	<b>\$ 168,514</b>	<b>\$ 168,514</b>
 Total liabilities and fund balances (deficits)	 <b>\$ 168,514</b>	 <b>\$ 168,514</b>

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



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**Nonmajor Debt Service Fund**  
For the Year Ended September 30, 2022

	Debt Service Fund	Total Nonmajor Debt Service Fund
<b>Revenues</b>		
Investment earnings	\$ (60,147)	\$ (60,147)
Total revenues	<b>(60,147)</b>	<b>(60,147)</b>
<b>Expenditures</b>		
Debt service:		
Principal retirement	3,612,607	3,612,607
Interest	3,755,837	3,755,837
Total expenditures	7,368,444	7,368,444
Excess (deficiency) of revenues over expenditures	(7,428,591)	(7,428,591)
<b>Other Financing Sources (Uses)</b>		
Transfers in	7,368,447	7,368,447
Total other financing sources (uses)	<b>7,368,447</b>	<b>7,368,447</b>
Net change in fund balances	(60,144)	(60,144)
Fund balances - beginning	228,659	228,659
<b>Fund balances - ending</b>	<b>\$ 168,514</b>	<b>\$ 168,514</b>

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



## NONMAJOR ENTERPRISE FUNDS



## NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing goods and services to the general public are financed or recovered primarily through user charges.

**Solid Waste Collection Fund** - This fund is used to account for the revenues and expenses associated with the collection of solid waste and recycling throughout the City.

**Stormwater Fund** - This fund is used to account for the revenues and expenses associated with the City's stormwater system.

**Parking Fund** - This fund is used to account for the revenues and expenses associated with the paid parking systems to be implemented at the Ocean Mall and the Marina District.

**COMBINING STATEMENT OF NET POSITION**  
**Nonmajor Enterprise Funds**  
 September 30, 2022

	Solid Waste Collection	Parking	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 751,974	\$ 115,662	\$ 867,636
Receivables, net	449,982	-	449,982
Total current assets	<u>1,201,955</u>	<u>115,662</u>	<u>1,317,618</u>
Noncurrent assets:			
Depreciable, net of accumulated depreciation	574,511	-	574,511
Total noncurrent assets	<u>574,511</u>	<u>-</u>	<u>574,511</u>
Total assets	<u>\$ 1,776,466</u>	<u>\$ 115,662</u>	<u>\$ 1,892,129</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	269,393	-	269,393
Other liabilities	376,580	111,231	487,811
Deferred revenues	393,876	-	393,876
Total current liabilities	<u>1,039,850</u>	<u>111,231</u>	<u>1,151,080</u>
Total liabilities	<u>\$ 1,039,850</u>	<u>\$ 111,231</u>	<u>\$ 1,151,080</u>
<b>Net position</b>			
Net investment in capital assets	574,511	-	574,511
Unrestricted	162,106	4,431	166,537
Total net position	<u>\$ 736,617</u>	<u>\$ 4,431</u>	<u>\$ 741,048</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Enterprise Funds**  
For the Year Ended September 30, 2022

	Solid Waste Collection	Parking	Total Nonmajor Enterprise Funds
<b>Operating revenues</b>			
Charges for services	\$ 4,213,852	\$ -	\$ 4,213,852
Miscellaneous	61,548	-	61,548
Total operating revenues	<u>4,275,400</u>	<u>-</u>	<u>4,275,400</u>
<b>Operating expenses</b>			
Contractual services and operations	1,729,852	-	1,729,852
Utilities	2,784,291	-	2,784,291
Depreciation of capital assets	55,598	-	55,598
Total operating expenses	<u>4,569,741</u>	<u>-</u>	<u>4,569,741</u>
Operating income (loss)	<u>(294,341)</u>	<u>-</u>	<u>(294,341)</u>
<b>Nonoperating revenues (expenses)</b>			
Investment earnings	(7,525)	(3,435)	(10,960)
Total nonoperating revenues (expenses)	<u>(7,525)</u>	<u>(3,435)</u>	<u>(10,960)</u>
Income (loss) before contributions and transfers	(301,866)	(3,435)	(305,300)
Change in net position	(301,866)	(3,435)	(305,300)
Total net position - beginning	\$ 1,038,483	\$ 7,866	\$ 1,046,349
<b>Total net position - ending</b>	<b><u>\$ 736,617</u></b>	<b><u>\$ 4,431</u></b>	<b><u>\$ 741,048</u></b>

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

**STATEMENT OF CASH FLOWS**  
**Enterprise Funds**  
 For the Year Ended September 30, 2022

	Solid Waste Collection	Parking	Total
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 4,267,735	\$ -	\$ 4,267,735
Payments to suppliers	(4,408,689)	-	(4,408,689)
Net cash provided (used) by operating activities	<u>(140,954)</u>	<u>-</u>	<u>(140,954)</u>
<b>Cash flows from investing activities</b>			
Investment earnings	(7,525)	(3,435)	(10,960)
Net cash provided (used) by investing activities	<u>(7,525)</u>	<u>(3,435)</u>	<u>(10,960)</u>
Net increase (decrease) in cash and cash equivalents	(148,479)	(3,435)	(151,914)
Balances - beginning of year	900,453	119,097	1,019,550
Balances - end of the year	<u>\$ 751,974</u>	<u>\$ 115,662</u>	<u>\$ 867,636</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating Income	\$ (294,341)	\$ -	\$ (294,341)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	55,598	-	55,598
Changes in assets and liabilities:			
Accounts receivable	(278,010)	-	(278,010)
Accounts payable	105,454	-	105,454
Deposits and other liabilities	(123,531)	-	(123,531)
Deferred inflows	393,876	-	393,876
Net cash provided (used) by operating activities	<u>\$ (140,954)</u>	<u>\$ -</u>	<u>\$ (140,954)</u>

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



## INTERNAL SERVICE FUNDS





## INTERNAL SERVICE FUNDS

Internal service funds are used to account for services provided to other departments on a cost-reimbursement basis.

**Information Technology Fund** - This fund is used to account for the information technology services provided to the City's departments.

**General Liability Insurance Fund** - This fund is used to account for expenses related to providing and administering the self-insured general liability, automobile liability, workers' compensation and property insurance coverage for the City.

**Fleet Services Fund** - This fund is used to account for the expenses associated with purchasing and maintaining the City's vehicles.

**COMBINING STATEMENT OF NET POSITION**  
**Nonmajor Internal Service Funds**  
September 30, 2022

	Information Technology	General Liability Insurance	Fleet Services	Total Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 289,815	\$ 618,623	\$ 789,060	\$ 1,697,497
Investments	-	3,611,767	-	3,611,767
Receivables, net	-	3,157,418	-	3,157,418
Inventory	-	-	265,977	265,977
Total current assets	<u>289,815</u>	<u>7,387,808</u>	<u>1,055,036</u>	<u>8,732,659</u>
Noncurrent assets:				
Advance to CRA	-	8,835,338	-	8,835,338
Total noncurrent assets	-	8,835,338	-	8,835,338
Total assets	<u>\$ 289,815</u>	<u>\$ 16,223,147</u>	<u>\$ 1,055,036</u>	<u>\$ 17,567,998</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	115,478	2,806,563	57,815	2,979,857
Other liabilities	-	1,434,854	-	1,434,854
Total current liabilities	<u>115,478</u>	<u>4,241,417</u>	<u>57,815</u>	<u>4,414,711</u>
Total liabilities	<u>\$ 115,478</u>	<u>\$ 4,241,417</u>	<u>\$ 57,815</u>	<u>\$ 4,414,711</u>
<b>Net Position</b>				
Restricted for:				
Advances	-	8,155,697	-	8,155,697
Unrestricted	174,336	3,826,033	997,221	4,997,590
Total net position	<u>\$ 174,336</u>	<u>\$ 11,981,730</u>	<u>\$ 997,221</u>	<u>\$ 13,153,287</u>

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

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Internal Service Funds**  
 For the Year Ended September 30, 2022

	Information Technology	General Liability Insurance	Fleet Services	Total Internal Service Funds
<b>Operating revenues</b>				
Charges for services	\$ 3,326,557	\$ 3,250,196	\$ 1,860,028	\$ 8,436,781
Miscellaneous	11,250	1,336,666	8	1,347,924
Total operating revenues	<u>3,337,807</u>	<u>4,586,862</u>	<u>1,860,036</u>	<u>9,784,705</u>
<b>Operating expenses</b>				
Personnel services	1,115,763	1,182,763	297,876	2,596,402
Contractual services and operations	2,075,018	3,965,277	486,898	6,527,193
Supplies, materials, and maintenance	344,254	-	832,605	1,176,859
Total operating expenses	<u>3,535,036</u>	<u>5,148,040</u>	<u>1,617,379</u>	<u>10,300,454</u>
Operating income (loss)	<u>(197,229)</u>	<u>(561,178)</u>	<u>242,657</u>	<u>(515,750)</u>
<b>Nonoperating revenues (expenses)</b>				
Investment earnings	(63,881)	(154,152)	(38,312)	(256,345)
Total nonoperating revenues (expenses)	<u>(63,881)</u>	<u>(154,152)</u>	<u>(38,312)</u>	<u>(256,345)</u>
Income (loss) before contributions and transfers	<u>(261,110)</u>	<u>(715,330)</u>	<u>204,345</u>	<u>(772,095)</u>
Change in net position	(261,110)	(715,330)	204,345	(772,095)
Total net position - beginning	\$ 435,446	\$ 12,697,060	\$ 792,876	\$ 13,925,382
<b>Total net position - ending</b>	<b><u>\$ 174,336</u></b>	<b><u>\$ 11,981,730</u></b>	<b><u>\$ 997,221</u></b>	<b><u>\$ 13,153,287</u></b>

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

**STATEMENT OF CASH FLOWS**  
**Internal Service Funds**  
For the Year Ended September 30, 2022

	Information Technology	General Liability Insurance	Fleet Services	Total Internal Service Funds
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ -	\$ -	\$ 8	\$ 8
Cash received from interfund charges	3,350,528	4,287,086	1,860,028	9,497,641
Payments to suppliers	(2,383,878)	(4,678,317)	(1,356,237)	(8,418,431)
Payments to employees	(1,112,531)	(1,182,763)	(297,876)	(2,593,170)
Net cash provided (used) by operating activities	<u>(145,881)</u>	<u>(1,573,994)</u>	<u>205,923</u>	<u>(1,513,952)</u>
<b>Cash flows from non-capital financing activities</b>				
Interfund transfers	-	679,641	-	679,641
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>679,641</u>	<u>-</u>	<u>679,641</u>
<b>Cash flows from investing activities</b>				
Investment earnings	(63,881)	(154,152)	(38,312)	(256,345)
Net cash provided (used) by investing activities	<u>(63,881)</u>	<u>(154,152)</u>	<u>(38,312)</u>	<u>(256,345)</u>
Net increase (decrease) in cash and cash equivalents	(209,762)	(1,048,505)	167,611	(1,090,656)
Balances - beginning of year	499,576	5,278,895	621,448	6,399,920
Balances - end of the year	<u>\$ 289,814</u>	<u>\$ 4,230,390</u>	<u>\$ 789,060</u>	<u>\$ 5,309,264</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income (loss)	\$ (197,229)	\$ (561,178)	\$ 242,657	\$ (515,750)
Changes in assets and liabilities:				
Accounts receivable	12,721	(299,776)	-	(287,056)
Inventory	-	-	(56,055)	(56,055)
Accounts payable	38,627	(947,469)	19,322	(889,520)
Deposits and other liabilities	-	234,429	-	234,429
Net cash provided (used) by operating activities	<u>\$ (145,881)</u>	<u>\$ (1,573,994)</u>	<u>\$ 205,924</u>	<u>\$ (1,513,952)</u>

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



## FIDUCIARY FUNDS



## **FIDUCIARY FUNDS**

Fiduciary funds are used to account for the activities of the City's three pension plans that accumulate resources for pension benefits and disability payments.

**General Employees' Retirement System** - This fund is used to account for assets held in a trustee capacity for the retirement pensions of general employees. This plan is closed to new members.

**Police Pension Fund** - This fund is used to account for all assets held in a trustee capacity for the retirement pensions for all sworn police officers.

**Firefighters' Pension Trust Fund** - This fund is used to account for assets held in a trustee capacity for the retirement pensions for firefighters and fire department officers. This plan is closed to new members.

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**Pension Trust Funds**  
 September 30, 2022

	General Employees' Retirement System Fund	Police Pension Fund	Firefighters' Pension Trust Fund	Total Pension Trust Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 2,761,318	\$ 1,813,615	\$ -	\$ 4,574,933
Total assets	<u>2,761,318</u>	<u>1,813,615</u>	<u>-</u>	<u>4,574,933</u>
Receivables:				
Receivables, net	\$ -	\$ -	\$ 14,243	\$ 14,243
Interest and dividends receivable	166,425	169,152	57,108	392,685
Unsettled trades	-	2,282,446	-	2,282,446
Total receivables	<u>166,425</u>	<u>2,451,598</u>	<u>71,351</u>	<u>2,689,374</u>
Investments at fair value:				
US Government & Agency Securities	\$ 19,779,424	\$ 18,520,266	\$ 4,088,485	\$ 42,388,175
Corporate bonds	4,000,983	5,794,735	2,154,192	11,949,910
Equity securities	36,083,853	46,963,246	54,975,246	138,022,345
Real estate funds	17,708,100	5,669,118	25,648,975	49,026,193
Money market funds	40,732,611	-	1,760,177	42,492,788
Mutual funds	-	-	12,027,289	12,027,289
Total investments	<u>118,304,971</u>	<u>76,947,365</u>	<u>100,654,364</u>	<u>295,906,700</u>
Prepaid	-	4,464	17,106	21,570
Total assets	<u>121,232,715</u>	<u>81,217,042</u>	<u>100,742,821</u>	<u>295,928,270</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 356,520	\$ 26,112	\$ 382,632
Deferred revenues	-	-	182,729	182,729
Payable for securities purchased	-	2,342,478	-	2,342,478
Total liabilities	<u>-</u>	<u>2,698,948</u>	<u>208,841</u>	<u>2,907,839</u>
<b>Net Position</b>				
Restricted for:				
Pensions	\$ 121,232,715	\$ 78,514,044	\$ 100,533,980	\$ 300,284,739
<b>Total net position</b>	<u>\$ 121,232,715</u>	<u>\$ 78,514,044</u>	<u>\$ 100,533,980</u>	<u>\$ 300,284,739</u>

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

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**Pension Trust Funds**  
For the Year Ended September 30, 2022

	General Employees' Retirement System Fund	Police Pension Fund	Firefighters' Pension Trust Fund	Total Pension Trust Funds
<b>Additions</b>				
<b>Contributions:</b>				
Employer	\$ 1,561,789	\$ 1,524,207	\$ 1,912,709	\$ 4,998,705
Employees	351,468	726,533	389,907	1,467,908
State	-	376,600	431,784	808,384
Total contributions	<u>1,913,257</u>	<u>2,627,340</u>	<u>2,734,400</u>	<u>7,274,997</u>
<b>Investment earnings:</b>				
Miscellaneous	\$ 16,137	\$ 775	\$ 1,735	\$ 18,647
Net increase in fair value of investments	(16,152,817)	(19,985,766)	(15,982,356)	(52,120,939)
Interest, dividends, and other	1,223,114	2,963,294	2,230,247	6,416,655
Total investment earnings	<u>(14,913,566)</u>	<u>(17,021,697)</u>	<u>(13,750,374)</u>	<u>(45,685,637)</u>
Less investment expenses:				
Investment activity costs	\$ 684,695	\$ 459,769	\$ 488,511	\$ 1,632,975
Net investment earnings	<u>(15,598,261)</u>	<u>(17,482,964)</u>	<u>(14,238,885)</u>	<u>(47,320,110)</u>
Total additions	<u>(13,685,003)</u>	<u>(14,854,126)</u>	<u>(11,504,485)</u>	<u>(40,043,614)</u>
<b>Deductions</b>				
Benefits paid to participants or beneficiaries	\$ 7,735,685	\$ 4,775,320	\$ 4,035,872	\$ 16,546,877
Refunds and transfers to other systems	-	181,953	1,850,647	2,032,600
Administrative and other expenses	128,995	160,238	132,408	421,641
Total deductions	<u>7,864,680</u>	<u>5,117,511</u>	<u>6,018,927</u>	<u>19,001,118</u>
Net increase (decrease) in fiduciary net position	(21,549,684)	(19,971,637)	(17,523,412)	(59,044,733)
Net position - beginning of the year	142,782,399	98,489,681	118,057,392	359,329,472
<b>Net position - end of the year</b>	<b><u>\$ 121,232,715</u></b>	<b><u>\$ 78,518,044</u></b>	<b><u>\$ 100,533,980</u></b>	<b><u>\$ 300,284,739</u></b>

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





# BUDGETARY COMPARISON SCHEDULES





## CAPITAL PROJECTS FUNDS



**LOCAL GAS TAX FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 690,701	\$ 690,701	\$ 293,233	\$ (397,468)
Investment earnings	44,988	44,988	(27,803)	(72,791)
Total revenues	735,689	735,689	265,430	(470,259)
<b>Expenditures</b>				
Capital outlay:				
Capital outlay	500,245	500,245	329,798	170,447
Total capital outlay	500,245	500,245	329,798	170,447
Total expenditures	500,245	500,245	329,798	170,447
Excess (deficiency) of revenues over expenditures	235,444	235,444	(64,368)	(299,812)
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(102,903)	(102,903)
Total other financing sources (uses)	-	-	(102,903)	(102,903)
Net changes in fund balance	235,444	235,444	(167,271)	(402,715)
Fund balance - beginning	1,038,908	1,038,908	1,038,908	-
Fund balance - ending	<b>\$ 1,274,352</b>	<b>\$ 1,274,352</b>	<b>\$ 871,637</b>	<b>\$ (402,715)</b>

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

**IMPACT FEES FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,374,285	1,374,285	460,922	(913,363)
Fines and forfeitures	-	-	-	-
Investment earnings	44,417	44,417	(54,660)	(99,077)
Grants and contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,418,702</u>	<u>1,418,702</u>	<u>406,262</u>	<u>(1,012,440)</u>
<b>Expenditures</b>				
Capital outlay:				
Capital outlay	57,226	57,226	20,000	37,226
Total capital outlay	<u>57,226</u>	<u>57,226</u>	<u>20,000</u>	<u>37,226</u>
Total expenditures	<u>57,226</u>	<u>57,226</u>	<u>20,000</u>	<u>37,226</u>
Excess (deficiency) of revenues over expenditures	<u>1,361,476</u>	<u>1,361,476</u>	<u>386,262</u>	<u>(975,214)</u>
Net changes in fund balance	1,361,476	1,361,476	386,262	(975,215)
Fund balance - beginning	1,682,234	1,682,234	1,682,234	-
Fund balance - ending	<u>\$ 3,043,710</u>	<u>\$ 3,043,710</u>	<u>\$ 2,068,496</u>	<u>\$ (975,215)</u>

**PAY AS YOU GO FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 591,380	\$ 591,380	\$ (82,831)	\$ (674,211)
Miscellaneous	60	60	-	(60)
Total revenues	591,440	591,440	(82,831)	(674,271)
<b>Expenditures</b>				
Current:				
General government	111,088	111,088	40,473	70,616
Public safety	402,000	402,000	199,777	202,223
Total current	513,088	513,088	240,250	90,839
Capital outlay:				
Capital outlay	7,596,795	7,596,795	6,269,151	1,327,644
Total capital outlay	7,596,795	7,596,795	6,269,151	1,327,644
Total expenditures	8,109,883	8,109,883	6,509,401	1,418,483
Excess (deficiency) of revenues over expenditures	(7,518,443)	(7,518,443)	(6,592,232)	926,211
<b>Other Financing Sources (Uses)</b>				
Transfers in	4,000,000	4,000,000	5,349,059	1,349,059
Transfers out	(297,720)	(297,720)	-	297,720
Total other financing sources (uses)	3,702,280	3,702,280	5,349,059	1,646,779
Net changes in fund balance	(3,816,163)	(3,816,163)	(1,243,173)	2,572,990
Fund balance - beginning	1,314,595	1,314,595	1,314,595	-
Fund balance - ending	<b>\$ (2,501,568)</b>	<b>\$ (2,501,568)</b>	<b>\$ 71,422</b>	<b>\$ 2,572,990</b>

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

**WATER & SEWER IMPACT FEES FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
For the Year Ended September 30, 2022

	Original	Final	Actual	Variance - Positive (Negative)
<b>Revenues</b>				
Licenses and permits	\$ 1,206,457	\$ 1,206,457	\$ 182,575	\$ (1,023,882)
Investment earnings	105,147	105,147	(21,708)	(126,855)
Miscellaneous	676	676	-	(676)
Total revenues	<u>1,312,280</u>	<u>1,312,280</u>	<u>160,867</u>	<u>(1,151,413)</u>
<b>Expenditures</b>				
Capital outlay:				
Capital outlay	162,442	422,397	182,480	239,918
Total capital outlay	<u>162,442</u>	<u>422,397</u>	<u>182,480</u>	<u>239,918</u>
Total expenditures	<u>162,442</u>	<u>422,397</u>	<u>182,480</u>	<u>239,918</u>
Excess (deficiency) of revenues over expenditures	<u>1,149,838</u>	<u>889,883</u>	<u>(21,613)</u>	<u>(911,495)</u>
Net changes in fund balance	1,149,838	889,883	(43,613)	(933,495)
Fund balance - beginning	763,830	763,830	763,830	-
Fund balance - ending	<u>\$ 1,913,669</u>	<u>\$ 1,653,713</u>	<u>\$ 720,217</u>	<u>\$ (933,495)</u>

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

**ONE CENT LOCAL SURTAX FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
 For the Year Ended September 30, 2022

	Original	Final	Actual	Variance - Positive (Negative)t
<b>Revenues</b>				
Taxes	\$ 3,500,000	\$ 3,500,000	\$ 3,396,903	\$ (103,097)
Investment earnings	230,260	230,260	69,952	(160,309)
Total revenues	<u>3,730,260</u>	<u>3,730,260</u>	<u>3,466,855</u>	<u>(263,405)</u>
<b>Expenditures</b>				
Capital outlay:				
Capital outlay	-	-	-	-
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>3,730,260</u>	<u>3,730,260</u>	<u>3,466,855</u>	<u>(263,405)</u>
Net changes in fund balance	3,730,260	3,730,260	3,466,855	(263,405)
Fund balance - beginning	11,823,738	11,823,738	11,823,738	-
Fund balance - ending	<u>\$ 15,553,998</u>	<u>\$ 15,553,998</u>	<u>\$ 15,290,593</u>	<u>\$ (263,405)</u>

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









# DEBT SERVICE FUND



**DEBT SERVICE FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
For the Year Ended September 30, 2022

	Debt Service Fund			
	Original	Final	Actual	Variance - Positive (Negative)
<b>Revenues</b>				
Investment earnings	\$ -	\$ -	\$ (60,147)	\$ (60,147)
Total revenues	-	-	(60,147)	(60,147)
<b>Expenditures</b>				
Debt service:				
Principal retirement	3,612,608	3,612,608	3,612,607	1
Interest	3,040,000	3,040,000	3,755,837	(715,837)
Total debt service	6,652,608	6,652,608	(7,368,444)	(715,836)
Total expenditures	6,652,608	6,652,608	7,368,444	(715,836)
Excess (deficiency) of revenues over expenditures	(6,652,608)	(6,652,608)	(7,428,591)	(775,983)
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,652,608	6,652,608	7,368,447	715,839
Total other financing sources (uses)	6,652,608	6,652,608	7,368,447	715,839
Net changes in fund balance	-	-	(60,144)	(60,144)
Fund balance - beginning	228,659	228,659	228,659	-
Fund balance - ending	<b>\$ 228,659</b>	<b>\$ 228,659</b>	<b>\$ 168,515</b>	<b>\$ (60,144)</b>

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



# SPECIAL REVENUE FUNDS



**COMMUNITY DEVELOPMENT BLOCK GRANT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 707,157	\$ 707,157	\$ 252,946	\$ (454,212)
Total revenues	707,157	707,157	252,946	(454,212)
<b>Expenditures</b>				
Current:				
General government	655,297	655,297	155,548	499,749
Culture and recreation	70,311	70,311	97,398	(27,086)
Total current	725,608	725,608	252,946	472,663
Total expenditures	725,608	725,608	252,946	472,663
Excess (deficiency) of revenues over expenditures	(18,451)	(18,451)	-	18,451
Net changes in fund balance	(18,451)	(18,451)	-	18,451
Fund balance - beginning	(34,772)	(34,772)	(34,772)	-
Fund balance - ending	<b>\$ (53,223)</b>	<b>\$ (53,223)</b>	<b>\$ (34,772)</b>	<b>\$ 18,451</b>

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

**BULLETPROOF VESTS GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
 For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 42,041	\$ 42,041	\$ 12,688	\$ (29,352)
Total revenues	42,041	42,041	12,688	(29,352)
<b>Expenditures</b>				
Current:				
Public safety	44,508	44,508	12,688	31,820
Total current	44,508	44,508	12,688	31,820
Total expenditures	44,508	44,508	12,688	31,820
Excess (deficiency) of revenues over expenditures	(2,467)	(2,467)	-	2,467
Net changes in fund balance	(2,467)	(2,467)	-	2,467
Fund balance - beginning	945	945	945	-
Fund balance - ending	<b>\$ (1,522)</b>	<b>\$ (1,522)</b>	<b>\$ 945</b>	<b>\$ 2,467</b>

**FDEP BEACH ACCESS GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 100,000	\$ 100,000	\$ 37,726	\$ (62,274)
Total revenues	100,000	100,000	37,726	(62,274)
<b>Expenditures</b>				
Capital outlay:				
Capital outlay	100,000	100,000	37,726	62,274
Total capital outlay	100,000	100,000	37,726	62,274
Total expenditures	100,000	100,000	37,726	62,274
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

**VOCA GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 253,816	\$ 253,816	\$ 198,005	\$ (55,811)
Total revenues	<u>253,816</u>	<u>253,816</u>	<u>198,005</u>	<u>(55,811)</u>
<b>Expenditures</b>				
Current:				
Public safety	255,566	255,566	208,376	47,190
Total current	<u>255,566</u>	<u>255,566</u>	<u>208,376</u>	<u>47,190</u>
Total expenditures	<u>255,566</u>	<u>255,566</u>	<u>208,376</u>	<u>47,190</u>
Excess (deficiency) of revenues over expenditures	<u>(1,750)</u>	<u>(1,750)</u>	<u>(10,371)</u>	<u>(8,621)</u>
Net changes in fund balance	(1,750)	(1,750)	(10,371)	(8,621)
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ (1,750)</u>	<u>\$ (1,750)</u>	<u>\$ (10,371)</u>	<u>\$ (8,621)</u>

**SECOND CHANCE ACT GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 97,832	\$ 97,832	\$ 72,780	\$ (25,052)
Total revenues	<u>97,832</u>	<u>97,832</u>	<u>72,780</u>	<u>(25,052)</u>
<b>Expenditures</b>				
Current:				
Human services	97,832	97,832	72,780	25,052
Total current	<u>97,832</u>	<u>97,832</u>	<u>72,780</u>	<u>25,052</u>
Total expenditures	<u>97,832</u>	<u>97,832</u>	<u>72,780</u>	<u>25,052</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**LIBRARY STATE GRANT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 77,701	\$ 77,701	\$ 26,057	\$ (51,644)
Total revenues	<u>77,701</u>	<u>77,701</u>	<u>26,057</u>	<u>(51,644)</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	57,594	57,594	26,057	31,538
Total current	<u>57,594</u>	<u>57,594</u>	<u>26,057</u>	<u>31,538</u>
Capital outlay:				
Capital outlay	20,107	20,107	-	20,107
Total capital outlay	<u>20,107</u>	<u>20,107</u>	<u>-</u>	<u>20,107</u>
Total expenditures	<u>77,701</u>	<u>77,701</u>	<u>26,057</u>	<u>51,645</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	-	-	-	-
Fund balance - beginning	2,557	2,557	2,557	-
Fund balance - ending	<u>\$ 2,557</u>	<u>\$ 2,557</u>	<u>\$ 2,557</u>	<u>\$ -</u>

**FDEP LONE PINE PARK GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 145,840	\$ 145,840	\$ 26,104	\$ (119,735)
Total revenues	145,840	145,840	26,104	(119,735)
<b>Expenditures</b>				
Capital outlay:				
Capital outlay	145,840	145,840	26,104	119,735
Total capital outlay	145,840	145,840	26,104	119,735
Total expenditures	145,840	145,840	26,104	119,735
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

**PALM BEACH COUNTY MANATEE GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
 For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 18,750	\$ 18,750	\$ 20,696	\$ 1,946
Total revenues	<u>18,750</u>	<u>18,750</u>	<u>20,696</u>	<u>1,946</u>
<b>Expenditures</b>				
Current:				
Public safety	19,388	19,388	20,482	(1,094)
Total current	<u>19,388</u>	<u>19,388</u>	<u>20,482</u>	<u>(1,094)</u>
Total expenditures	<u>19,388</u>	<u>19,388</u>	<u>20,482</u>	<u>(1,094)</u>
Excess (deficiency) of revenues over expenditures	<u>(638)</u>	<u>(638)</u>	<u>-</u>	<u>852</u>
Net changes in fund balance	-	(638)	-	852
Fund balance - beginning	335	335	335	-
Fund balance - ending	<u>\$ (302)</u>	<u>\$ (302)</u>	<u>\$ 550</u>	<u>\$ 852</u>

**PREPARE & REENTRY GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ 255,127	\$ 255,127	\$ 194,031	\$ (61,096)
Miscellaneous	-	-	19,433	19,433
Total revenues	<u>255,127</u>	<u>255,127</u>	<u>213,464</u>	<u>(41,663)</u>
<b>Expenditures</b>				
Current:				
Human services	255,127	255,127	192,879	62,248
Total current	<u>255,127</u>	<u>255,127</u>	<u>192,879</u>	<u>62,248</u>
Total expenditures	<u>255,127</u>	<u>255,127</u>	<u>192,879</u>	<u>62,248</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>20,585</u>	<u>20,585</u>
Net changes in fund balance	-	-	20,585	20,585
Fund balance - beginning	(19,385)	(19,385)	(19,385)	-
Fund balance - ending	<u>\$ (19,385)</u>	<u>\$ (19,385)</u>	<u>\$ 1,200</u>	<u>\$ 20,585</u>

**DEPARTMENT OF JUVENILE JUSTICE GRANT FUND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
 For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ -	\$ 180,000	\$ 170,925	\$ (9,075)
Total revenues	-	180,000	170,925	(9,075)
<b>Expenditures</b>				
Current:				
Human services	-	197,504	189,029	8,474
Total current	-	197,504	189,029	8,474
Total expenditures	-	197,504	189,029	8,474
Excess (deficiency) of revenues over expenditures	-	(17,504)	(18,104)	(601)
Net changes in fund balance	-	(17,504)	(18,104)	(601)
Fund balance - beginning	18,104	18,104	18,104	-
Fund balance - ending	<b>\$ 18,104</b>	<b>\$ 600</b>	<b>\$ -</b>	<b>\$ (601)</b>

**MAJOR DISASTER**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Grants and contributions	\$ -	\$ -	\$ (156,667)	\$ (156,667)
Miscellaneous	-	-	-	-
Total revenues	-	-	(156,667)	(156,667)
<b>Expenditures</b>				
Current:				
General government	97,273	540,803	190,163	350,639
Public safety	-	20,000	15,649	4,352
Total current	97,273	560,803	205,812	354,991
Total expenditures	97,273	560,803	205,812	354,991
Excess (deficiency) of revenues over expenditures	(97,273)	(560,803)	(362,479)	198,323
<b>Other Financing Sources (Uses)</b>				
Transfers in	762,000	762,000	765,344	3,344
Transfers out	-	-	-	-
Total other financing sources (uses)	762,000	762,000	765,344	3,344
Net changes in fund balance	664,727	201,197	402,865	201,667
Fund balance - beginning	6,900,886	6,900,886	6,900,886	-
Fund balance - ending	<b>\$ 7,565,613</b>	<b>\$ 7,102,084</b>	<b>\$ 7,303,751</b>	<b>\$ 201,667</b>

**SECTION III:**  
**STATISTICAL SECTION (Unaudited)**





The Statistical Section of the City's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>Financial Trends</b>	192
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity</b>	198
<p>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity</b>	208
<p>These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the government's ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b>	216
<p>The schedules present information to help the reader understand the environment within which the City's financial activities take place.</p>	
<b>Operating Information</b>	219
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	





# FINANCIAL TRENDS



CITY OF RIVIERA BEACH, FLORIDA

NET POSITION BY COMPONENT  
FOR THE LAST TEN FISCAL YEARS

(accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 41,055,828	\$ 21,562,964	\$ 39,920,794	\$ 14,248,672	\$ 26,089,236	\$ 35,835,366	\$ 38,778,397	\$ 43,913,329	\$ 53,881,198	\$ 71,616,171
Restricted	37,122,826	44,583,925	37,023,863	38,640,859	31,375,720	34,927,271	31,022,594	27,537,870	56,824,356	61,738,180
Unrestricted	30,075,750	40,593,227	(46,755,383)	13,460,543	14,911,339	36,163,653	50,230,607	46,160,919	20,774,024	19,519,384
<b>Total governmental activities net position</b>	<b>108,254,404</b>	<b>106,740,116</b>	<b>30,189,274</b>	<b>66,350,074</b>	<b>72,376,295</b>	<b>106,926,290</b>	<b>120,031,598</b>	<b>117,612,118</b>	<b>131,479,578</b>	<b>152,873,735</b>
Business-type activities:										
Net investment in capital assets	\$ 37,769,604	\$ 30,641,963	\$ 41,467,081	\$ 34,720,313	\$ 34,898,049	\$ 41,974,848	\$ 54,161,179	\$ 58,335,090	\$ 71,931,660	54,537,710
Restricted	12,242,586	10,481,565	12,762,727	52,472,305	9,435,277	8,319,468	35,602,871	26,361,054	24,631,122	29,094,465
Unrestricted	12,810,201	31,266,853	28,135,272	348,101	53,298,669	55,962,099	21,775,870	36,152,232	25,522,126	58,016,992
<b>Total business-type activities net position</b>	<b>62,822,391</b>	<b>72,390,381</b>	<b>82,365,080</b>	<b>87,540,719</b>	<b>97,631,995</b>	<b>106,256,415</b>	<b>111,539,920</b>	<b>120,848,376</b>	<b>122,084,908</b>	<b>141,649,167</b>
Primary government:										
Net investment in capital assets	\$ 78,825,432	\$ 52,204,927	\$ 81,387,875	\$ 48,968,985	\$ 60,987,285	\$ 77,810,214	\$ 92,939,576	\$102,248,419	\$125,812,858	126,153,881
Restricted	49,365,412	55,065,490	49,786,590	91,113,164	40,810,997	43,246,739	66,625,465	53,898,924	81,455,478	90,832,645
Unrestricted	42,885,951	71,860,080	(18,620,111)	13,808,644	68,210,008	92,125,752	72,006,477	82,313,151	46,296,150	77,536,376
<b>Total primary government net position</b>	<b>\$171,076,795</b>	<b>\$179,130,497</b>	<b>\$112,554,354</b>	<b>\$153,890,793</b>	<b>\$170,008,290</b>	<b>\$213,182,705</b>	<b>\$231,571,518</b>	<b>\$238,460,494</b>	<b>\$253,564,486</b>	<b>\$294,522,902</b>

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

# Financial Trends

## CITY OF RIVIERA BEACH, FLORIDA

### CHANGES IN NET POSITION FOR THE LAST TEN FISCAL YEARS

(accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 16,785,692	\$ 21,820,264	\$ 21,058,870	\$ 22,738,925	\$ 26,155,228	\$ 19,065,528	\$ 25,833,637	\$ 34,173,985	\$ 35,459,510	\$ 27,457,969
Public safety	26,612,208	28,913,127	30,099,943	28,415,825	29,391,831	21,985,375	36,931,253	41,592,770	39,902,246	35,875,159
Culture and recreation	5,910,024	8,354,852	4,392,302	4,348,511	5,233,868	6,648,678	7,313,077	6,537,958	6,993,234	1,929,186
Transportation	5,437,862	953,676	1,404,272	1,355,625	1,260,487	1,520,410	1,516,053	1,613,403	1,675,723	1,232,658
Human services	588,169	692,929	750,939	853,235	1,191,792	1,105,586	1,241,684	1,513,044	1,486,533	6,556,541
Physical & economic environment	923,927	630,946	8,251,450	1,978,163	3,842,452	2,215,216	6,170,861	7,501,750	5,372,593	2,706,940
Interest on long term debt	1,884,050	1,791,966	-	3,985,148	4,288,353	4,025,241	4,263,949	4,197,656	3,748,573	6,206,057
Payment to pension plans	-	-	56,090,063	-	-	-	-	-	-	-
Total governmental activities expenses	<u>58,141,932</u>	<u>63,157,760</u>	<u>122,047,839</u>	<u>63,675,432</u>	<u>71,364,011</u>	<u>56,566,034</u>	<u>83,270,514</u>	<u>97,130,566</u>	<u>94,638,412</u>	<u>81,964,510</u>
Business-type activities:										
Water and sewer	17,245,348	15,479,318	8,528,767	17,500,858	16,169,715	20,460,717	20,767,160	21,039,186	28,468,092	19,862,978
Marina	1,561,294	1,325,128	1,304,439	2,650,519	2,220,339	2,461,885	5,498,225	2,799,914	2,842,399	3,016,686
Refuse and stormwater	5,474,999	5,552,227	4,444,093	5,855,255	6,215,552	5,948,652	6,634,632	7,396,680	7,259,815	6,766,142
Community development	-	-	-	235,868	415,122	450,732	559,941	522,499	535,121	269,660
Total business-type activities	<u>24,281,641</u>	<u>22,356,673</u>	<u>14,277,299</u>	<u>26,242,500</u>	<u>25,020,728</u>	<u>29,321,986</u>	<u>33,459,958</u>	<u>31,758,279</u>	<u>39,105,427</u>	<u>29,915,466</u>
Total primary government expenses	<u>\$ 82,423,573</u>	<u>\$ 85,514,433</u>	<u>\$ 36,325,138</u>	<u>\$ 89,917,932</u>	<u>\$ 96,384,739</u>	<u>\$ 85,888,020</u>	<u>\$ 116,730,472</u>	<u>\$ 128,888,845</u>	<u>\$ 133,743,839</u>	<u>\$ 111,879,976</u>
<b>Program revenues:</b>										
Governmental activities:										
Charges for services										
General government	6,565,474	12,141,552	9,622,826	9,050,311	10,022,554	10,761,131	1,656,477	3,615,754	4,957,228	3,777,627
Public safety	1,250,448	1,454,827	-	-	-	-	2,952,076	2,414,342	2,445,462	2,872,004
Culture and recreation	188,556	254,456	-	-	-	-	387,523	359,496	431,971	10,572
Transportation	17,109	8,063	-	-	-	-	21,513	258,481	286,770	540,920
Human services	1,710	500	-	-	-	-	-	-	-	-
Physical and economic environment	253,372	360,889	-	-	-	-	50,000	50,000	50,000	-
Operating grants and contributions	1,551,571	1,078,287	1,856,503	4,624,844	4,053,333	2,027,460	12,207,521	12,046,933	12,954,100	9,613,192
Capital grants and contributions	1,261,838	647,408	344,150	400,357	24,436	303,889	1,170,091	266,519	8,913,148	9,172,625
Total governmental activities program revenues	<u>11,090,078</u>	<u>15,945,982</u>	<u>11,823,479</u>	<u>14,075,512</u>	<u>14,100,323</u>	<u>13,092,480</u>	<u>18,445,201</u>	<u>19,011,525</u>	<u>30,038,679</u>	<u>25,986,941</u>

Continued on next page.

## CITY OF RIVIERA BEACH, FLORIDA

### CHANGES IN NET POSITION FOR THE LAST TEN FISCAL YEARS

(accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-type activities:</b>										
<b>Charges for services</b>										
Water and sewer	20,832,321	20,102,058	21,499,314	22,547,279	24,091,971	26,928,706	26,048,762	28,633,010	29,086,997	30,711,612
Marina	1,216,138	4,323,779	855,209	1,265,758	2,049,760	2,403,770	2,155,838	2,255,788	2,576,934	3,148,549
Solidwaste and stormwater	5,859,101	5,670,814	5,770,787	7,059,583	6,637,525	7,401,556	6,764,944	7,412,410	7,618,648	7,645,187
Community development	-	-	-	149,685	269,413	310,456	-	-	-	-
Operating grants and contributions	-	-	566,603	568,670	437,934	48,590	-	-	-	-
Capital grants and contributions	2,328,640	-	217,744	21,075	-	-	1,845,790	1,546,330	1,091,042	581,825
<b>Total business-type activities program revenues</b>	<b>30,236,200</b>	<b>30,096,651</b>	<b>28,909,657</b>	<b>31,612,050</b>	<b>33,486,603</b>	<b>37,093,078</b>	<b>36,815,334</b>	<b>39,847,538</b>	<b>40,373,621</b>	<b>42,087,173</b>
<b>Total primary government program revenues</b>	<b>\$ 41,326,278</b>	<b>\$ 46,042,633</b>	<b>\$ 40,733,136</b>	<b>\$ 45,687,562</b>	<b>\$ 47,586,926</b>	<b>\$ 50,185,558</b>	<b>\$ 55,260,535</b>	<b>\$ 58,859,063</b>	<b>\$ 70,412,300</b>	<b>\$68,074,114</b>
<b>Net (expenses) revenues:</b>										
Governmental activities	(47,051,854)	(47,211,778)	(110,224,360)	(49,599,920)	(57,263,688)	(43,473,554)	(64,825,313)	(78,119,041)	(64,599,733)	(55,977,569)
Business-type activities	5,954,559	7,739,978	14,632,358	5,369,550	8,465,875	7,771,092	3,355,376	8,089,259	1,268,194	12,171,707
<b>Total primary government net (expenses) revenues</b>	<b>(41,097,295)</b>	<b>(39,471,800)</b>	<b>(95,592,002)</b>	<b>(44,230,370)</b>	<b>(48,797,813)</b>	<b>(35,702,462)</b>	<b>(61,469,937)</b>	<b>(70,029,782)</b>	<b>(63,331,539)</b>	<b>(43,805,861)</b>
<b>General revenues and other changes in Net Position:</b>										
<b>Governmental activities:</b>										
Property taxes	31,558,773	33,986,648	43,810,392	44,624,615	48,088,215	50,026,956	51,424,369	54,389,529	58,306,212	61,555,155
Utility taxes	4,060,124	4,316,158	4,275,034	4,633,809	4,762,948	4,886,000	5,144,247	4,999,397	5,202,741	5,377,492
Franchise fees	2,507,601	2,721,401	2,679,740	2,586,398	2,774,685	2,765,329	2,814,989	2,695,046	2,893,812	3,386,156
Other permits and fees	-	-	-	4,590,329	4,249,135	5,262,265	2,481,735	1,812,378	729,182	1,066,268
Intergov't and shared revenues	6,757,906	6,631,201	5,315,152	5,568,857	8,831,364	10,498,718	8,599,617	8,071,991	8,831,023	5,832,373
Investment earnings	673,917	(1,209,881)	(50,986)	205,147	562,381	618,982	2,328,756	1,913,135	169,883	(1,195,918)
Loan proceeds	-	-	-	-	-	1,646,906	-	-	-	(7,298,000)
Net pension plan asset	-	-	(5,995,735)	19,268,841	-	-	-	-	-	-
Gain (loss) on fixed asset disposals	-	-	-	-	(12,504,173)	-	-	-	-	2,644,146
Miscellaneous	2,436,162	1,151,114	300,791	3,783,692	2,480,551	1,428,113	2,309,957	719,789	1,148,625	1,353,387
Transfers	270,119	(1,901,014)	-	499,031	709,403	890,280	2,826,951	1,098,297	1,185,715	3,396,903
<b>Total governmental activities revenues</b>	<b>48,264,602</b>	<b>45,695,627</b>	<b>50,334,388</b>	<b>85,760,719</b>	<b>59,954,509</b>	<b>78,023,549</b>	<b>77,930,621</b>	<b>75,699,562</b>	<b>78,467,193</b>	<b>1,253,772</b>
										77,371,735
<b>Business-type activities:</b>										
Investment earnings	121,163	(63,547)	1,409,192	483,568	1,070,054	1,185,237	1,598,498	1,622,948	302,477	7,768,010
Miscellaneous	232,500	(9,459)	22,759	-	1,264,750	422,371	3,156,579	694,544	703,230	878,314
Transfers	(270,119)	1,901,014	-	(499,031)	(709,403)	(754,280)	(2,826,951)	(1,098,297)	(1,185,715)	(1,253,772)
<b>Total business-type activities revenues</b>	<b>83,544</b>	<b>1,828,008</b>	<b>1,431,951</b>	<b>(15,463)</b>	<b>1,625,401</b>	<b>853,328</b>	<b>1,928,126</b>	<b>1,219,195</b>	<b>(180,008)</b>	<b>7,392,553</b>
<b>Total primary government</b>	<b>48,348,146</b>	<b>47,523,635</b>	<b>51,766,339</b>	<b>85,745,256</b>	<b>61,579,910</b>	<b>78,876,877</b>	<b>79,858,747</b>	<b>76,918,757</b>	<b>78,287,185</b>	<b>84,764,288</b>
<b>Change in net position:</b>										
Governmental activities	1,212,748	(1,516,151)	(59,889,972)	36,160,799	2,690,821	34,549,995	13,105,308	(2,419,479)	13,867,460	21,394,166
Business-type activities	6,038,103	9,567,986	16,064,309	5,354,087	10,091,276	8,624,420	5,283,502	9,308,454	1,088,186	19,564,260
<b>Total primary government change in net position (restated)</b>	<b>\$ 7,250,851</b>	<b>\$ 8,051,835</b>	<b>\$(43,825,663)</b>	<b>\$ 41,514,886</b>	<b>\$ 12,782,097</b>	<b>\$ 43,174,415</b>	<b>\$ 18,388,810</b>	<b>\$ 6,888,975</b>	<b>\$ 14,955,646</b>	<b>\$40,968,426</b>

# Financial Trends

## CITY OF RIVIERA BEACH, FLORIDA

### FUND BALANCES OF GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General fund:</b>										
Nonspendable <sup>(1)</sup> :										
Inventories	\$ 1,475,943	\$ 942,298	\$ 391,881	\$ 368,759	\$ 398,772	\$ 353,729	\$ 278,517	\$ 278,517	\$ 514,817	\$ 278,517
Prepaid items	-	15,000	-	-	-	-	-	-	-	-
Restricted <sup>(1)</sup> :										
Development services	-	-	-	-	-	-	2,214,501	3,480,682	4,470,990	3,672,207
Unassigned <sup>(1)</sup> :	15,321,358	17,400,596	19,080,752	22,284,354	26,114,573	29,983,521	29,898,998	30,183,378	30,696,742	30,344,905
<b>Total general fund</b>	<b>16,797,301</b>	<b>18,357,894</b>	<b>19,472,633</b>	<b>22,653,113</b>	<b>26,513,345</b>	<b>30,337,250</b>	<b>32,392,016</b>	<b>33,942,577</b>	<b>35,682,549</b>	<b>34,295,629</b>
<b>All other governmental funds:</b>										
Nonspendable <sup>(1)</sup> :										
Inventories	716,085	128,175	-	-	-	-	50,421	50,421	50,421	-
Prepaid items	-	11,740	-	-	-	-	-	-	-	-
Restricted <sup>(1)</sup> :										
Emergency reserves	3,062,374	3,468,375	3,469,985	4,030,318	3,943,610	4,592,233	2,218,057	5,430,711	6,990,088	7,303,751
Community redevelopment	20,106,600	10,116,221	1,738,967	3,960,890	3,705,864	4,704,982	10,841,331	17,704,468	12,703,578	4,822,007
Capital projects	16,627,681	36,630,393	29,131,722	25,715,486	26,737,073	24,199,889	21,687,897	20,769,509	63,767,939	63,551,979
Debt service	388,545	252,724	-	32,169	-	2,540	130,736	226,247	228,659	168,514
Committed <sup>(1)</sup> :										
Special revenue funds	1,358,568	1,437,377	2,100,628	1,824,524	1,555,474	2,120,412	4,707,703	1,753,327	1,445,063	758,376
Assigned <sup>(1)</sup> :										
Special revenue funds	1,645,354	-	-	-	-	-	-	-	-	-
Unassigned <sup>(1)</sup> :	-	(234,095)	-	-	-	-	(5,248)	(3,539)	(54,157)	32,110
<b>Total all other governmental funds</b>	<b>43,905,207</b>	<b>52,045,005</b>	<b>36,441,302</b>	<b>35,563,387</b>	<b>35,942,021</b>	<b>35,620,056</b>	<b>39,636,145</b>	<b>45,931,144</b>	<b>85,131,591</b>	<b>76,636,737</b>
<b>Total governmental funds</b>	<b>\$ 60,702,508</b>	<b>\$ 70,402,899</b>	<b>\$ 55,913,935</b>	<b>\$ 58,216,500</b>	<b>\$ 62,455,366</b>	<b>\$ 65,957,306</b>	<b>\$ 72,028,161</b>	<b>\$ 79,873,721</b>	<b>\$ 120,814,140</b>	<b>\$ 110,932,366</b>

(1) Pursuant to GASB Statement No. 54.

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

## CITY OF RIVIERA BEACH, FLORIDA

### CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Taxes	\$ 39,122,872	\$ 41,467,611	\$ 43,182,086	\$ 52,451,049	\$ 57,501,944	\$ 60,692,092	\$ 62,557,639	\$ 65,264,599	\$ 69,543,847	\$ 73,569,005
Licenses and permits	1,241,983	1,658,174	4,924,658	4,590,329	5,537,836	8,027,594	4,838,943	6,945,013	7,932,576	6,327,824
Intergovernmental	6,231,962	6,466,606	4,099,977	4,577,768	5,666,567	4,719,582	4,115,965	3,807,927	4,347,585	5,038,071
Charges for services	6,469,086	8,056,137	9,622,826	9,050,311	10,022,554	10,761,131	12,871,127	11,759,817	12,238,819	12,543,708
Fines and forfeitures	436,058	369,536	628,307	571,744	786,763	474,136	724,823	472,132	562,708	433,482
Rent	34,381	-	-	-	-	-	-	-	-	-
Investment earnings	155,511	138,139	295,945	205,147	508,340	618,982	2,022,579	1,554,273	139,009	(8,237,573)
Miscellaneous	1,370,405	(307,600)	714,520	3,211,948	1,632,182	953,977	771,360	734,518	627,208	10,348,988
Grant and contributions	3,404,560	1,889,669	2,205,288	5,025,201	793,063	2,331,349	3,099,756	2,821,998	12,186,297	1,223,149
<b>Total revenues</b>	<b>58,466,818</b>	<b>59,738,272</b>	<b>65,673,607</b>	<b>79,683,497</b>	<b>82,449,249</b>	<b>88,578,843</b>	<b>91,002,192</b>	<b>93,360,277</b>	<b>107,578,049</b>	<b>101,246,655</b>
<b>Expenditures:</b>										
<b>Current</b>										
General government	17,617,869	24,429,024	21,502,286	22,738,925	22,853,939	22,062,032	21,900,347	21,704,575	21,328,014	22,312,612
Public safety	25,743,021	28,283,246	30,099,943	28,415,825	29,391,831	32,734,624	34,721,666	38,149,664	41,489,427	53,547,228
Transportation	1,003,004	1,348,693	1,408,908	1,355,625	1,260,487	1,372,730	1,516,264	1,700,880	1,612,739	2,267,287
Human services	584,090	694,523	762,196	853,234	1,191,792	1,105,586	1,187,129	1,576,277	1,512,796	1,717,678
Culture and recreation	3,532,554	4,366,977	4,392,302	4,348,511	5,233,868	5,910,276	5,935,317	5,165,299	5,444,552	6,540,562
Economic environment	2,396,058	223,679	8,598,381	1,978,163	3,437,981	2,215,216	5,777,165	6,387,615	5,381,683	5,639,153
Physical environment	-	-	-	-	404,471	-	-	-	-	-
Capital outlay	7,772,369	8,502,269	8,878,525	14,922,489	7,826,178	13,252,268	19,183,714	11,341,839	17,376,292	10,816,305
<b>Debt service:</b>										
Principal	10,352,067	2,675,126	2,280,812	5,822,226	4,558,268	4,769,290	5,482,484	5,755,513	6,545,113	6,405,999
Interest and fiscal charges	1,573,816	1,627,881	2,791,712	3,985,148	4,288,353	4,025,241	4,290,390	4,098,407	3,803,825	4,384,521
<b>Total expenditures</b>	<b>70,574,848</b>	<b>72,151,418</b>	<b>80,715,065</b>	<b>84,420,146</b>	<b>80,447,168</b>	<b>87,447,263</b>	<b>99,994,476</b>	<b>95,880,069</b>	<b>104,494,443</b>	<b>113,631,345</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (12,108,030)</b>	<b>\$ (12,413,146)</b>	<b>\$ (15,041,458)</b>	<b>\$ (4,736,649)</b>	<b>\$ 2,002,081</b>	<b>\$ 1,131,580</b>	<b>\$ (8,992,284)</b>	<b>\$ (2,519,792)</b>	<b>\$ 3,083,607</b>	<b>\$ (12,384,691)</b>
<b>Other financing sources (uses)</b>										
Issuance of debt	11,550,000	23,780,455	56,973,253	-	-	-	8,807,000	29,635,000	36,671,097	-
Capital lease	-	-	-	-	-	1,646,906	3,429,188	1,656,154	-	1,249,144
Payment to pension plans	-	-	(56,090,063)	-	-	-	-	-	-	-
Other financing use-refunded bonds	-	-	-	-	-	-	-	(22,024,098)	-	-
Transfers in	2,874,219	1,723,322	1,104,633	10,116,666	11,886,612	11,754,932	21,097,639	23,648,299	14,635,429	15,714,153
Transfers out	(1,611,704)	(3,624,336)	(1,569,234)	(9,617,635)	(11,177,209)	(10,864,652)	(18,270,688)	(22,550,002)	(13,449,714)	(14,460,381)
<b>Total other financing sources (uses)</b>	<b>12,812,515</b>	<b>21,879,441</b>	<b>418,589</b>	<b>499,031</b>	<b>709,403</b>	<b>2,537,186</b>	<b>15,063,139</b>	<b>10,365,353</b>	<b>37,856,812</b>	<b>2,502,916</b>
<b>Net change in fund balances</b>	<b>\$ 704,485</b>	<b>\$ 9,466,295</b>	<b>\$ (14,622,869)</b>	<b>\$ (4,237,618)</b>	<b>\$ 2,711,484</b>	<b>\$ 3,668,766</b>	<b>\$ 6,070,855</b>	<b>\$ 7,845,561</b>	<b>\$ 40,940,418</b>	<b>\$ (9,881,775)</b>
<b>Fund balance-beginning as restated</b>	<b>59,998,024</b>	<b>60,702,509</b>	<b>70,536,803</b>	<b>62,454,118</b>	<b>59,743,882</b>	<b>62,288,540</b>	<b>65,957,303</b>	<b>72,028,160</b>	<b>79,873,722</b>	<b>120,814,141</b>
<b>Fund balance-ending (restated)</b>	<b>60,702,509</b>	<b>70,168,804</b>	<b>55,913,934</b>	<b>58,216,500</b>	<b>62,455,366</b>	<b>65,957,306</b>	<b>72,028,158</b>	<b>79,873,721</b>	<b>120,814,140</b>	<b>110,932,366</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>16.90%</b>	<b>5.96%</b>	<b>6.28%</b>	<b>11.62%</b>	<b>11.00%</b>	<b>10.06%</b>	<b>9.77%</b>	<b>10.28%</b>	<b>9.90%</b>	<b>9.50%</b>



# REVENUE CAPACITY



## CITY OF RIVIERA BEACH, FLORIDA

### GOVERNMENTAL FUNDS REVENUES BY SOURCE FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Total Revenues	Taxes	Licenses and Permits	Inter- governmental	Charges for Service	Fines and Forfeitures	Investment Earnings	Grants and Contributions	Miscellaneous
2013	\$ 58,466,818	\$ 39,122,872	\$ 1,241,983	\$ 6,231,962	\$ 6,469,086	\$ 436,058	\$ 155,511	\$ 3,404,560	\$ 1,404,786
2014	59,738,272	41,467,611	1,658,174	6,466,606	8,056,137	369,536	138,139	1,889,669	(307,600)
2015	65,673,607	43,182,086	4,924,658	4,099,977	9,622,826	628,307	295,945	2,205,288	714,520
2016	79,683,497	52,451,049	4,590,328	4,577,768	9,050,311	571,744	205,147	5,025,201	3,211,949
2017	82,449,249	57,501,944	5,537,836	5,666,567	10,022,554	786,763	508,340	793,063	1,632,182
2018	88,578,843	60,692,092	8,027,594	4,719,582	10,761,131	474,136	618,982	2,331,349	953,977
2019	91,002,192	62,557,639	4,838,943	4,115,965	12,871,127	724,823	2,022,579	3,099,756	771,360
2020	93,360,277	65,264,599	6,945,013	3,807,927	11,759,817	472,132	1,554,273	2,821,998	734,518
2021	107,578,049	69,543,847	7,932,576	4,347,585	12,238,819	562,708	139,009	12,186,297	627,208
2022	108,544,655	73,569,005	6,327,824	5,038,071	12,543,708	433,482	(939,573)	10,348,988	1,223,149



# Revenue Capacity

## CITY OF RIVIERA BEACH, FLORIDA

### GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended v Sep 30	Total Expenditures	General Government	Public Safety	Physical Environment	Transportation	Human Services	Culture and Recreation	Economic Environment	Capital Outlay	Debt Service Requirements
2013	\$ 70,574,848	\$ 17,617,869	\$ 25,743,021	\$ -	\$ 1,003,004	\$ 584,090	\$ 3,532,554	\$ 2,396,058	\$ 7,772,369	\$ 11,925,883
2014	72,151,417	24,429,023	28,283,246	-	1,348,693	694,523	4,366,977	223,679	8,502,269	4,303,007
2015	80,715,064	21,502,285	30,099,943	-	1,408,908	762,196	4,392,302	8,598,381	8,878,525	5,072,524
2016	84,420,146	22,738,925	28,415,825	-	1,355,625	853,234	4,348,511	1,978,163	14,922,489	9,807,374
2017	80,447,168	22,853,939	29,391,831	404,471	1,260,487	1,191,792	5,233,868	3,437,981	7,826,178	8,846,621
2018	87,447,263	22,062,032	32,734,624	-	1,372,730	1,105,586	5,910,276	2,215,216	13,252,268	8,794,531
2019	99,749,149	21,900,347	34,721,666	-	1,516,264	1,187,130	5,935,317	5,777,165	19,183,714	9,527,546
2020	95,880,069	21,704,575	38,149,664	-	1,700,880	1,576,277	5,165,299	6,387,615	11,341,839	9,853,920
2021	104,494,443	21,328,015	41,489,428	-	1,612,739	1,512,796	1,512,796	5,381,683	17,376,292	10,348,938
2022	113,631,346	22,312,612	53,547,228	-	2,267,287	1,717,678	6,540,562	5,639,153	10,816,305	10,790,520

## CITY OF RIVIERA BEACH, FLORIDA

### GENERAL FUND FUND BALANCE COMPARED TO ANNUAL EXPENDITURES FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Unassigned	Non-spendable	Restricted	Total Fund Balance	Total Expenditures	Unassigned Fund Balance as a Percentage of Expenditures
2013	\$ 15,321,358	\$ 1,475,943	\$ -	\$ 16,797,301	\$ 47,775,617	32.07%
2014	17,400,596	957,298	-	18,357,894	50,340,791	34.57%
2015	19,080,752	391,881	-	19,472,633	54,603,976	34.94%
2016	22,284,354	368,759	-	22,653,113	54,173,421	41.14%
2017	26,114,573	398,772	-	26,513,345	56,341,253	46.35%
2018	29,983,521	353,729	-	30,337,250	60,817,895	49.30%
2019	29,898,998	278,517	2,214,504	32,392,019	66,694,601	44.83%
2020	30,183,378	278,517	3,480,682	33,942,577	68,224,053	44.24%
2021	30,696,742	514,817	4,470,990	35,682,549	69,539,978	44.14%
2022	30,344,905	278,517	3,672,207	34,295,629	75,634,337	40.12%

# Revenue Capacity

## CITY OF RIVIERA BEACH, FLORIDA

### GENERAL FUND REVENUES BY SOURCE FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Total Revenues	Taxes	Licenses and Permits	Inter- governmental	Charges for Service	Fines and Forfeitures	Investment Earnings	Grants and Contributions	Miscellaneous
2013	\$ 49,289,002	\$ 33,464,465	\$ 1,212,131	\$ 6,231,962	\$ 6,469,086	\$ 299,852	\$ 28,095	\$ 239,687	\$ 1,343,724
2014	51,932,988	35,246,989	1,642,699	6,466,606	8,056,137	286,888	33,297	216,901	(16,529)
2015	55,930,412	36,497,116	4,796,158	4,030,264	8,822,826	600,609	178,601	310,226	694,612
2016	66,472,505	45,089,743	4,252,502	4,235,815	9,050,311	542,393	108,288	649,102	2,544,351
2017	70,669,291	48,214,773	5,489,225	4,173,986	10,022,554	782,623	289,961	290,406	1,405,763
2018	73,136,092	49,558,438	7,360,181	4,387,012	10,761,131	474,136	392,247	247,963	(45,016)
2019	75,557,730	51,357,793	4,654,798	4,115,965	12,821,127	680,627	881,624	658,125	387,671
2020	77,827,872	53,869,037	6,093,727	3,807,927	11,709,817	466,054	941,565	538,230	401,515
2021	81,770,162	57,244,268	6,389,055	4,347,585	12,188,819	538,241	91,718	643,511	326,965
2022	83,533,380	60,188,948	5,648,327	5,038,071	12,543,708	391,210	(1,101,056)	567,033	257,138

## CITY OF RIVIERA BEACH, FLORIDA

### GENERAL FUND TAX REVENUES BY SOURCE FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Total Tax Revenues	General Property Taxes	Use and Fuel Taxes	Public Service Taxes	Communications Service Tax	Business Taxes	Insurance Premium Taxes
2013	\$ 33,464,465	\$ 26,120,272	\$ 471,241	\$ 4,060,124	\$ 1,369,752	\$ 875,909	\$ 567,167
2014	35,246,989	27,993,790	477,499	4,316,158	1,222,571	1,014,930	222,041
2015	36,497,116	29,304,127	510,525	4,275,034	1,215,175	1,192,255	-
2016	45,089,741	37,506,969	523,141	4,633,810	991,089	1,434,732	-
2017	48,214,773	40,381,674	542,643	4,762,948	1,041,524	1,485,984	-
2018	49,558,438	41,570,107	497,870	4,886,000	1,081,552	1,522,909	-
2019	51,357,793	43,045,894	543,837	5,144,247	1,095,242	1,528,574	-
2020	53,869,038	45,672,050	497,260	4,999,398	1,065,266	1,635,064	-
2021	57,243,268	49,013,671	505,731	5,201,742	953,484	1,568,640	-
2022	60,188,948	51,865,235	482,380	5,377,492	1,066,268	1,397,573	-

# Revenue Capacity

## CITY OF RIVIERA BEACH, FLORIDA

### PROPERTY TAX LEVIES AND COLLECTIONS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Tax Roll Year	Taxes Levied for the Fiscal Year	Current Gross Property Tax Collections	Percent of Levy Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Total Collections as a Percent of Current Levy
2013	2012	\$ 27,020,224	\$ 25,713,920	95.17%	\$ 406,352	\$ 26,120,272	96.67%
2014	2013	27,693,990	27,257,403	98.42%	736,387	27,993,790	101.08%
2015	2014	28,901,318	29,304,127	101.39%	213,593	29,517,720	102.13%
2016	2015	36,554,341	37,057,072	101.38%	449,897	37,506,969	102.61%
2017	2016	39,692,520	40,166,337	101.19%	215,337	40,381,674	101.74%
2018	2017	40,933,873	41,461,168	101.29%	108,939	41,570,107	101.55%
2019	2018	42,403,307	42,884,217	101.13%	161,676	43,045,893	101.52%
2020	2019	45,305,402	45,365,468	100.13%	306,582	45,672,050	100.81%
2021	2020	50,567,211	48,861,678	96.63%	151,993	49,013,671	96.93%
2022	2021	51,022,957	51,637,004	101.20%	228,231	51,865,235	101.65%

Sources: City of Riviera Beach Finance Department  
Palm Beach County Property Appraiser's Officer

Includes General Fund only.

## CITY OF RIVIERA BEACH, FLORIDA

### TAXABLE VALUES AND GROSS ASSESSED VALUE OF PROPERTY FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Tax Roll Year	Taxable Value of Operating Millage				Exemptions and Adjustments	Total Assessed Values	Total Direct Tax Rate
		Real Property	Personal Property	Centrally Assessed	Taxable Value			
2013	2012	\$ 2,737,427,983	\$ 249,962,895	\$ 5,025,371	\$ 2,992,416,249	\$ 716,488,332	\$ 3,708,904,581	8.998
2014	2013	2,890,514,172	269,178,255	4,576,186	3,164,268,613	750,387,922	3,914,656,535	8.998
2015	2014	3,098,446,668	275,257,855	5,186,861	3,378,891,384	754,569,514	4,133,460,898	8.952
2016	2015	3,380,659,732	1,172,006,168	5,942,919	4,558,608,819	773,060,380	5,331,669,199	8.452
2017	2016	3,636,751,411	1,292,415,801	6,478,909	4,935,646,121	821,454,130	5,757,100,251	8.452
2018	2017	3,922,162,556	1,163,308,255	6,771,348	5,092,242,159	887,777,363	5,980,019,522	8.452
2019	2018	4,120,370,971	1,138,612,488	7,017,589	5,266,001,048	940,465,733	6,206,466,781	8.452
2020	2019	4,459,700,974	1,126,355,689	6,975,382	5,593,032,045	979,451,311	6,572,483,356	8.452
2021	2020	4,744,197,122	1,246,950,416	7,096,792	5,998,244,330	1,055,638,260	7,053,882,590	8.452
2022	2021	5,116,516,884	1,218,017,371	6,870,929	6,341,405,184	1,066,625,245	7,408,030,429	8.452

Source: DR-403 - Recapitulation of Ad Valorem Assessment Rolls, Palm Beach County Property Appraiser's Office

# Revenue Capacity

## CITY OF RIVIERA BEACH, FLORIDA

### DIRECT AND OVERLAPPING PROPERTY TAX RATES FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Tax Roll Year	Direct		Overlapping						Total Direct and Overlapping Rates
		City of Riviera Beach General Operations	Palm Beach County	Palm Beach County School Board	South Florida Water Mgt District	South Florida Water Mgt District - Everglades Construction	Florida Inland Navigation District (F.I.N.D.)	Children's Services Council	Palm Beach County Health Care District	
2012	2011	8.9980	4.9902	7.7780	0.3676	0.0613	0.0345	0.7300	1.1220	24.0816
2013	2012	8.9980	4.9852	7.5860	0.3523	0.0587	0.0345	0.7025	1.0800	23.7972
2014	2013	8.9980	4.9729	7.5940	0.3294	0.0548	0.0345	0.6745	1.0800	23.7381
2015	2014	8.9520	4.9277	7.5940	0.3045	0.0506	0.0320	0.6677	1.0426	23.5711
2016	2015	8.4520	4.9142	7.0700	0.2836	0.0471	0.0320	0.6833	0.8993	22.3815
2017	2016	8.4520	4.9023	6.7690	0.2659	0.0441	0.0320	0.6590	0.7808	21.9051
2018	2017	8.4520	4.9023	6.7690	0.2659	0.0441	0.0320	0.6590	0.7808	21.9051
2019	2018	8.4520	4.8980	6.5720	0.2519	0.0417	0.0320	0.6403	0.7261	21.6140
2020	2019	8.4520	4.8580	7.1640	0.2398	0.0397	0.0320	0.6497	0.7261	22.1613
2021	2020	8.4520	4.8124	7.0100	0.2295	0.0380	0.0320	0.6497	0.7261	21.9497
2022	2021	8.4520	4.8149	6.9200	0.2207	0.0365	0.0320	0.6233	0.7261	21.8255

Sources: City of Riviera Beach, Finance and Administrative Services Department  
Palm Beach County Property Appraiser's Office

Notes: Millage rates are based on \$1 for every \$1,000 of assessed value. The City has a millage rate limit of 10.00 as stipulated by the State of Florida. Overlapping rates are those of local and county governments that apply to property owners within the City.

## CITY OF RIVIERA BEACH, FLORIDA

### PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS PRIOR

SEPTEMBER 30, 2022

(Unaudited)

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Florida Power & Light Co	\$ 1,025,413,939	1	17.10%	\$ 113,678,856	1	3.81%
Marriott Resorts Hospitality Corp.	109,021,000	2	1.82%			
Morguard Woodbine LLC	53,616,050	3	0.89%	28,070,512	5	0.94%
Port of Palm Beach District Lessor	56,028,025	4	0.93%	33,313,511	4	1.12%
Florida Southeast Connection LLC	42,021,817	5	0.70%			
AR Northlake LLC	36,235,698	6	0.60%			
HHR Singer Island Limited Partnership	31,842,154	7	0.53%	13,915,427	7	0.47%
Sysco Food Services	25,120,829	8	0.42%	13,239,847	8	0.44%
Riviera Beach SMI LLC	23,280,902	9	0.39%			
RBY LLC	20,391,689	10	0.34%			
2700 North Ocean LLC				97,655,000	2	3.27%
Marriott Ownership Resorts Inc.				72,962,350	3	2.44%
Bellsouth Telecommunications Inc.				11,675,058	10	0.39%
South Florida Materials Corp.				15,660,864	6	0.52%
Prospect Northlake LP				12,500,000	9	0.42%
<b>Total Assessed Taxable Value for Top 10</b>	<b>\$ 1,422,972,103</b>		<b>23.72%</b>	<b>\$ 412,671,425</b>		<b>13.83%</b>

Sources: Palm Beach County Tax Collector's Office





## DEBT CAPACITY



## CITY OF RIVIERA BEACH, FLORIDA

### OUTSTANDING DEBT PER CAPITA BY TYPE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Governmental Activities					Business-type Activities				Total Debt Primary Government	City's Population	Net Debt per Capita
	Capital Projects Note	CRA Projects Note	Public Improvement Revenue Bonds (1)	Capital Leases	Leases	Community Redevelopment Revenue Bonds	Water & Sewer Consolidated Utility	Water & Sewer Revenue Bonds (1)	Stormwater Revenue Bonds (1)			
2013	\$ 768,071	\$ 5,170,855	\$ -	\$ 534,551		\$ 25,790,000	\$ 886,823	\$ 26,020,115	\$ -	\$ 59,170,415	33,129	\$ 1,786
2014	520,914	4,759,748	22,000,000	1,454,173		24,045,000	816,690	22,645,000	-	76,241,525	33,369	2,285
2015	265,755	4,328,086	79,855,158	3,195,672		22,265,000	740,738	25,370,753	-	136,021,162	33,649	4,042
2016	-	3,874,841	78,379,438	3,652,366		20,410,000	658,481	64,989,894	10,481,402	182,446,422	34,005	5,365
2017	-	3,398,934	77,258,083	2,342,301		18,680,000	569,396	64,234,697	10,187,783	176,671,194	34,674	5,095
2018	-	2,899,231	75,872,298	1,237,714		16,880,000	472,917	61,432,916	9,739,359	168,534,435	34,834	4,838
2019	-	2,374,543	74,204,808	3,216,603		23,817,000	368,431	60,596,130	9,289,222	173,866,737	34,352	5,061
2020	-	1,823,641	72,216,959	3,548,164		29,635,000	255,273	58,543,321	8,832,558	174,854,916	35,463	4,931
2021	-	1,245,173	106,502,804	2,073,519		27,473,000	132,722	56,339,026	8,369,682	202,135,926	37,604	5,375
2022	-	637,761	104,411,908	-	2,385,058	25,287,000	-	58,465,847	7,900,764	199,088,338	37,604	5,294

(1) Net of related premiums, discounts and adjustments.

The City implemented GASB 87 - Leases in fiscal year 2022 and as such the term "capital leases" is no longer used.

# Debt Capacity

## CITY OF RIVIERA BEACH, FLORIDA

### DIRECT AND OVERLAPPING DEBT

SEPTEMBER 30, 2022

(Unaudited)

Government Unit	Debt	Percentage Applicable to the City of Riviera Beach <sup>(4)</sup>	Amount Applicable to the City of Riviera Beach
<b>Direct Debt:</b>			
City of Riviera Beach <sup>(1)</sup>			
Total bonds <sup>(2)</sup>	\$ 104,411,908		
Capital leases	2,385,058		
Total direct debt	\$ 106,796,966	100.00%	\$ 106,796,966
<b>Overlapping Debt:</b>			
Palm Beach County School District <sup>(3)</sup>	1,405,846,000	2.70%	37,999,433
Palm Beach County <sup>(4)</sup>	654,015,000	2.04%	13,327,901
Total overlapping debt	\$ 2,059,861,000		\$ 51,327,334
<b>Total direct and overlapping Debt</b>			<b>\$ 158,124,300</b>

Sources: City of Riviera Beach, Finance and Administrative Services Department  
 Palm Beach County School Board, ACFR June 30, 2022  
 Palm Beach County, Office of Financial Management and Budget  
 Palm Beach County Property Appraiser's Office

Notes: (1) Details regarding the City's outstanding debt are available in the notes to the basic financial statements.

(2) Net of related premiums, discounts and adjustments.

(3) Details regarding Palm Beach County School District's outstanding debt are available in the notes to the financial statements for fiscal year ended June 30, 2022.

(4) Details regarding Palm Beach County's outstanding debt are available from Palm Beach County, Office of Financial Management and Budget.

(5) Estimated percentage applicable to the City of Riviera Beach is computed based on the ratio of Palm Beach County and Palm Beach County School District's total taxable assessed value to that within the City of Riviera Beach.

## CITY OF RIVIERA BEACH, FLORIDA

### SCHEDULE OF GENERAL GOVERNMENT PLEDGED REVENUE COVERAGE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Public Service Taxes	Franchise Fees	Insurance Premium Taxes	Licenses and Permits	Communications Service Tax	Fines and Forfeitures	Intergovernmental	Charges for Services	Sales Taxes	Business Taxes
2013	\$ 4,060,124	\$ 2,507,601	\$ 567,167	\$ 1,193,921	\$ 1,369,752	\$ 299,852	\$ 1,523,222	\$ 6,483,715	\$ 2,236,508	\$ 875,909
2014	4,316,158	2,721,401	222,041	1,614,767	1,222,571	286,888	1,392,121	7,777,198	2,396,237	1,014,930
2015	4,275,034	2,704,479	-	2,091,679	1,215,175	600,609	1,446,460	8,666,252	2,583,803	1,192,255
2016	4,633,810	2,586,398	-	1,666,104	991,089	542,393	1,557,079	8,557,689	2,678,737	1,434,732
2017	4,762,948	2,774,685	-	2,714,539	1,041,524	782,623	1,497,980	9,876,357	2,676,005	1,485,984
2018	4,886,000	2,765,329	-	4,594,851	1,081,552	474,136	1,634,692	10,778,412	2,752,320	1,522,909
2019	5,144,247	2,814,988	-	1,839,809	1,095,242	680,627	1,603,451	12,821,127	2,844,050	1,528,574
2020	4,999,398	2,695,046	-	3,398,681	1,065,266	466,054	1,483,429	11,709,817	2,660,804	1,635,064
2021	5,202,741	2,893,812	-	3,495,244	953,484	538,241	1,224,630	12,188,819	3,122,955	1,568,641
2022	5,377,492	3,386,156	-	2,298,172	1,066,268	391,210	1,652,447	12,534,522	3,385,625	1,397,573

Continued on next page.

# Debt Capacity

## CITY OF RIVIERA BEACH, FLORIDA

### SCHEDULE OF GENERAL GOVERNMENT PLEDGED REVENUE COVERAGE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Gasoline Taxes	Miscellaneous	Total Non-Ad Valorem Revenues	Amounts Not Legally Available for Debt Service	Total Available Non-Ad Valorem Revenues	Debt Service Requirements			Debt Service Coverage Ratio
						Principal	Interest	Total	
2013	\$ 471,241	\$ 1,579,710	\$ 23,168,722	\$ 1,890,703	\$ 21,278,019	\$ 622,014	\$ 268,352	\$ 890,365	23.8981
2014	477,499	497,381	23,939,192	1,551,835	22,387,357	651,161	241,966	893,127	25.0663
2015	510,525	992,777	26,279,048	1,362,820	24,916,228	681,684	570,557	1,252,241	19.8973
2016	523,141	3,794,362	28,965,534	1,375,436	27,590,098	2,188,648	2,360,475	4,549,123	6.0649
2017	542,643	2,132,327	30,287,615	1,394,938	28,892,677	1,846,661	3,372,259	5,218,920	5.5361
2018	497,870	577,899	31,565,970	1,350,165	30,215,805	1,864,703	3,322,572	5,187,275	5.8250
2019	543,837	1,595,885	32,511,837	1,396,132	31,115,705	2,169,688	3,271,568	5,441,256	5.7185
2020	497,260	1,545,004	32,155,823	1,349,555	30,806,268	2,908,468	3,125,495	6,033,963	5.1055
2021	505,731	418,682	32,112,980	1,149,242	30,963,738	3,282,392	3,741,785	7,024,177	4.4082
2022	482,380	(804,732)	31,167,113	1,049,413	30,117,700	3,110,000	4,180,309	7,290,309	4.1312

## CITY OF RIVIERA BEACH, FLORIDA

### SCHEDULE OF CRA TAX INCREMENT REVENUE COVERAGE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Operating Revenues	Operating Expenditures	Net Revenues Available for Debt Service	Debt Service Requirements			Debt Service Coverage Ratio
				Principal	Interest	Total	
2013	\$ 5,642,411	\$ 5,431,271	\$ 211,140	\$ 1,760,000	\$ 1,060,494	\$ 2,820,494	0.0749
2014	6,049,804	8,805,321	(2,755,517)	1,745,000	1,061,503	2,806,503	-0.9818
2015	6,640,071	14,931,925	(8,291,854)	1,780,000	1,023,902	2,803,902	-2.9573
2016	10,871,420	15,189,689	(4,318,269)	1,855,000	947,073	2,802,073	-1.5411
2017	7,935,519	6,061,499	1,874,020	1,730,000	867,048	2,597,048	0.7216
2018	9,136,029	8,561,747	574,282	1,800,000	793,665	2,593,665	0.2214
2019	8,824,500	8,171,853	(2,374,904)	1,870,000	962,706	2,832,706	-0.8384
2020	9,108,746	9,856,511	(747,765)	2,162,000	588,844	2,750,844	-0.2718
2021	9,651,748	14,652,638	(5,000,890)	2,186,000	589,236	2,775,236	-1.8020
2022	10,611,346	11,245,338	(633,992)	2,890,000	2,890,000	3,435,251	-0.1846

# Debt Capacity

## CITY OF RIVIERA BEACH, FLORIDA

### SCHEDULE OF WATER AND SEWER PLEDGED REVENUE COVERAGE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Gross Revenues	Cost of Operations and Maintenance	Net Revenues Available for Debt Service	Debt Service Requirements			Debt Service Coverage Ratio
				Principal	Interest	Total	
2013	\$ 20,935,035	\$ 14,580,576	\$ 6,354,459	\$ 735,000	\$ 1,253,581	\$ 1,988,581	3.20
2014	19,965,256	12,184,146	7,781,110	760,000	1,226,019	1,986,019	3.92
2015	22,252,898	12,920,215	9,332,683	795,000	1,870,740	2,665,740	3.50
2016	22,673,701	14,282,235	8,391,466	740,000	1,028,325	1,768,325	4.75
2017	24,357,793	11,835,779	12,522,014	750,000	1,858,247	2,608,247	4.80
2018	26,828,559	17,669,028	9,159,531	1,640,000	2,621,525	4,261,525	2.15
2019	26,321,913	18,359,665	7,962,248	1,720,000	2,545,400	4,265,400	1.87
2020	28,740,063	15,994,138	12,745,925	1,895,000	2,369,050	4,264,050	2.99
2021	29,799,759	23,261,463	6,538,296	1,990,000	2,271,925	4,261,925	1.53
2022	30,741,960	15,307,659	15,434,301	2,545,000	1,426,110	3,971,110	3.89

## CITY OF RIVIERA BEACH, FLORIDA

### SCHEDULE OF STORMWATER PLEDGED REVENUE COVERAGE FOR THE LAST SIX FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year Ended Sep 30	Gross Revenues	Cost of Operations and Maintenance	Net Revenues Available for Debt Service	Debt Service Requirements			Debt Service Coverage Ratio
				Principal	Interest	Total	
2017	\$ 2,829,588	\$ 1,837,627	\$ 991,961	\$ 185,000	\$ 369,685	\$ 54,685	1.79
2018	3,432,915	1,876,691	1,556,224	350,000	339,431	689,431	2.26
2019	3,864,045	1,873,402	1,990,643	365,000	321,556	686,556	2.90
2020	3,095,634	1,995,813	1,099,821	405,000	283,056	688,056	1.60
2021	3,327,390	2,035,279	1,292,111	425,000	262,306	687,306	1.88
2022	3,431,335	1,400,035	2,031,300	445,000	240,556	685,556	2.96





# DEMOGRAPHIC AND ECONOMIC INFORMATION



## CITY OF RIVIERA BEACH, FLORIDA

### DEMOGRAPHIC AND ECONOMIC STATISTICS FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Fiscal Year	Palm Beach County Population (1)	City of Riviera Beach Population (2)	Median Age (3)	Palm Beach County per Capita Personal Income (3)	City of Riviera Beach per Capita Personal Income (4)	City of Riviera Beach Total Personal Income	City Unemployment Rate (5)
2013	1,345,652	33,129	37.6	\$ 57,985	\$ 22,399	\$ 742,056,471	7.7%
2014	1,360,248	33,369	36.5	66,914	23,159	772,792,671	6.4%
2015	1,378,417	33,649	35.3	68,743	23,652	795,866,148	5.9%
2016	1,391,741	34,005	36.9	71,946	23,685	805,408,425	6.0%
2017	1,414,144	34,674	36.5	74,754	24,181	838,451,994	5.2%
2018	1,433,417	34,352	36.1	79,760	25,856	888,205,312	4.5%
2019	1,447,857	34,352	38.5	83,268	25,657	881,369,264	4.0%
2020	1,466,494	35,463	36.1	87,478	35,384	1,254,822,792	11.0%
2021	1,502,495	37,604	36.8	92,773	25,657	964,805,828	6.1%
2022	1,518,152	38,074	36.8	N/A	26,550	1,010,864,700	3.4%

Sources: (1) Palm Beach County CAFR, September 30, 2021  
 (2) U.S. Census Bureau  
 (3) Palm Beach County CAFR, September 30, 2021  
 (4) U.S. Census Bureau  
 (5) U.S. Bureau of Labor Statistics  
 N/A = Not Available

# Demographic and Economic Information

## CITY OF RIVIERA BEACH, FLORIDA

### PRINCIPAL EMPLOYERS CURRENT YEAR, 2022

SEPTEMBER 30, 2022

(Unaudited)

Employer	Type of Business	Approximate Number of Employees
Veterans Affairs Medical Center	Health care	3,000
Palm Beach County School Board	Education	1,950
Cheney Brothers	Food distribution	1,050
Sikorsky Aircraft Corporation	Aerospace engineering and helicopter	709
Tropical Shipping	Freight shipping and logistics	487
City of Riviera Beach	Municipal government	476
Pepsi Cola Bottling Company	Bottled soft drinks	318
Sysco Food Services	Food distribution	292
Marriott Ocean Palm	Hotel	240
Farmer and Irvin Corporation	Mechanical construction	237
Coca Cola Bottling Company	Bottled soft drinks	200
Serta Mattress	Mattress manufacturing	160
Publix	Supermarket	118
Federal Express	Freight distribution	117
Viking Yachts	Yacht manufacturer	108
Hilton Hotel	Hotel	100

Sources: Business Development Board of Palm Beach County  
City of Riviera Beach Finance and Administrative Services Department



# OPERATING INFORMATION



# Operating Information

## CITY OF RIVIERA BEACH, FLORIDA

### FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	92.0	103.0	105.0	115.0	109.0	112.0	113.0	101.0	119.5	99.5
Police	153.0	160.0	159.0	160.0	162.0	168.0	173.0	170.5	163.5	159.0
Fire	72.0	65.0	74.0	68.0	73.0	87.0	85.0	82.5	84.0	88.5
Culture and recreation	50.0	52.0	48.0	47.0	58.0	49.0	42.5	38.0	43.5	38.0
Transportation	8.0	7.0	8.0	13.0	14.0	6.0	7.0	15.0	15.0	10.0
Human Services	3.0	6.0	5.0	5.0	5.0	13.0	10.5	12.0	12.5	15.5
Marina	9.0	9.0	9.0	-	-	-	-	-	-	-
Water and sewer	56.0	49.0	48.0	42.0	44.0	52.0	52.0	47.0	51.0	46.0
Stormwater	10.0	10.0	9.0	7.0	7.0	9.0	9.0	10.0	6.0	6.0
<b>Total number of FTE employees</b>	<b>453.0</b>	<b>461.0</b>	<b>465.0</b>	<b>457.0</b>	<b>472.0</b>	<b>496.0</b>	<b>492.0</b>	<b>476.0</b>	<b>495.0</b>	<b>462.5</b>

Source: City of Riviera Beach, Finance and Administrative Services Department

CITY OF RIVIERA BEACH, FLORIDA

OPERATING INDICATORS BY FUNCTION / PROGRAM  
FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Fire</b>										
Emergency responses	6,750	7,172	6,577	8,090	8,101	7,982	7,825	8,614	8,772	8,225
Fires reported	160	176	170	191	226	156	155	140	163	142
Fire related calls	693	704	674	792	818	713	737	796	852	1100
<b>Streets</b>										
Potholes repaired	375	180	300	350	218	n/a	n/a	n/a	n/a	n/a
Streets swept (miles)	3,200	3,200	4,500	4,500	4,500	n/a	n/a	n/a	n/a	n/a
<b>Planning and development</b>										
Building permits issued	2,601	2,535	2,952	2,825	2,528	3,338	3,545	4,389	5,335	3,652
Building inspections conducted	4,937	5,419	7,082	7,662	6,648	2,111	2,480	1,284	863	4,687
<b>Parks and recreation</b>										
Number of participants:										
Barracuda Bay	4,509	6,710	6,100	8,396	7,565	6,556	12,164	477	4,933	11,015
Swim lessons	558	175	600	466	35	681	476	18	383	329
Junior lifeguard	34	58	60	28	10	5	3	-	n/a	n/a
Football and cheerleading	210	250	250	219	400	475	475	-	175	288
Summer program	75	250	250	192	300	300	300	-	75	115
Seniors program	80	80	100	100	150	175	175	175	n/a	250
Youth basketball	130	130	600	191	250	100	100	145	n/a	111
Tee ball / Baseball / Tennis	125	125	250	56	80	-	-	-	-	82
Swim team/lifeguard/CPR training	-	-	-	-	-	-	-	-	48	48
<b>Utility system</b>										
Active accounts - water	13,366	12,975	12,686	12,665	12,555	12,566	13,693	12,980	13,156	13,205
Active accounts - sewer	13,315	13,010	13,052	12,616	12,511	12,521	13,655	12,943	13,054	13,114
Active accounts - trash	10,827	10,663	10,540	10,538	10,535	10,514	10,641	10,579	11,908	10,278
Water treated (gallons in millions)	2,500	2,647	2,762	2,800	2,919	2,806	2,894	3,115	3,101	2,873
Wastewater treated (gallons in millions)	1,836	1,778	1,796	1,799	1,323	1,443	1,655	1,555	1,606	1,421

Sources: Various departments of the City of Riviera Beach

N/A = Not Available

## CITY OF RIVIERA BEACH, FLORIDA

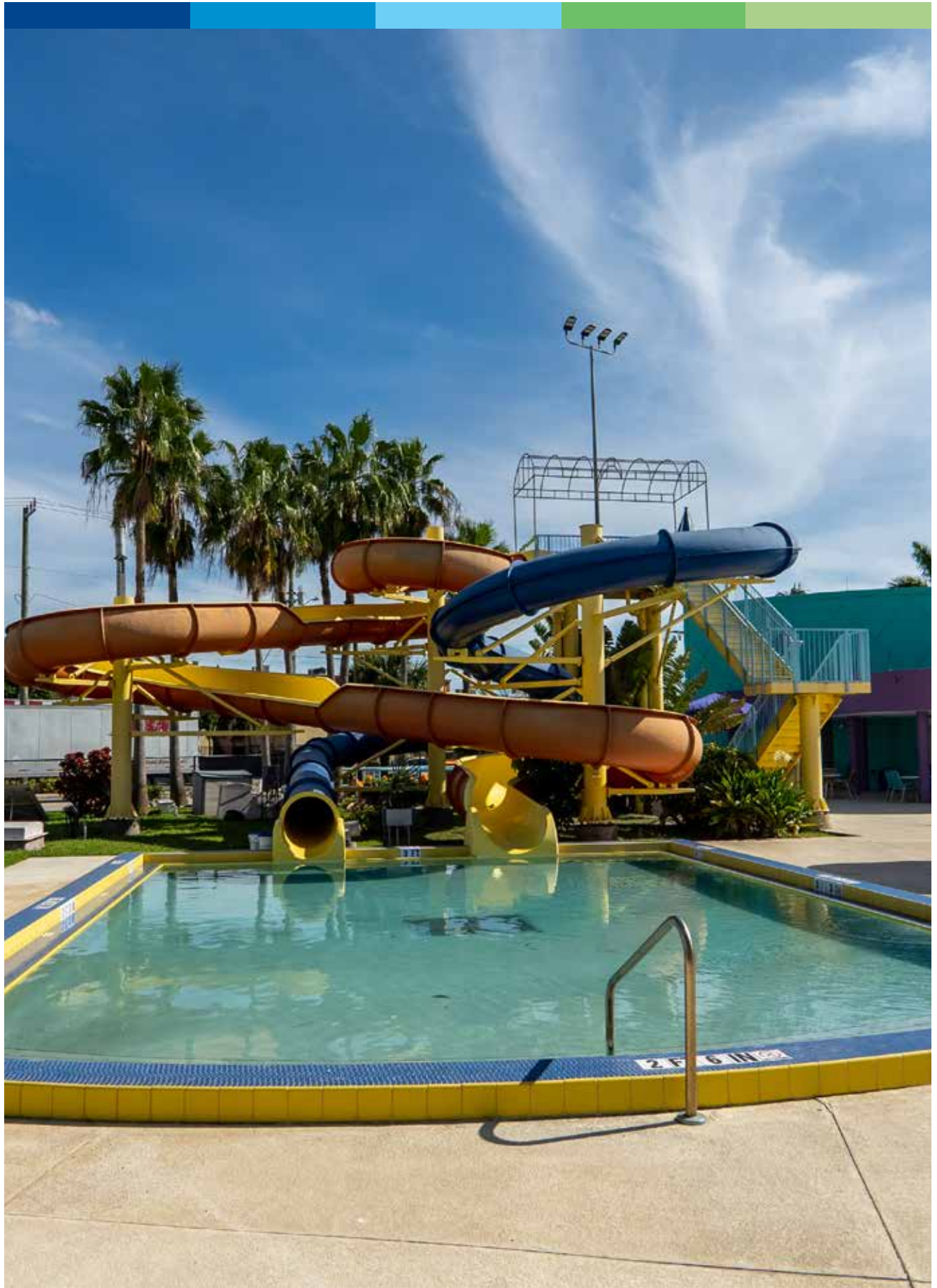
### CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2022

(Unaudited)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General government:</b>										
Government buildings	1	1	2	2	2	2	2	2	2	2
<b>Public safety:</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Patrol cars	110	120	132	135	135	135	135	114	87	
Fire stations	4	4	4	4	4	4	4	4	4	4
<b>Culture and recreation</b>										
Parks	12	12	12	12	12	12	12	12	12	12
Parks acreage	55	55	55	55	55	55	55	53	55	55
Recreation centers	2.0	2.0	2	2	2	3	3	3	3	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Playgrounds	10	10	10	10	10	10	10	10	10	10
Tennis courts	6	6	6	6	6	6	6	6	6	6
Basketball courts	5	5	5	5	5	5	6	6	5	5
Baseball/softball/soccer fields	7	7	7	7	7	7	7	7	7	7
Libraries	1	1	1	1	1	1	1	1	1	1
<b>Transportation:</b>										
Miles of streets	82	82	82	82	84	84	84	84	84	84
Number of street lights	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Miles of sidewalks	57	57	57	57	135	135	135	135	135	135
<b>Utility systems:</b>										
Water mains (miles)	187	187	187	187	187	188.3	193	193	193	188
Sewer mains (miles)	157	157	157	157	157	157	157	157	157	168
Water treatment capacity (MGD)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	9.08
Storage tank & repump stations	4	4	4	4	4	4	4	4	4	3
Lift stations	51	51	51	51	53	51	51	51	51	52
Fire hydrants	1,109	1,109	1,125	1,125	1,136	1,143	1,148	1,148	1,148	1,148

Sources: Various departments of the City of Riviera Beach





**SECTION IV:**  
**COMPLIANCE SECTION**



The Compliance Section section of the City's Annual Comprehensive Financial Report provides the Independent Auditor's Report on internal controls, schedule of expenditures of federal awards along with relevant notes, summary of findings, and management letter issued by the auditor.

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HCT Certified Public Accountants & Consultants, LLC

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

The Honorable Mayor and Members of the City Council  
City of Riviera 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, and each major fund information of the City of Riviera Beach, Florida (the 'City'), as of and for the year ended September 30, 2022, 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 14, 2023. Our report includes a reference to other auditors who audited the financial statements of the Riviera Beach Police Pension Fund, the Firefighters' Pension Trust Fund, and the Florida Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on 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 City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

West Palm Beach  
Phone (561) 655-2664

Miami  
Phone (305) 331-8768

Hollywood  
Phone (954) 966-4435



**Report on 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 of Riviera Beach, Florida's Response to Findings**

The City of Riviera Beach, Florida's is not required to respond to the status of the prior year findings identified in our audit as described in the accompanying schedule of findings and questioned costs. The City's response, if any, was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

June 14, 2023



## SINGLE AUDIT/GRANTS COMPLIANCE



**CITY OF RIVIERA BEACH, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

FOR THE YEAR ENDED SEPTEMBER 30, 2022

**FEDERAL AWARDS**

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Identification Number	Federal Expenditures
<b>U.S. Department of Justice:</b>			
Bulletproof Vest Partnership Grant			
Bulletproof Vest Partnership Grant	16.607	2019-BUBX-190- 96389	\$ 12,688
Passed through State of Florida, Department of Legal Affairs, Office of the Attorney General			
Victims of Crime Act (VOCA) Grant	16.575	VOCA-2019-CITY OF RIVIERA BEACH POL-00676	198,000
<b>Total U.S. Department of Justice</b>			<b>210,688</b>
<b>U.S. Department of Housing and Urban Development:</b>			
Passed through Palm Beach County, Housing and Community Development FY 2017/2018 Community Development Block Grant (CDBG)	14.218	R2021-1534 R2021-1535 R2021-1522	97,398 65,725 89,823
<b>Total U.S. Department of Housing and Urban Development</b>			<b>252,946</b>
<b>U.S. Department of the Interior:</b>			
Passed through Florida Department of Environmental Protection Land and Water Conservation Fund (LWCF) Program	15.916	LWCF PROJECT NUMBER 12-00683	14,650
<b>Total U.S. Department of the Interior</b>			<b>14,650</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 478,284</b>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**CITY OF RIVIERA BEACH, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**STATE AWARDS**

Grantor/Pass-Through Grantor/Program Title	CSFA Number	Identification Number	State Expenditures
<b>Florida Department of State</b>			
Division of Library and Information Services	45.030	21-ST-63	\$ 26,057
<b>Total Florida Department of State</b>			<u>26,057</u>
<b>State of Florida Department of Environmental Protection</b>			
Florida Recreation Development Assistance Program	37.017	A21044	26,104
	37.017	A2040	7,248
	37.017	A2029	30,478
<b>Total Florida Department of Environmental Protection</b>			<u>63,830</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>\$ 89,886</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

---

## CITY OF RIVIERA BEACH, FLORIDA

### NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED SEPTEMBER 30, 2022

#### NOTE 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the City of Riviera Beach, Florida (the City) under programs of the Federal government for the fiscal year ended September 30, 2021. 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 of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cashflows of the City.

#### NOTE 2 - Summary of Significant Accounting Policies

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

#### NOTE 3 - Indirect Cost Rate

The City has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

#### NOTE 4 - Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.



**CITY OF RIVIERA BEACH, FLORIDA**

**SCHEDULE OF EXPENDITURES OF LOCAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**LOCAL AWARDS**

Grantor/Pass-Through Grantor/Program Title	Identification Number	Local Expenditures
<b>PBC AND LOCAL AWARDS</b>		
Florida Inland Navigation District - Mooring Field Phase I	PB-RB-19-204	\$ 21,505
Florida Inland Navigation District - E - J	PB-RB-18-199	262,696
Florida Inland Navigation District - G - B Connector Dock Phase IV	PB-RB-21-217	648,525
<b>Total FIND Awards</b>		<u>932,726</u>
Passed through Palm Beach County Sheriff's Office		
Manatee Protection Law Enforcement	R2019-1512	20,482
<b>Total Palm Beach County Sheriff's Office</b>		<u>20,482</u>
Passed through Palm Beach County		
Ex-Offender Adult Reentry Services	R2021-0080	185,705
Youth Violence Prevention Project	R2020-1264	176,849
Civil Drug Court Contract Services	R2018-1808	122,457
<b>Total Palm Beach County</b>		<u>485,011</u>
<b>TOTAL EXPENDITURES OF PALM BEACH COUNTY AND LOCAL AWARDS</b>		<u>\$ 1,438,219</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.





# SCHEDULE OF FINDINGS AND QUESTIONED COSTS



# Schedule of Findings and Questioned Costs

**City of Riviera Beach, Florida  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended September 30, 2022**

I. Summary of Independent Auditor’s Results

Financial Statements

Type of report the auditor issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified?      \_\_\_yes        X  no
- Significant Deficiency(s)                      \_\_\_yes        X  none reported

Noncompliance material to financial statements noted?                      \_\_\_yes        X  no

## Schedule of Findings and Questioned Costs

**City of Riviera Beach, Florida  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended September 30, 2022**

### II. Prior Year Findings

**2019-007 – Material Weakness - Human Resources Employee files were noted to have a high rate of errors**

**Condition:** Based on our audit inspection of the Human Resource employee files, we noted that 3 of 6 (50%) of the new retired files were noted to have errors and 21 out of 25 (84%) newly terminated employee files were noted to have errors. We selected 125 current and active employee files for audit inspections and noted that 122 of 125 (98%) files contained errors. Additionally, we noted that 3 employee files were not located. Furthermore, we noted that several executive level City staff employee files did not contain key documents such as a signed Code of Ethics form or signed job descriptions.

**Recommendation:** We recommend that all employee files are reviewed and all noted corrective actions are taken during fiscal year 2020 to ensure all required HR documents are associated with each personnel file.

**Current Year Status:** Partially implemented.

**2019-011 – Management comment - Utility District time tracking**

**Condition:** The Utility district should implement a time tracking mechanism to determined and independently report the time in hours and minutes from the commencement of a request for service until the end of the service for all stand by employees. There should be maximum time granted to the stand by employee for travel to and from the location based on GPS or miles to be traveled.

**Recommendation:** We recommend that the Utility District Department implement through the elected and appointment officials a procedure for independent and accurate time tracking for all stand by employees.

**Current Year Status:** Implemented.

**2019-012 – Significant deficiency - Purchase card usage by employee and elected official out of town travel**

**Condition:** Lack of compliance with policies and procedures over purchasing card process and for compliance with purchasing card policies and procedures and payments to council members' for out of state travel expenditures and their compliance with the travel policy and tuition reimbursements. (Reference – OIG of Palm Beach County 2019-A-003).

**Recommendation:** We recommend that the Finance Department implement through the elected and appointment officials a procedure for independent and accurate time tracking all purchase card transactions, travel expenditures, and tuition reimbursements.

**Current Year Status:** Implemented.



## Schedule of Findings and Questioned Costs

**City of Riviera Beach, Florida  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended September 30, 2022**

**2019-014 – Significant deficiency – Contract copies**

**Condition:** The City's Procurement Department should ensure that each active vendor has a current signed agreement / contract on file every selected vendor after the formal award process has concluded.

**Recommendation:** We recommend that the City implement a mechanism to ensure that all agreement and contracts all procurements during fiscal year 2019 and prospectively are maintained and retained in accordance with the retention policy of Florida Statutes.

**Current Year Status:** Implemented.

**2020-001 – Significant deficiency – The City should require the Database Administrator position to report to IT Director or City Manager department**

**Condition:** The database administrator for the City's major software platform reports to the finance director. The finance department oversees most of the critical functions of the City.

**Recommendation:** We recommend that the City's organizational chart is modified so that the database administrator reports to the IT department head or a member of the City Manager's office.

**Current Year Status:** Partially Implemented.

**2020-005 – Significant deficiency – The Parks and recreation department Parks should have the ability to automate supplies of materials to safeguard against unauthorized usage by employees for personal gain.**

**Condition:** The Parks and recreational department maintains a manual inventory of city purchased materials.

**Recommendation:** We recommend that the City implement a perpetual inventory tracking system for material and supplies.

**Current Year Status:** Partially implemented.

**2020-006 – Management comment – The procurement department should seek and obtain a written memo or letter regarding legal sufficiency for each RFP document.**

**Condition:** The Invitation to Bid (ITB) documents acts a legal request for potential proposers and Request for Proposal (RFP) is for a requested procurement for good and services. The Office of the City Attorney must review and sign off on all ITBs for legal accuracy and sufficiency. The Office of the City Attorney should review and sign off on all RFPs ensure the document is in accordance with the City's ordinances and the procurement code.

## Schedule of Findings and Questioned Costs

**City of Riviera Beach, Florida**  
**Schedule of Findings and Questioned Costs (Continued)**  
**For the Fiscal Year Ended September 30, 2022**

**Recommendation:** We recommend that the Office of the City Attorney provide a written legal opinion or rendering on all ITBs. We also recommend the Office of the City Attorney review and sign off on all RFPs documents and provide assurance that the RFP is in accordance with the City’s ordinances and the procurement code.

**Current Year Status:** Partially implemented.

**2021-01- City should perform the required fiscal year end payroll accrual.**

**Condition –** The finance department did not post an adequate fiscal year end payroll accrual to the accounting records.

**Recommendation –** We recommend that the City’s finance department post specifically the fiscal year end payroll accrual adjustment and generally all required accruals.

**Current Year Status:** Implemented

**III. Financial Statement Findings**

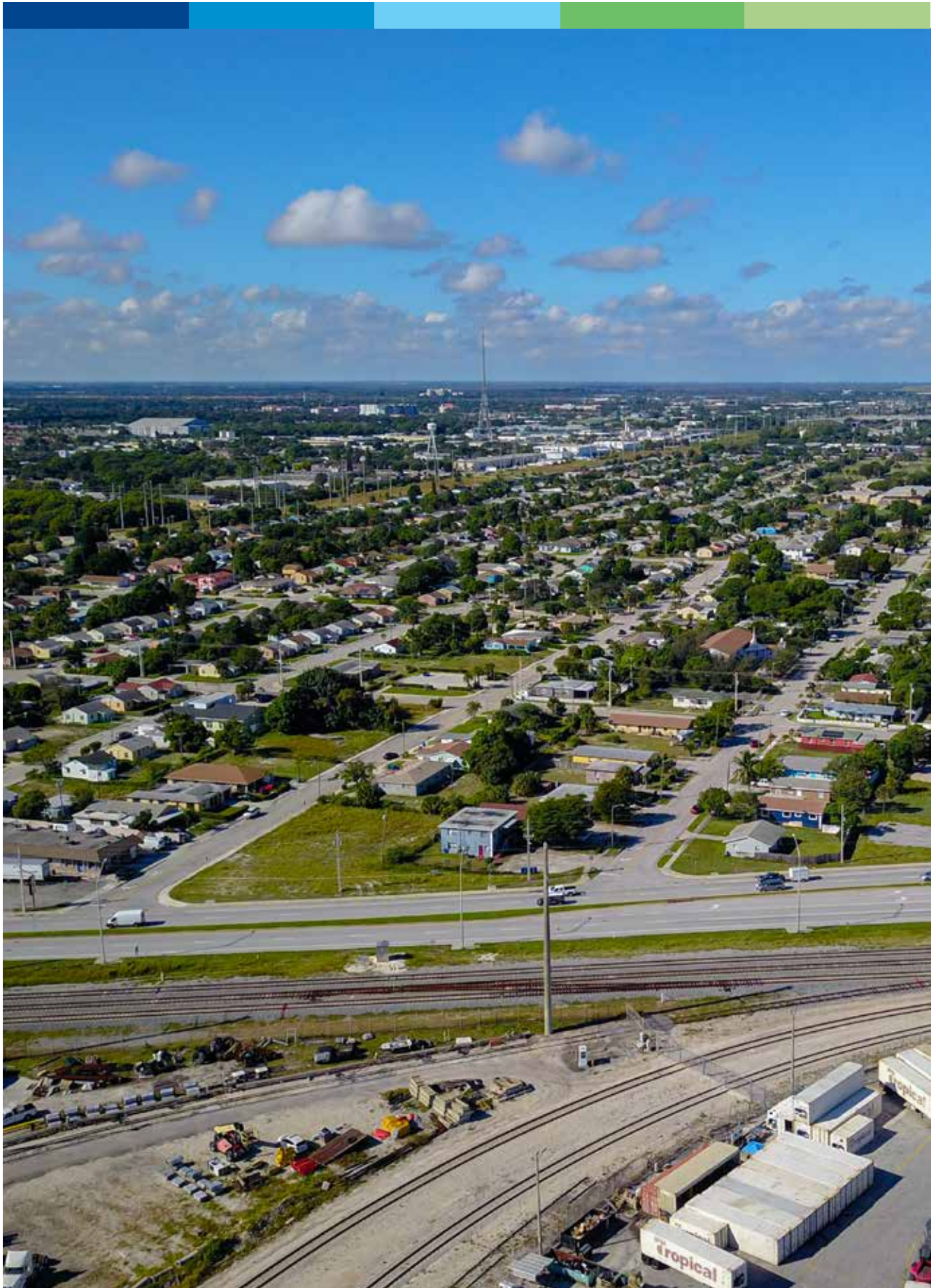
None Noted.

**IV. Federal Award Findings and Questioned Costs**

Not Applicable.

**V. State Award Findings and Questioned Costs**

Not Applicable.







# REPORTING SECTION



HCT Certified Public Accountants & Consultants, LLC

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 218.415,  
FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

To the Honorable Mayor and City Council  
The City of Riviera Beach, Florida

We have audited the financial statements of the City Riviera Beach, Florida (the "City") as of and for the year ended September 30, 2022, and have issued our report thereon dated June 14, 2023.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

**Other Reports and Schedule**

We have issued our Independent Auditor's 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*, Schedule of Findings and Questioned Costs; the Independent Accountant's 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, and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated June 14, 2023, should be considered in conjunction with this report.

**Local Government Investment Policies**

We have examined the City's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management is responsible for City's compliance with those 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* and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

## Independent Auditor's Report

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida  
June 14, 2023

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

To the Honorable Mayor and City Council  
City of Riviera Beach, Florida

**Report on the Financial Statements**

We have audited the financial statements of the City of Riviera Beach, Florida (the ‘City’), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 14, 2023.

**Auditor’s Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor’s 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*; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 14, 2023, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. Please see the Schedule of Findings and Questioned Cost, attached to this report, for an update of the prior audit findings.

<b>Tabulation of Uncorrected Audit Findings</b>	
<b>2018-19 FY Finding #</b>	<b>2019-20 FY Finding #</b>
2019-007	2020-001
	2020-005
	2020-006

**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. All related disclosures have been made in the notes to the financial statements.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report 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 Statute.

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 the review of financial information provided by the same.

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 recommendations, they can be found on the attached schedule of findings and questioned costs as finding 2020-002, 2020-003, 2020-006, and 2020-007.

### **Special District Component Units**

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

### **City of Riviera Beach Utility Special District**

1. Total number of district employees compensated in the last period of the fiscal year.  
46
2. Total number of independent contractors compensated in the last month of the fiscal year.  
0
3. All compensation paid or accrued to employees.  
\$4,466,231
4. All compensation paid or accrued to independent contractors.  
\$0

- Each construction project with cost of at least \$65,000 approved by the district and scheduled to begin after October 1 of the reporting year and total expenditures of such project.

<b>Construction Projects</b>	<b>Expenditures</b>
Lift Station Pumps Rehabilitation	\$182,133
USI from Sliverbeach Rd to W, 10 <sup>th</sup> St	\$238,691
Aqueous Ammonia System	\$128,972
Facility Enhancements	\$79,091
Garden Road Improvement	\$314,782
Haverhill Rd_Caribbean Blvd_SR 710 Water and Sewer Mains Improvement	260,199
Lift Stations Rehabilitation Phase 1	\$1,595,227
LIME Feed System Replacement	\$1,341,264
Media and Underdrain Filter Replacement	\$944,834
Plam Beach Shores Water and Sewer Mains Improvement	\$370,199
Raw Water Wells A&B	\$71,928
SCADA System	\$78,928
Unidirectional Flushing	\$249,614
Water Treatment Plant Disinfection	\$2,069,153

- A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, and the amended budget under Section 189.016(6), Florida Statutes.

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>Total Revenues</b>	\$29,300,000.00	\$39,825,974.52	\$10,525,974.52
<b>Total Expenses</b>	\$30,068,230.66	\$24,502,049.24	\$5,566,181.42

### **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, recommendations can be found on the attached schedule of findings and questioned costs as findings 2019-007; 2020-001; 2020-005; and 2020-006.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor and City Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*HCT Certified Public Accountants & Consultants, LLC*

Hollywood, Florida

June 14, 2023





## **CITY OF RIVIERA BEACH**

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