



City of
Deerfield Beach



Deerfield Beach
Florida

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended September 30, 2016



CITY OF DEERFIELD BEACH, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

Prepared by the Department of Financial Services
Chief Financial Officer, Hugh B. Dunkley
Assistant Director of Financial Services, Sophia Henderson Taylor

CITY OF DEERFIELD BEACH, FLORIDA

Comprehensive Annual Financial Report
SEPTEMBER 30, 2016

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Office of the City Manager
Burgess A.A. Hanson

June 5, 2017

Citizens and Businesses of Deerfield Beach
Honorable Mayor Ganz, Vice Mayor Miller and City Commissioners Battle, Drosky and Parness

It is our duty and privilege to submit the Comprehensive Annual Financial Report of the City of Deerfield Beach, Florida for the year ended September 30, 2016.

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

This report consists of management's representations concerning the finances of the City. Consequently, the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to safeguard City assets from loss, theft or misappropriation and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. We believe that the data as presented is accurate in all material aspects; that it fairly presents the City's financial position and the results of operations and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities are included.

Marcum LLP, a firm of licensed certified public accountants, audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Deerfield Beach for the fiscal year ended September 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Deerfield Beach's financial statements for the fiscal year ended September 30, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit was also designed to meet the special needs of federal and state grantor agencies as provided for in the Federal

Single Audit Act, Office of Management and Budget (OMB) Uniform Guidance and the Florida Single Audit Act in accordance with Chapter 10.550, Rules of the Auditor General. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of grantor awards. These reports are available in the City of Deerfield Beach's separately issued compliance reporting package.

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

Profile of the City of Deerfield Beach

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

The City of Deerfield Beach provides a broad range of municipal services. These services include public safety, sanitation, water and sewer, recreational and cultural activities, public improvements, planning, zoning, highways and streets and general administrative services. It does not provide primary or secondary education or health care, as these are the responsibility of the Broward County School District and Broward Health North, respectively. Both of these entities are independent special districts that are not part of the City of Deerfield Beach. As such, financial data for them or for any other government has not been included in the financial statements in this report.

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

For financial planning and control, the City prepares and adopts an annual operating budget in accordance with Florida Statute Chapter 166.241. The legally adopted budget is at the departmental level for current expenditures with separate appropriations established for debt service, interfund transfers, intergovernmental expenditures and miscellaneous fiscal transactions. Budgetary control is internally administered at a more restrictive level. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the CRA Fund, this comparison is presented on pages 74 and 75, respectively, as part of the required supplementary information. For governmental funds, other than the General and CRA funds, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section.

Factors Affecting Economic Condition

Local Economy

Home to over 77,000 residents, Deerfield Beach is located on the east coast of Florida in Broward County. The City is primarily a residential community and offers commercial development such as shopping facilities, office buildings, restaurants, tourist lodgings and light industry.

The City continues to make some noticeable economic progress since the recession. Major revenue sources of the City, such as property, sales and utility taxes as well as building permit revenue, which were impacted severely during the recession, are now showing some signs of continued growth. The assessed valuation of property within the City has increased by 16.0% since Fiscal Year 2012.

In addition, the year-over-year increase in the median sales price of single-family homes in the Broward County metropolitan region has increased by approximately 9.6% to \$311,250 from January, 2016. Also, according to the University of Michigan's Index of Consumer Sentiment, overall consumer sentiment has increased to 97.4, which represents an increase of 3.2% from the previous year. Consumer sentiment among Floridians in April 2017 decreased by 3.5 points to 95.7 from a record-high reading of 99.2 in March, according to the latest University of Florida consumer survey. Despite this decrease, consumers are overall very optimistic about the future.

The unemployment rate within the Fort Lauderdale/Pompano Beach/Deerfield Beach Metropolitan Statistical Area (MSA) decreased during the fiscal year. As of September 30, 2016, the MSA's unemployment rate was that of 4.6%, which represents a decrease from the previous year's rate of 4.9%. The City's unemployment rate also decreased from 5.0% to 4.7%, as of the end of the fiscal year.

Long-Term Financial Planning

Despite much positive signs of economic recovery, the City must still deal with the economic realities of having to provide similar levels of public service with less funding than what existed during pre-recessionary times, without compromising public safety or lowering the quality of other public services. The City has taken steps to prepare estimates of its future budgetary needs. The financial impact of these new requirements will have to be incorporated into our budget and will no doubt create some fiscal challenges.

During the fiscal year, the City's credit rating was upgraded by Fitch Ratings for its General Obligation Refunding Bonds, Series 2012B-2 from "A" to "AA." The City's credit profile was also upgraded from "A-" to "AA-" for its Refunding and Improvement Revenue Bonds, Series 2012B-1. The City has maintained its bond rating of "AA-" from Standard & Poor's Ratings Services (S&P) for its General Obligation Refunding Bonds, Series 2012B-2. Standard & Poor's also maintained the ratings of "A+" for the City's Series 2012B-1 Refunding and Improvement Revenue bonds.

The City's Capital Improvement Plan (CIP) is a multi-year planning document that is updated and adopted on an annual basis. The CIP prioritizes major capital projects and identifies revenue

sources available to finance the improvements. For fiscal years 2017 – 2021, the City Commission adopted a CIP budget in excess of \$88.2 million.

Major Initiatives

During the past year there have been some noteworthy events in the City that have or will have a positive impact on the area:

- Continuation of the City's street resurfacing program, with a total estimated cost of approximately \$7 million.
- Completion of Phase I of the City's Arboretum Rainforest.
- Completion of the expansion and redevelopment of Sullivan Park. Among other things, this project will double the size of a currently existing City park and also create a pedestrian linkage along the Intracoastal Waterway to the recently improved Cove Shopping Center.
- Completion of the final report of the study team for Pioneer Grove – Deerfield Beach Town Center. The team's primary objective was to prepare a land use and urban design plan for the study area which lies east of the Florida East Coast Railroad and Dixie Highway corridor. It is called the Town Center Plan and it encompasses approximately 112 acres and runs from the canal on the north to one half of a block south of SE 5th Street on the south.
- Substantial completion of roadway improvements on Northeast 3rd Avenue between Sample Road and Northeast 48th Street.
- Commencement of the design phase of the North Beach Pavilion, which will entail replacement of the existing pavilion with a covered, two-story pavilion along with a concession room, a multi-purpose room, and a storage room as well as ADA restrooms and elevator and reconstruction of the existing parking lot with concrete pavement, landscaping, drainage and irrigation.

Awards and Acknowledgements

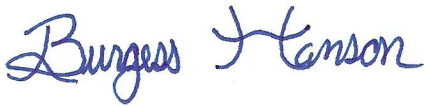
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Deerfield Beach for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2015. This was the 36th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

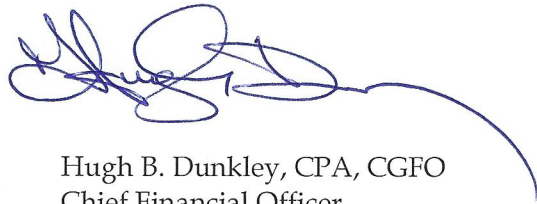
Additionally, the City of Deerfield Beach also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2016-17 for the 20th consecutive year. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Thank you for your continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. This report could not have been prepared without the dedicated service of all of the employees of the Department of Financial Services as well as the support of the other City departments. Special appreciation is also extended to Ms. Sophia Henderson Taylor, Assistant Director of Financial Services, whose dedicated service made the completion of this report all the more possible.

Respectfully submitted,



Burgess A.A. Hanson
City Manager



Hugh B. Dunkley, CPA, CGFO
Chief Financial Officer



Government Finance Officers Association

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

Presented to

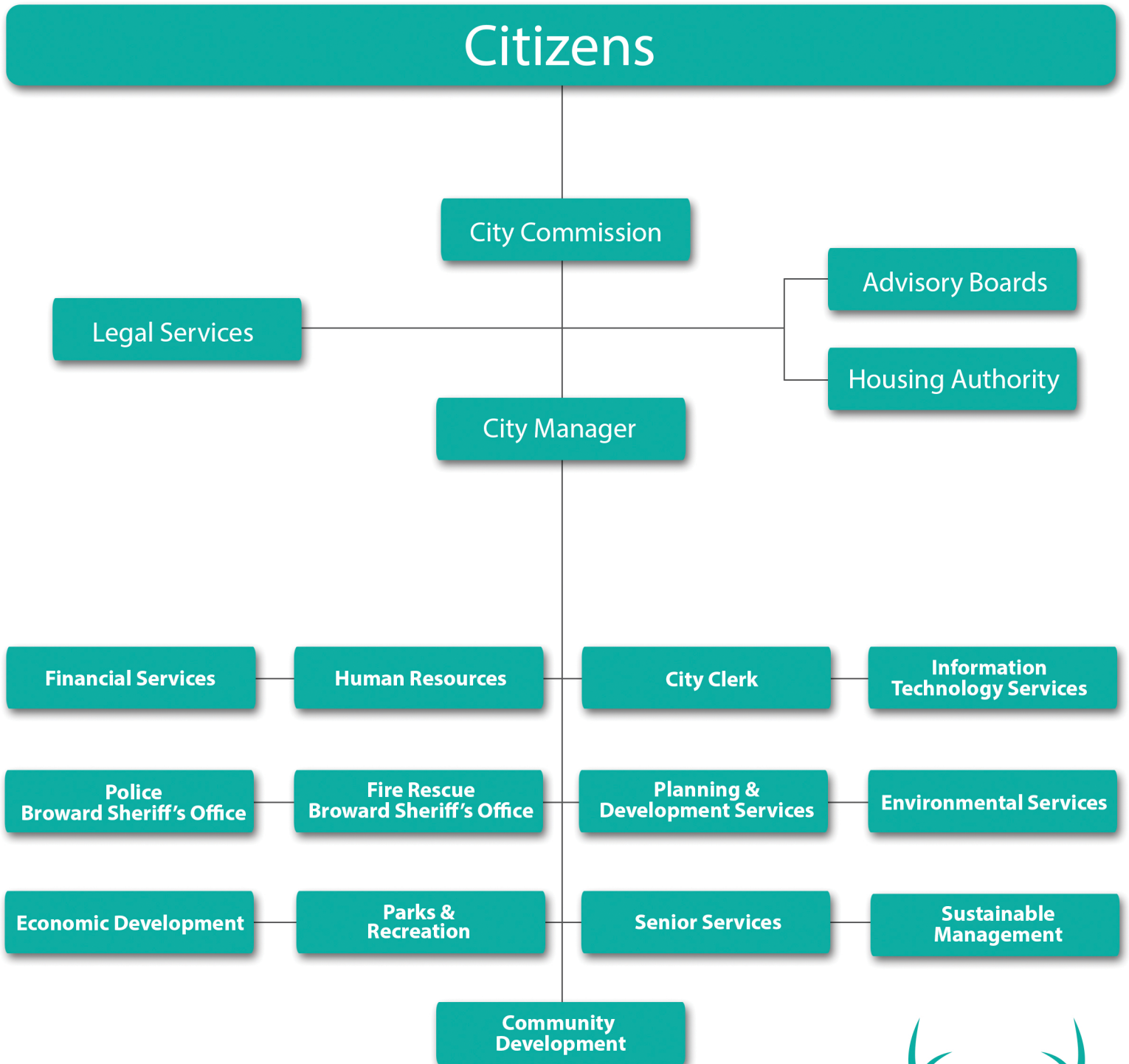
**City of Deerfield Beach
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

Deerfield Beach Organizational Chart



City of Deerfield Beach, Florida
List of Elected and Appointed Officials
September 30, 2016

Elected Officials

Mayor	Jean M. Robb
Vice Mayor	Richard S. Rosenzweig
Commissioner	Gloria Battle
Commissioner	Joseph P. Miller
Commissioner	Bill Ganz

Appointed Officials

City Manager	Burgess Hanson
Assistant City Manager	David Santucci
Assistant City Manager	Kara Petty
City Attorney	Law Offices of Andrew S. Maurodis, P.L
City Clerk	Samantha Gillyard
Director of Community Development	Vickki Placide-Pickard
Chief Financial Officer	Hugh B. Dunkley
Chief Human Resources Officer	Amanda Robin
Chief Information Officer	Sheila Flemming-Portis
Acting Director of Parks & Recreation	Sherry Wilson
Director of Environmental Services	Tom Good
Director of Planning & Development Services	Amanda Martinez
Director of Senior Services	Donna DeFronzo
Director of Sustainable Management	Chad Grecsek
Fire Chief	Richard Sievers
Police Chief	Robert Schnakenberg

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Deerfield Beach, Florida (the City), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pension Trust Funds, which represent 93%, 95%, and 77%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 4–15, budgetary comparison information for the general fund and community redevelopment agency fund, the schedules of changes in city's net pension liability and related ratios, the schedules of city contributions and the schedule of funding progress –other post-employment benefits on 75-84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Other Information

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

The combining and individual fund financial statements and the schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed above, and the report of the other auditors, the combining and individual fund statements and the schedules fairly stated, in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 5, 2017 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
June 5, 2017

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

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

The management of the City of Deerfield Beach (City) presents this narrative overview and analysis to facilitate both a short and long-term analysis of the financial activities of the City for the fiscal year ended September 30, 2016. This Management's Discussion and Analysis is based on currently known facts, decisions and conditions that existed as of the date of the independent auditors' report. The information presented is in accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34) as amended. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

Financial Highlights

- The total assets of the City of Deerfield Beach at September 30, 2016 increased \$13.5 million from \$260.5 million to \$274.0 million, or 5.0% from the prior year.
- The City's total liabilities increased by \$20.8 million, from \$145.0 million to \$165.8 million from the prior year.
- The assets and other deferred outflows of resources of the City exceeded its liabilities and other deferred inflows of resources at the close of the most recent fiscal year by \$129.8 million (net position). Of this amount, \$44.9 million was from governmental activities and \$84.9 million was from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$37.7 million, an increase of \$5.2 million, in comparison with the amount reported for the prior fiscal year. Of this amount, \$1.3 million was non-spendable; \$12.3 million was restricted; \$7.9 million was assigned, and \$16.2 million was unassigned and therefore available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance in the General Fund was \$16.5 million, or 17.5% of total General Fund expenditures and transfers. The City has a reserve policy of maintaining an amount in reserves that is at least 10% and 5%, respectively, of total General Fund expenditures and transfers for unassigned and committed fund balance.

Overview of the Financial Statements

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

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

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

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

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

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

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

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

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

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

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

The City of Deerfield Beach maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds that are considered significant (major) to the City as a whole. These financial statements report two major funds: general fund and community redevelopment agency fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements that are found on pages 86 - 95 of this report.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

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

The basic governmental fund financial statements can be found on pages 19 - 21 of this report.

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

The basic proprietary fund financial statements can be found on pages 23 - 27 of this report.

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

The basic fiduciary fund financial statements can be found on pages 28 - 29 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 73 of this report and should be read in conjunction with the City's financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City of Deerfield Beach's progress in funding its obligation to provide pension and other post-employment benefits to its employees, budgetary comparisons for the general fund and the budget to accounting principles generally accepted in the United States of America reconciliation schedule. RSI can be found on pages 74 - 85 of this report.

The combining and individual fund statements, and schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 86 - 95 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Deerfield Beach, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$129.8 million at the close of fiscal year 2016.

The largest portion of the City of Deerfield Beach's net position (92.9%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, utility plants and infrastructure), less any related debt and deferred inflows/outflows used to acquire those assets that are still outstanding. The City of Deerfield Beach uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Deerfield Beach's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 50,149,270	\$ 39,537,824	\$ 44,187,161	\$ 45,301,141	\$ 94,336,431	\$ 84,838,965
Capital assets	102,035,391	98,818,366	77,678,011	76,816,113	179,713,402	175,634,479
Total assets	<u>152,184,661</u>	<u>138,356,190</u>	<u>121,865,172</u>	<u>122,117,254</u>	<u>274,049,833</u>	<u>260,473,444</u>
Deferred outflows of resources	22,537,703	10,957,400	2,806,673	942,381	25,344,376	11,899,781
Other liabilities	11,871,456	11,546,886	4,138,950	6,302,404	16,010,406	17,849,290
Non-current liabilities	114,648,921	96,849,881	35,151,975	30,305,581	149,800,896	127,155,462
Total liabilities	<u>126,520,377</u>	<u>108,396,767</u>	<u>39,290,925</u>	<u>36,607,985</u>	<u>165,811,302</u>	<u>145,004,752</u>
Deferred inflows of resources	3,339,279	2,993,307	469,423	629,715	3,808,702	3,623,022
Net position:						
Net investment in capital assets	64,215,625	61,201,885	56,362,887	52,525,476	120,578,512	113,727,361
Restricted	9,614,790	8,175,865	1,834,718	1,760,856	11,449,508	9,936,721
Unrestricted	(28,967,707)	(31,454,234)	26,713,892	31,535,603	(2,253,815)	81,369
Total net position	<u>\$ 44,862,708</u>	<u>\$ 37,923,516</u>	<u>\$ 84,911,497</u>	<u>\$ 85,821,935</u>	<u>\$ 129,774,205</u>	<u>\$ 123,745,451</u>

An additional portion of the City of Deerfield Beach's net position, approximately 8.8%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (deficit) (\$2.3 million) may be used to meet the government's ongoing obligations to citizens and creditors.

The net position of business-type activities decreased by \$0.9 million to \$84.9 million in 2016. This decrease was primarily due to the overall excess of system expenses over revenues.

The City's current and other assets increased by \$9.5 million from \$84.8 million to \$94.3 million. Capital assets also increased by \$4.1 million from \$175.6 million to \$179.7 million, or 2.3% from the prior year. The increase in the City's current and other assets were primarily due to the excess of revenues over expenses.

Current liabilities decreased from \$17.8 million to \$16.0 million. This decrease was primarily attributable to a decrease in the amounts due to a third-party vendor for disposal services. The City's total noncurrent liabilities increased from \$127.2 million to \$149.8 million, or approximately 17.8%, from the prior year, due largely to the GASB Statement No. 68 net pension liability amounting to \$15.1 million for the current fiscal year.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 32,575,678	\$ 33,109,578	\$ 40,236,605	\$ 40,045,516	\$ 72,812,283	\$ 73,155,094
Operating grants and contributions	6,690,084	4,941,733	-	-	6,690,084	4,941,733
Capital grants and contributions	2,374,178	348,392	-	64,452	2,374,178	412,844
General revenue						
Taxes	60,463,882	56,647,738	-	-	60,463,882	56,647,738
Miscellaneous revenues	380,032	-	-	-	380,032	-
Grants and contributions not restricted to specific programs	1,868,658	3,601,500	-	(46,381)	1,868,658	3,555,119
Unrestricted investment earnings	207,623	85,147	168,703	59,880	376,326	145,027
Total revenues	104,560,135	98,734,088	40,405,307	40,123,467	144,965,443	138,857,555
Expenses:						
General government	15,971,447	14,043,751	-	-	15,971,447	14,043,751
Economic environment	2,770,154	1,746,288	-	-	2,770,154	1,746,288
Public safety	59,621,417	56,811,183	-	-	59,621,417	56,811,183
Human services	2,836,456	2,382,915	-	-	2,836,456	2,382,915
Physical environment	4,952,451	6,311,645	-	-	4,952,451	6,311,645
Transportation	4,047,654	4,125,562	-	-	4,047,654	4,125,562
Culture and recreation	5,846,869	3,728,135	-	-	5,846,869	3,728,135
Interest on long term debt	1,895,608	1,921,214	-	-	1,895,608	1,921,214
Water and sewer	-	-	25,282,502	23,570,064	25,282,502	23,570,064
Solid waste	-	-	15,712,131	14,468,169	15,712,131	14,468,169
Total expenses	97,942,056	91,070,693	40,994,633	38,038,233	138,936,689	129,108,926
Change in net position	6,618,079	7,663,395	(589,325)	2,085,234	6,028,754	9,748,629
Transfers	321,113	270,893	(321,113)	(270,893)	-	-
Change in net position	6,939,192	7,934,288	(910,438)	1,814,341	6,028,754	9,748,629
Net position October 1	37,923,516	29,989,228	85,821,935	84,007,594	123,745,451	113,996,822
Net position, September 30	\$ 44,862,708	\$ 37,923,516	\$ 84,911,497	\$ 85,821,935	\$ 129,774,205	\$ 123,745,451

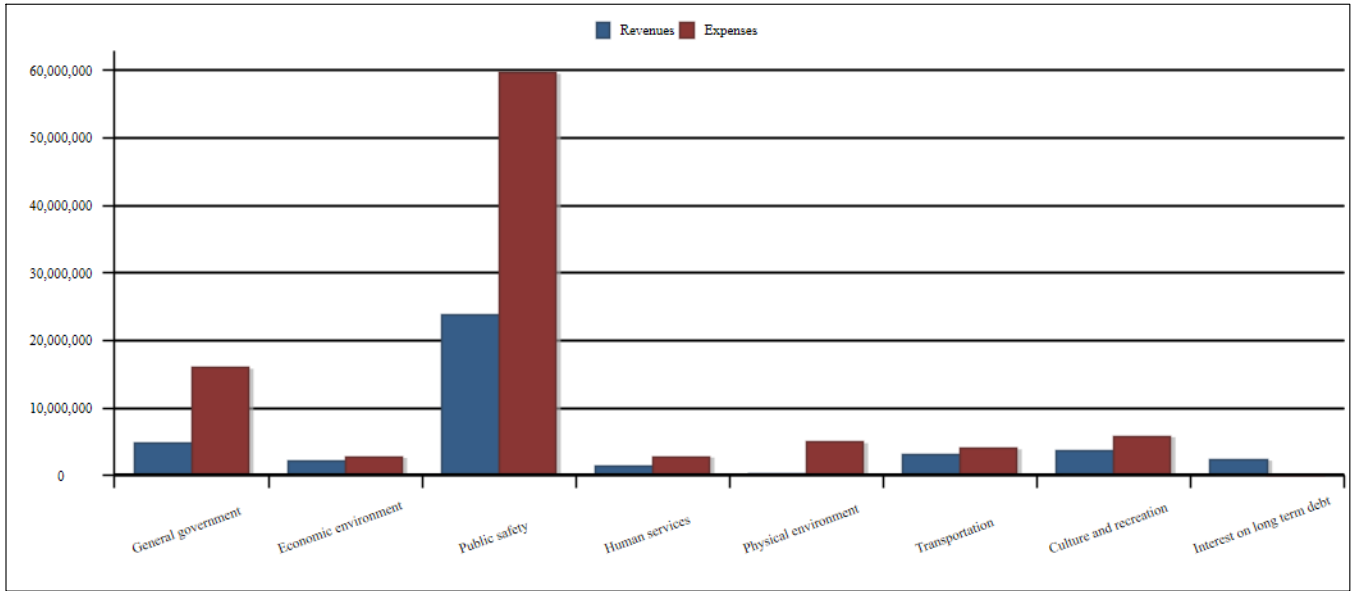
Governmental activities. Governmental activities increased the City's net position by \$6.9 million. The City's total revenues amounted to \$104.6 million in governmental activities. Of these revenues, 57.8% is generated from taxes, 31.2% is from charges for services, operating grants/contributions comprise 6.4%, capital grants/contributions make up 2.3%, grants and contributions not restricted to specific programs and miscellaneous revenues equals 2.1%, and unrestricted investment earnings generates approximately 0.2%. Most of the increase in the City's net position mentioned above was primarily due to an increase in the taxable values of properties as well as an increase in building permit revenue.

The City's expenses cover a broad range of services, with approximately 60.9% of governmental activity expenses related to public safety (fire/rescue and police protection). Public safety expenses constitute the largest component of the change in total expenses due to wage and benefit increases in connection with the Broward Sheriff's Office collective bargaining agreements. The City's governmental activities had 6.8% more revenues than expenses, and for business-type activities, revenues exceeded expenses by a 1.4% margin.

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

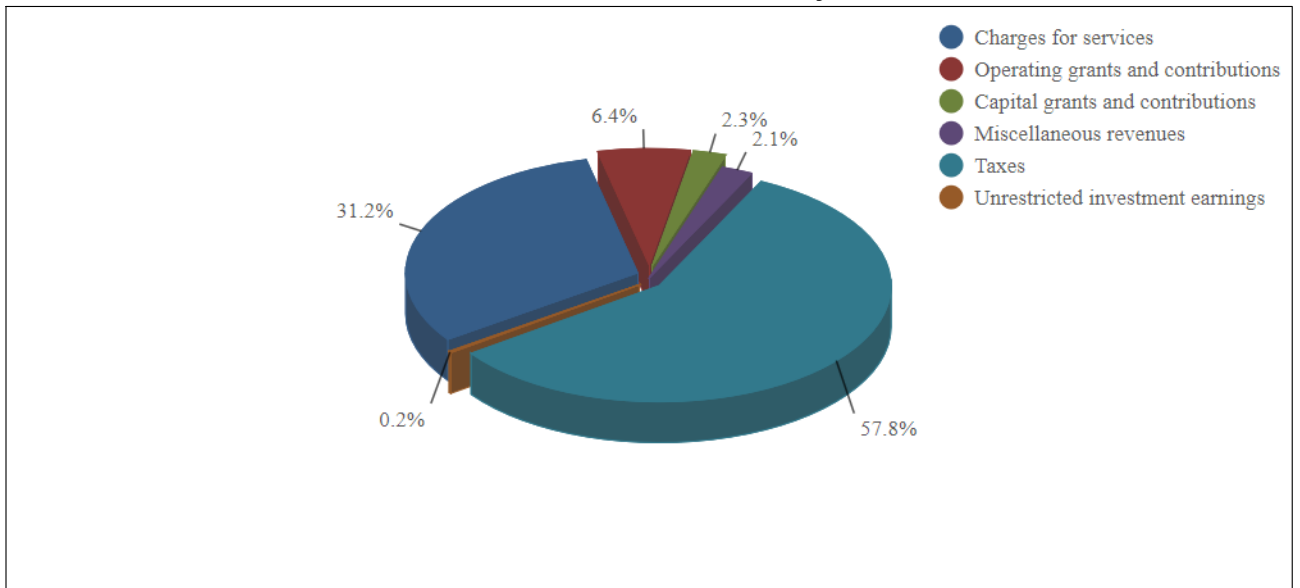
City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

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



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

Governmental Activities Revenues by Source

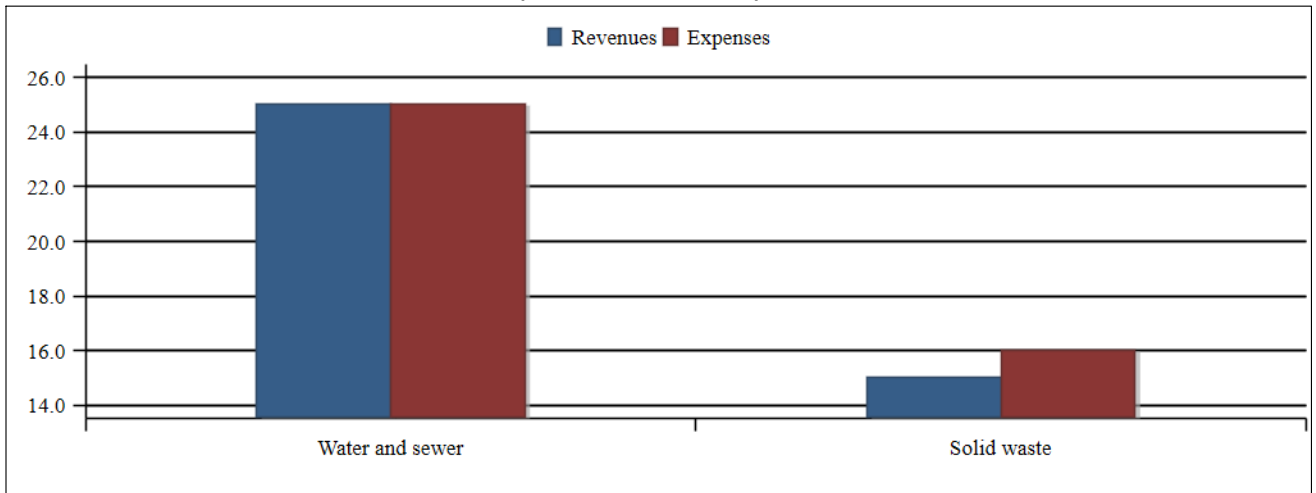


City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

Business-type activities. Business-type activities decreased the City's net position by \$0.9 million. This decrease in the net position of business-type activities was due primarily to an excess of expenses over revenues.

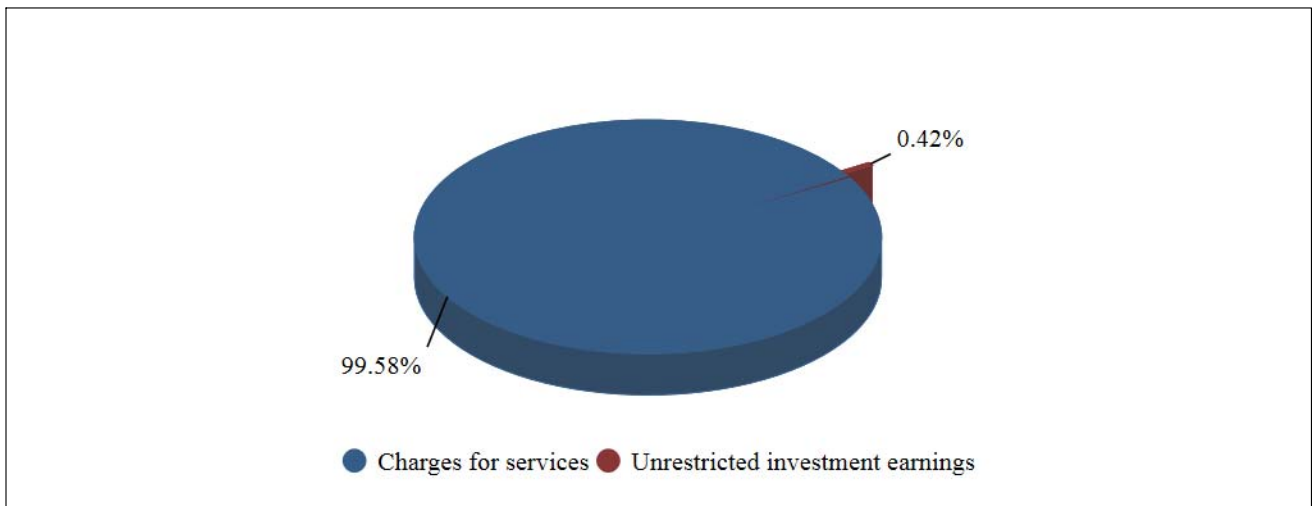
The following chart compares program revenues to expenses by individual business-type activity for the current year. These business-type activities recover more costs through program revenues than governmental activities and the water and sewer fund, generating sufficient revenues to cover current expenses.

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



The following chart shows that 99.6% of revenues from business-type activities are generated by charges for services.

Business-type Activities Revenues by Source



City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Deerfield Beach's governmental funds reported combined ending fund balances of \$37.7 million, an increase of \$5.2 million from the prior year's ending balances of \$32.5 million. Approximately 43.1%, \$16.2 million of the combined fund balances constitute *unassigned fund balance* that is available to meet the City's current and future needs. The remainder of fund balance is *non-spendable, restricted, committed and assigned* to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$16.5 million, while total fund balance was \$24.6 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.5% of total general fund expenditures, while total fund balance represents approximately 26.2% of that same amount.

The total fund balance of the City of Deerfield Beach's General Fund increased by \$5.7 million during the current fiscal year. Key factors in this increase are as follows:

- Property tax revenue increased by \$2.0 million as a result of increases in the taxable values of properties within the City.
- Sales and use tax revenue increased by \$0.6 million as a result of an increase in the Local Government half-cent Sales Tax.
- Intergovernmental Revenue increased by \$1.0 million mainly due to an increase in state-shared revenues.
- Capital lease proceeds increased by \$1.8 million as a result of the City entering into a lease agreement during the fiscal year.
- General Government expenditures increased by \$1.7 million due to increased costs incurred for personnel services due to collective bargain agreements.
- Public Safety expenditures increased by approximately \$1.6 million due to increased costs incurred for police and fire protection services.
- Culture and Recreation expenditures decreased by \$0.7 million due mainly to increases in capital outlay for parks improvements, as well as, increases in other operating expenditures for the two new recreation centers that were added during the fiscal year.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

The Community Redevelopment Agency Fund accounts for revenues collected from and expenditures incurred within the community redevelopment area which borders Federal Highway to the west and State Road A1A to the east. At the end of the fiscal year, the restricted and total fund balance in this fund amounted to \$1.8 million.

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

Unrestricted net position of the water and sewer fund at the end of the year amounted to \$32.2 million. The Solid Waste Fund had an unrestricted net deficit of \$5.5 million at the end of the fiscal year. Factors concerning the finances of these two funds have already been addressed in the discussion of the City of Deerfield Beach's business-type activities.

General Fund Budgetary Highlights

The more significant budget-to-actual variances in the General Fund arose as a result of the following:

- Licenses and permits – increase in this revenue source was due to the overall number and types of applications filed for building permits as a result of a resurgent economy.
- Intergovernmental Revenue – variance due to increase in revenue from state shared revenues.
- Fines and forfeitures – variance due to increases in parking violation fines, as well as seizures of properties.
- Other-Unclassified revenue – favorable budget variance occurred for this revenue source as a result of projected capital lease financing agreement related to the purchase of two Fire Engine vehicles was not entered into during the fiscal year due to delayed delivery of the equipment.
- Parks & Recreation Department – favorable expenditure budget variance occurred in this department due to several positions remaining unfilled during the fiscal year, as well as, the postponement of planned capital projects.
- Other-Unclassified Department - favorable expenditure budget variance occurred in this department as a result of budgeted contingency for emergency reserves.
- Insurance Safety, and Planning and Development Services Departments – unfavorable variances occurred in these departments due to an increase in costs to process claims in the Insurance Services Department, as well as an increase in the demand for building permits in the Planning and Development Services Department.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

Capital Assets and Debt Administration

Capital assets. The City of Deerfield Beach's capital assets for its governmental and business-type activities as of September 30, 2016, amounted to \$179.7 million (net of accumulated depreciation). These capital assets include land, buildings, improvements other than building (such as improvements to parks), equipment, utility plants in service and infrastructure (roads, highways, bridges, etc.). The total increase in the City's capital assets for the current fiscal year was 2.3% (3.3% for governmental activities and 1.1% for business-type activities). The following table summarizes the City's capital assets.

Schedule of Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 15,228,808	\$ 14,820,724	\$ 50,531	\$ 50,531	\$ 15,279,339	\$ 14,871,255
Buildings	25,200,557	26,083,990	605,817	605,817	25,806,374	26,689,807
Improvements other than buildings	3,767,709	4,115,385	44,745,678	44,344,191	48,513,387	48,459,576
Equipment	2,978,487	2,039,455	6,209,587	4,345,022	9,188,074	6,384,477
Utility plants in service	-	-	26,066,398	27,470,552	26,066,398	27,470,552
Infrastructure	37,916,739	36,891,803	-	-	37,916,739	36,891,803
Construction in progress	16,943,091	14,867,009	-	-	16,943,091	14,867,009
Total	<u>\$ 102,035,391</u>	<u>\$ 98,818,366</u>	<u>\$ 77,678,011</u>	<u>\$ 76,816,113</u>	<u>\$ 179,713,402</u>	<u>\$ 175,634,479</u>

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

- Sullivan Park Construction – \$1.8 million
- N.E. 3rd Avenue/48th Street roadway improvement - \$1.5 million
- Rehabilitation of lift stations and force mains - \$2.5 million
- Aquisition of a parcel of land for Memorial Park - \$1.0 million .

Additional information on the City of Deerfield Beach's capital assets can be found in Note III (C) on pages 48 - 49 of this report.

Long-term debt. At year-end, the City of Deerfield Beach had \$17.3 million in general obligation bonds outstanding. The City also had \$21.8 million in outstanding covenant bonds (for which the City must "covenant" and appropriate funds necessary to pay the annual debt service), but which are primarily backed by sources other than ad valorem taxes. The business-type activities had \$12.8 million outstanding in revenue bonds and \$12.5 million in loans payable as well as \$1.4 million in capital leases outstanding at the end of the fiscal year.

The City continues to maintain high investment grade ratings from the major rating agencies: ratings of "AA" from Fitch Ratings and "AA-" from Standard and Poor's Corporation.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds (backed by the City)	\$ 17,295,290	\$ 18,533,690	\$ -	\$ -	\$ 17,295,290	\$ 18,533,690
Revenue bonds	-	-	12,839,802	13,534,409	12,839,802	13,534,409
Covenant bonds	21,785,000	22,980,000	-	-	21,785,000	22,980,000
Add/(subtract) premium/(discount)	1,315,047	1,458,026	-	-	1,315,047	1,458,026
Capital leases	1,665,572	-	1,376,572	639,800	3,042,144	639,800
Loan payable	-	-	12,498,150	14,042,422	12,498,150	14,042,422
Total bonds, loans and leases payable	\$ 42,060,909	\$ 42,971,716	\$ 26,714,524	\$ 28,216,631	\$ 68,775,433	\$ 71,188,347

The City's general obligation debt per capita, excluding enterprise fund debt, was \$223 at the end of fiscal year 2016. The City's outstanding net general obligation debt was 0.18% of the City's assessed property value. Neither the Florida statutes nor the current ordinances of the City of Deerfield Beach specify a legal debt margin.

Additional information on the City of Deerfield Beach's long-term debt can be found in Note III (I) on pages 52 – 55 of this report.

Economic Factors and Next Year's Budget and Rates

During the preparation of the budget for the ensuing fiscal year, the City evaluated the long-term impacts of the national and local economies in conjunction with business decisions made. The following are the major assumptions used in formulating the fiscal 2017 budget:

- The nation's as well as state and local economies will continue to show signs of positive economic growth.
- General property taxes will increase by 4.6% as a result of continued increases in the taxable values of properties within the City, and an increase in the operating millage rate.
- Communications services taxes will decrease by 12.9% as a result of erosion in the taxable base of communications services.
- Utility taxes will increase by 2.9% due to increase in consumer spending on utility services.
- Licenses, permits, and fees will increase by 11.5% due to increase in new construction.
- Local business taxes will increase by 11.8% due to an influx of new businesses with the City.
- Public safety costs, namely those for fire protection, will decrease by 2.3% as a result of a decrease in planned purchases of replacement apparatus for fire/rescue services.

City of Deerfield Beach, Florida
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2016

- The City's population will remain stable.
- Salaries and related benefits will increase by 4.5%.
- The total millage rate will remain constant.
- Water and sewer as well as solid waste rates will remain constant.

During the current fiscal year, total fund balance in the General Fund amounted to \$24.6 million. The City has no plans to utilize any of its available General Fund balance for spending in Fiscal Year 2017.

Request for Information

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

BASIC FINANCIAL STATEMENTS

City of Deerfield Beach, Florida
Statement of Net Position
September 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 8,923,017	\$ 7,327,215	\$ 16,250,232
Investments	17,474,183	25,791,393	43,265,576
Receivables (net of allowances)	3,890,641	5,425,093	9,315,734
Due from other governments	1,661,817	275,475	1,937,292
Inventories	245,932	179,603	425,535
Prepaid items	-	17,112	17,112
Restricted assets			
Temporarily restricted:			
Cash and cash equivalents	4,806,328	5,171,270	9,977,598
Investments	10,265,555	-	10,265,555
Due from other governments	1,815,479	-	1,815,479
Permanently restricted:			
Investments	1,066,318	-	1,066,318
Capital assets			
Non depreciable	32,171,899	50,531	32,222,430
Capital assets, being depreciated	69,863,492	77,627,480	147,490,972
Total assets	<u>152,184,661</u>	<u>121,865,172</u>	<u>274,049,833</u>
Deferred outflows of resources			
Pensions	<u>22,537,703</u>	<u>2,806,673</u>	<u>25,344,376</u>
Liabilities			
Accounts payable	8,452,679	2,820,911	11,273,590
Accrued liabilities - wages payable	-	326,896	326,896
Accrued interest payable	1,061,478	388,106	1,449,584
Due to other governments	36,151	-	36,151
Unearned revenue	506,390	-	506,390
Payable from restricted assets			
Accounts payable	1,251,104	-	1,251,104
Accrued liabilities	563,654	-	563,654
Customer deposit	-	603,037	603,037
Non-current liabilities:			
Due within one year:			
Compensated absences	1,136,666	601,537	1,738,203
Insurance claims payable	914,000	-	914,000
Bonds, loans and leases payable	2,697,964	2,867,541	5,565,505
Due in more than one year:			
Compensated absences	222,369	536,505	758,874
Net OPEB obligation	10,803,280	4,305,845	15,109,125
Insurance claims payable	5,257,056	-	5,257,056
Bonds, loans and leases payable	38,837,342	23,846,983	62,684,325
Net pension liability	54,780,244	2,993,564	57,773,808
Total liabilities	<u>126,520,377</u>	<u>39,290,925</u>	<u>165,811,302</u>
Deferred inflows of resources			
Pensions	2,813,675	469,423	3,283,098
Deferred amount on bond refunding	525,604	-	525,604
Total deferred inflows of resources	<u>3,339,279</u>	<u>469,423</u>	<u>3,808,702</u>
Net position			
Net investment in capital assets	64,215,625	56,362,887	120,578,512
Restricted net position:			
Debt service	1,339,355	1,834,718	3,174,073
Perpetual care:			
Nonexpendable	1,066,318	-	1,066,318
Expendable	806,868	-	806,868
Economic environment	2,938,186	-	2,938,186
Public safety	1,567,647	-	1,567,647
Human services	275,368	-	275,368
Physical environment	348,784	-	348,784
Transportation	838,631	-	838,631
Parks and recreation	433,633	-	433,633
Unrestricted	(28,967,707)	26,713,892	(2,253,815)
Total net position	<u>\$ 44,862,708</u>	<u>\$ 84,911,497</u>	<u>\$ 129,774,205</u>

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

City of Deerfield Beach, Florida
Statement of Activities
For the Year Ended September 30, 2016

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 15,971,447	\$ 4,757,881	\$ -	\$ -	\$ (11,213,566)	\$ -	\$ (11,213,566)
Economic environment	2,770,154	-	2,183,139	-	(587,015)	-	(587,015)
Public safety	59,621,417	21,932,165	1,958,665	-	(35,730,587)	-	(35,730,587)
Human services	2,836,456	50,140	1,274,321	-	(1,511,995)	-	(1,511,995)
Physical environment	4,952,451	189,872	-	-	(4,762,579)	-	(4,762,579)
Transportation	4,047,654	2,566,791	585,926	-	(894,937)	-	(894,937)
Culture and recreation	5,846,869	3,078,829	688,033	-	(2,080,007)	-	(2,080,007)
Interest on long term debt	1,895,608	-	-	2,374,178	478,570	-	478,570
Total general government	<u>97,942,056</u>	<u>32,575,678</u>	<u>6,690,084</u>	<u>2,374,178</u>	<u>(56,302,116)</u>	<u>-</u>	<u>(56,302,116)</u>
Business-type activities:							
Water and sewer	25,282,502	24,908,850	-	-	-	(373,652)	(373,652)
Solid waste	15,712,131	15,327,755	-	-	-	(384,376)	(384,376)
Total business-type activities	<u>40,994,633</u>	<u>40,236,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(758,028)</u>	<u>(758,028)</u>
Total	\$ 138,936,689	\$ 72,812,283	\$ 6,690,084	\$ 2,374,178	(56,302,116)	(758,028)	(57,060,144)
General Revenues:							
General property taxes					34,887,089	-	34,887,089
Incremental property taxes					2,716,228	-	2,716,228
Utility taxes					8,074,781	-	8,074,781
Sales taxes					5,413,109	-	5,413,109
Franchise taxes					7,795,465	-	7,795,465
Motor fuel taxes					1,491,230	-	1,491,230
Alcoholic beverage/mobile home license taxes					85,980	-	85,980
Grants and contributions not restricted to specific programs					1,868,658	-	1,868,658
Unrestricted investment earnings					207,623	168,703	376,326
Miscellaneous revenues					380,032	-	380,032
Transfers					321,113	(321,113)	-
Total general revenues and transfers					<u>63,241,308</u>	<u>(152,410)</u>	<u>63,088,898</u>
Change in net position					6,939,192	(910,438)	6,028,754
Net position - beginning					37,923,516	85,821,935	123,745,451
Net position - ending					<u>\$ 44,862,708</u>	<u>\$ 84,911,497</u>	<u>\$ 129,774,205</u>

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

City of Deerfield Beach, Florida
Balance Sheet
Governmental Funds
September 30, 2016

	General Fund	Community Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 8,923,017	\$ 293,747	\$ 4,512,582	\$ 13,729,346
Investments	17,474,183	1,713,091	9,618,783	28,806,057
Receivables, net of allowance:				
Accounts	3,817,736	-	254	3,817,990
Assessments	842	-	-	842
Interest	46,294	4,801	20,714	71,809
Due from other funds	2,870,300	-	-	2,870,300
Due from other governments	1,661,817	-	1,815,479	3,477,296
Inventories	245,932	-	-	245,932
Total assets	<u>\$ 35,040,121</u>	<u>\$ 2,011,639</u>	<u>\$ 15,967,812</u>	<u>\$ 53,019,572</u>
Liabilities				
Accounts payable	\$ 8,452,678	\$ 157,339	\$ 1,093,766	\$ 9,703,783
Accrued payroll	526,506	10,648	26,500	563,654
Due to other funds	-	-	2,870,300	2,870,300
Unearned revenue	507,890	-	-	507,890
Due to other governments	36,151	-	-	36,151
Total liabilities	<u>9,523,225</u>	<u>167,987</u>	<u>3,990,566</u>	<u>13,681,778</u>
Deferred Inflows of Resources				
Unavailable revenue	902,626	-	776,293	1,678,919
Fund Balances				
Nonspendable	245,932	-	1,066,318	1,312,250
Restricted	-	1,843,652	10,419,497	12,263,149
Assigned	7,855,937	-	-	7,855,937
Unassigned	16,512,401	-	(284,862)	16,227,539
Total fund balances	<u>24,614,270</u>	<u>1,843,652</u>	<u>11,200,953</u>	<u>37,658,875</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 35,040,121</u>	<u>\$ 2,011,639</u>	<u>\$ 15,967,812</u>	<u>\$ 53,019,572</u>

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

City of Deerfield Beach, Florida
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2016

Fund balances, total governmental funds:		\$ 37,658,875
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	181,015,451	
Accumulated depreciation	<u>(78,980,060)</u>	
Net capital assets		102,035,391
Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported in the funds.		
Accrued interest payable	(1,061,478)	
Bonds, and loans payable	(39,080,291)	
Capital lease payable	(1,665,572)	
Insurance claims payable	(6,171,056)	
Net OPEB obligation	(10,803,280)	
Compensated absences	(1,359,035)	
Net pension liability	<u>(54,780,244)</u>	
Total		(114,920,956)
Deferred outflows and inflows of resources related to pensions are recorded in the statement of net position.		19,724,028
Revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. They are, however, recognized in the governmental activities.		1,678,919
Some expenses that are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the government funds.		1,139
Bond premiums and discounts, gains, and losses related to the issuance of long-term debt are charged to "Other Financing Sources and Uses" when debt is issued in the governmental funds. These items, however, are capitalized and amortized over the life of the bonds in the government-wide financial statements.		
Bond premium & Deferred gain on refunding, beginning	(1,458,026)	
Unamortized premium/deferred gain on refunding	<u>143,338</u>	
Unamortized premium/deferred gain on refunding		<u>(1,314,688)</u>
Net position of governmental activities		<u>\$ 44,862,708</u>

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

City of Deerfield Beach, Florida
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2016

	General Fund	Community Redevelopment Agency	Nonmajor Governmental Funds	Total
Revenues				
Property taxes	\$ 34,887,089	\$ 2,716,228	\$ -	\$ 37,603,317
Sales and use taxes	6,790,747	-	-	6,790,747
Fire assessment fees	11,068,185	-	-	11,068,185
Franchise fees	7,795,465	-	-	7,795,465
Utility taxes	8,074,781	-	-	8,074,781
Local option gas tax	-	-	1,491,230	1,491,230
Local business taxes/permits	4,202,871	-	-	4,202,871
Intergovernmental	4,185,281	-	4,998,899	9,184,180
Charges for services	9,537,692	-	136,779	9,674,471
Fines and forfeitures	1,390,405	-	440,436	1,830,841
Impact fees	-	-	176,954	176,954
Investment earnings	124,029	9,616	74,050	207,695
Miscellaneous:				
Cemetery plot sales	-	-	76,900	76,900
Parking deviation fees	-	-	42,000	42,000
Donations/contributions	217,381	-	266,199	483,580
Administrative fees	7,350,019	-	557,821	7,907,840
Other	435,606	8,500	131,517	575,623
Total revenues	<u>96,059,551</u>	<u>2,734,344</u>	<u>8,392,785</u>	<u>107,186,680</u>
Expenditures				
Current:				
General government	18,083,088	-	-	18,083,088
Economic environment	209,405	759,607	1,801,146	2,770,158
Public Safety	59,407,140	38,176	655,461	60,100,777
Human services	2,173,805	-	23,226	2,197,031
Physical environment	4,818,207	-	25,760	4,843,967
Transportation	1,019,662	-	1,792,883	2,812,545
Culture and recreation	3,668,609	134,457	172,184	3,975,250
Capital outlay	-	116,002	4,601,904	4,717,906
Debt service:				
Principal retirement	86,600	-	2,433,402	2,520,002
Interest and fiscal charges	4,548	-	2,043,469	2,048,017
Total expenditures	<u>89,471,064</u>	<u>1,048,242</u>	<u>13,549,435</u>	<u>104,068,741</u>
Excess (deficiency) of revenues over expenditures	<u>6,588,487</u>	<u>1,686,102</u>	<u>(5,156,650)</u>	<u>3,117,939</u>
Other Financing Sources (Uses)				
Transfers in	2,027,265	-	4,816,327	6,843,592
Transfers out	(4,624,928)	(1,095,156)	(802,395)	6,522,479
Capital lease proceeds	1,752,172	-	-	1,752,172
Total other financing sources (uses)	<u>(845,491)</u>	<u>(1,095,156)</u>	<u>4,013,932</u>	<u>2,073,285</u>
Net change in fund balances	5,742,996	590,946	(1,142,718)	5,191,224
Fund balances - beginning	18,871,274	1,252,706	12,343,671	32,467,651
Fund balances, end of year	<u>\$ 24,614,270</u>	<u>\$ 1,843,652</u>	<u>\$ 11,200,953</u>	<u>\$ 37,658,875</u>

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

City of Deerfield Beach, Florida
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2016

Net Change in Fund Balances - Total Governmental Funds		\$ 5,191,224
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported in depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions	7,489,731	
General Government Depreciation	<u>(4,146,814)</u>	3,342,917
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(383,319)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported in the funds:		
Increase in long-term portion of insurance claims payable		1,302,459
Change in net OPEB obligations		(1,750,657)
Change in net pension liability		(1,717,416)
In the statement of activities, certain operating expenses - compensated absences (sick and vacation pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amounts actually used (paid). During the fiscal year, compensated absences earned, \$1,310,959, was more than the amount used, \$1,227,882.		(83,077)
In the statement of activities, only the gain on the disposal is reported as capital assets, the proceeds from a sale increases financial resources. Thus the change in net position will differ from the change in fund balance by the cost of the asset removed.		125,893
Proceeds from debt issues are a financing source in the governmental fund. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net position.		
Capital lease proceeds		(1,752,172)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments		2,520,002
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The net change in interest reported in the statement of activities is the net result of accrued interest on bonds, leases and loans payable plus the amortization of bond premiums, discounts, and deferred gain on refunding.		<u>143,338</u>
Change in net position of governmental activities		<u>\$ 6,939,192</u>

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

City of Deerfield Beach, Florida
Proprietary Funds
Statement of Net Position
September 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,763,796	\$ 1,563,419	\$ 7,327,215
Investments	25,791,393	-	25,791,393
Restricted cash and cash equivalents:			
Customer deposits	552,030	51,008	603,037
Revolving loan covenant accounts	1,834,718	-	1,834,718
Receivables (net):			
Accounts	3,287,595	1,780,333	5,067,927
Delinquent assessments	27,676	-	27,676
Interest	329,490	-	329,490
Due from other funds	1,800,000	-	1,800,000
Due from other governments	-	275,475	275,475
Inventories	179,603	-	179,603
Prepaid items	17,112	-	17,112
Total current assets	<u>39,583,413</u>	<u>3,670,235</u>	<u>43,253,647</u>
Noncurrent assets:			
Restricted cash and cash equivalents:			
Bond construction accounts	2,733,515	-	2,733,515
Capital assets:			
Land	50,531	-	50,531
Buildings	1,810,875	-	1,810,875
Utility plants in service	46,125,971	-	46,125,971
Improvements other than buildings	85,754,772	83,752	85,838,524
Equipment	7,374,113	17,784,178	25,158,291
Less: accumulated depreciation	<u>(68,572,130)</u>	<u>(12,734,051)</u>	<u>(81,306,181)</u>
Total capital assets (net of accumulated depreciation)	<u>72,544,132</u>	<u>5,133,879</u>	<u>77,678,011</u>
Total noncurrent assets	<u>75,277,647</u>	<u>5,133,879</u>	<u>80,411,526</u>
Total assets	<u>114,861,060</u>	<u>8,804,114</u>	<u>123,665,172</u>
Deferred outflows of resources			
Pensions	<u>1,999,871</u>	<u>806,802</u>	<u>2,806,673</u>
Total deferred outflows of resources	<u>1,999,871</u>	<u>806,802</u>	<u>2,806,673</u>

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

City of Deerfield Beach, Florida
Proprietary Funds
Statement of Net Position
September 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Liabilities			
Current liabilities:			
Accounts payable	\$ 1,076,761	\$ 1,744,150	\$ 2,820,911
Accrued payroll	165,018	161,878	326,896
Due to other funds	-	1,800,000	1,800,000
Customer deposits payable	552,030	51,007	603,037
Compensated absences	331,730	269,807	601,537
Accrued interest payable	388,106	-	388,106
Capital lease payable, current	-	527,043	527,043
Bonds payable, current	727,083	-	727,083
Loans payable, current	1,613,415	-	1,613,415
Total current liabilities	<u>4,854,143</u>	<u>4,553,885</u>	<u>9,408,028</u>
Noncurrent liabilities:			
Compensated absences	294,960	241,545	536,505
Net OPEB obligation	2,362,661	1,943,184	4,305,845
Net pension liability	2,134,691	858,873	2,993,564
Capital leases payable	-	849,529	849,529
Bonds payable	12,112,721	-	12,112,721
Loans payable	10,884,734	-	10,884,734
Total noncurrent liabilities	<u>27,789,767</u>	<u>3,893,131</u>	<u>31,682,898</u>
Total liabilities	<u>32,643,910</u>	<u>8,447,016</u>	<u>41,090,925</u>
Deferred Inflows of Resources			
Pensions	332,031	137,392	469,423
Total deferred inflows of resources	<u>332,031</u>	<u>137,392</u>	<u>469,423</u>
Net Position			
Net investment in capital assets	49,852,436	6,510,451	56,362,887
Restricted for::			
Debt service	1,834,718	-	1,834,718
Unrestricted	32,197,836	(5,483,943)	26,713,892
Total net position	<u>\$ 83,884,990</u>	<u>\$ 1,026,508</u>	<u>\$ 84,911,497</u>

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

City of Deerfield Beach, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Operating Revenues:			
Charges for sales and services:			
Water sales pledged as security for revolving loans	\$ 15,410,129	\$ -	\$ 15,410,129
Sewer charges pledged as security for revolving loans	8,875,022	-	8,875,022
Solid waste charges	-	15,292,075	15,292,075
Engineering fees	227,208	-	227,208
Miscellaneous	396,492	35,679	432,171
Total operating revenues	<u>24,908,851</u>	<u>15,327,754</u>	<u>40,236,605</u>
Operating expenses:			
Personal services	5,345,175	4,952,172	10,297,347
Contractual services	751,306	343,574	1,094,880
Electricity	742,972	-	742,972
Insurance	2,335,297	1,706,601	4,041,898
Fixed charges	44,724	21,049	65,773
County wastewater charge	4,782,102	-	4,782,102
County raw water charge	50,567	-	50,567
Disposal fees	-	3,709,499	3,709,499
General administrative charge	4,904,806	2,793,854	7,698,661
Commodities	1,780,060	1,557,794	3,337,854
Depreciation	3,705,965	616,912	4,322,877
Fiscal charges	6,049	-	6,049
Total operating expenses	<u>24,449,023</u>	<u>15,701,455</u>	<u>40,150,479</u>
Operating income (loss)	<u>459,828</u>	<u>(373,701)</u>	<u>86,127</u>
Non-operating Revenues (Expenses):			
Investment earnings	168,702	-	168,702
Interest charges	(832,039)	(10,675)	(842,714)
Amortization	(1,439)	-	(1,439)
Total non-operating revenues (expenses)	<u>(664,776)</u>	<u>(10,675)</u>	<u>(675,451)</u>
Income (loss) before operating transfers	(204,948)	(384,376)	(589,325)
Transfers in	-	500,000	500,000
Transfers out	-	(821,113)	(821,113)
Change in net position	<u>(204,948)</u>	<u>(705,489)</u>	<u>(910,438)</u>
Total net position - beginning	84,089,938	1,731,997	85,821,935
Total net position - ending	<u>\$ 83,884,990</u>	<u>\$ 1,026,508</u>	<u>\$ 84,911,497</u>

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

City of Deerfield Beach, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 24,973,966	\$ 15,318,384	\$ 40,292,350
Receipts from other funds	-	1,500,000	1,500,000
Receipts from other governments	-	(141,035)	(141,035)
Payments to suppliers	(15,349,592)	(9,175,708)	(24,525,300)
Payments to other funds	(1,500,000)	-	(1,500,000)
Payments to employees	(4,678,728)	(4,416,622)	(9,095,350)
Net cash provided by operating activities	<u>3,445,646</u>	<u>3,085,019</u>	<u>6,530,665</u>
Cash flows from noncapital financing activities			
Transfers from other funds	-	500,000	500,000
Transfers from other funds	-	(821,113)	(821,113)
Net cash (used by) noncapital financing activities	<u>-</u>	<u>(321,113)</u>	<u>(321,113)</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(3,025,943)	(2,158,831)	(5,184,774)
Principal paid on:			
Revenue bonds	(694,605)	-	(694,605)
Capital lease	-	736,633	736,633
Loan	(1,544,272)	-	(1,544,272)
Interest paid on loan and capital leases	(896,225)	(10,675)	(906,900)
Bond issuance cost	(1,439)	-	(1,439)
Net cash (used by) investing activities	<u>(6,162,484)</u>	<u>(1,432,873)</u>	<u>(7,595,357)</u>
Cash flows from investing activities			
Investment income	168,702	-	168,702
Purchase of investments	2,123,019	-	2,123,019
Interest receivable	(41,720)	-	(41,720)
Net cash provided by investing activities	<u>2,250,001</u>	<u>-</u>	<u>2,250,001</u>
Net increase (decrease) in cash and cash equivalents	(466,837)	1,331,033	864,196
Cash and cash equivalents, beginning of year	<u>11,350,896</u>	<u>283,394</u>	<u>11,634,290</u>
Cash and cash equivalents, end of year	<u>\$ 10,884,059</u>	<u>\$ 1,614,427</u>	<u>\$ 12,498,486</u>
Cash and cash equivalents	\$ 5,763,796	\$ 1,563,419	\$ 7,327,215
Cash and cash equivalents - restricted (current)	2,386,748	51,008	2,437,756
Cash and cash equivalents - restricted (noncurrent)	<u>2,733,515</u>	<u>-</u>	<u>2,733,515</u>
Cash and cash equivalents, end of year	<u>\$ 10,884,059</u>	<u>\$ 1,614,427</u>	<u>\$ 12,498,486</u>

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

City of Deerfield Beach, Florida
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016

	Water and Sewer Fund	Solid Waste Fund	Total Proprietary Funds
Reconciliation data of changes in net position to operating activities			
Operating income (loss)	\$ 459,828	\$ (373,701)	\$ 86,127
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation expense	3,705,965	616,912	4,322,877
Changes in assets, liabilities and deferred inflows/outflows:			
Increase in due from other funds	(1,500,000)	-	(1,500,000)
Increase in due from other governments	-	(141,035)	(141,035)
Increase (decrease) in other accounts receivable, net of allowance	45,629	(10,591)	35,038
Decrease in inventories	1,435	-	1,435
Decrease in prepaid items	1,439	-	1,439
Increase in deferred outflows - pensions	(1,331,637)	(532,655)	(1,864,292)
Increase (decrease) in customer deposits	19,487	1,219	20,706
Increase in accounts payable	45,415	956,665	1,002,080
Increase in accrued liability	21,079	48,646	69,725
Decrease in deferred inflows - pensions	(114,494)	(45,798)	(160,292)
Increase in Net OPEB liability	419,255	343,556	762,811
Increase in Net pension liability	1,647,499	659,000	2,306,499
Increase in compensated absences payable	24,746	62,801	87,547
Increase in due to other funds	-	1,500,000	1,500,000
Net cash provided by operating activities	<u>\$ 3,445,646</u>	<u>\$ 3,085,019</u>	<u>\$ 6,530,665</u>
Non-cash investing, capital and financing activities			
Net depreciation in the fair value of investments	<u>(190,020)</u>	<u>-</u>	<u>(190,020)</u>
Total non-cash investing, capital and financing activities	<u>\$ (190,020)</u>	<u>\$ -</u>	<u>\$ (190,020)</u>

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

**Statement of Fiduciary Net Position
Pension Trust Funds
September 30, 2016**

	<u>Pension Trust Funds</u>
Assets	
Cash and cash equivalents	\$ 9,105,716
Investments:	
U. S. government and agency securities	24,488,213
Corporate bonds and notes	22,192,141
International Corporate Equities	6,705,560
Other mutual funds	74,937,148
Domestic corporate bonds and notes	54,771,988
Bond funds	5,451,224
Total investments	<u>188,546,274</u>
Receivables:	
Interest and dividends	256,093
Contributions receivable (state)	64,210
Due from brokers	4,281,233
Total receivables	<u>4,601,536</u>
Other assets	<u>27,300</u>
Total assets	<u>202,280,826</u>
Liabilities	
Accounts payable	<u>1,334,829</u>
Total liabilities	<u>1,334,829</u>
Net Position	
Restricted for pension benefits	<u>\$ 200,945,997</u>

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

City of Deerfield Beach, Florida
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended September 30, 2016

	Pension Trust Funds
Additions	
Contributions:	
Employer	\$ 8,512,989
Plan members	911,383
State (from the General Fund)	1,294,200
Total contributions	10,718,572
Investment earnings :	
Interest	4,676,786
Net increase in the fair value of investments	12,133,483
Total investment earnings	16,810,269
Less: investment expense	(1,262,687)
Net investment earnings	15,547,582
Miscellaneous	12,108
Total additions	26,278,263
Deductions	
Benefits paid	17,551,934
Administrative expenses	415,046
Total deductions	17,966,980
Change in net position	8,311,283
Net Position Restricted for Pension Benefits:	
Beginning of year	192,634,715
End of year	\$ 200,945,997

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

CITY OF DEERFIELD BEACH, FLORIDA
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SEPTEMBER 30, 2016

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City of Deerfield Beach, Florida
Notes to the Financial Statements
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NOTE I. Summary of Significant Accounting Policies

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

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

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

A. Financial Reporting Entity

The City of Deerfield Beach is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the state. Originally incorporated in June 1925, the Town of Deerfield was formed under the provisions of Chapter 10462, Special Acts of the 1925 Legislature. In June 1951, Chapter 27503, laws of the State of Florida, created a new charter abolishing the Town and changing its name to City of Deerfield Beach. Today, the City is approximately 16.5 square miles in area. In addition to the public safety, general government, recreation, and public works services provided to its 77,659, residents, the City operates water, sewer and solid waste enterprises. The City does not provide educational or hospital facilities. Those services are provided by the School Board of Broward County and the Broward Health North District, respectively.

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

The Deerfield Beach Community Redevelopment Agency (the "CRA"), a separate legal entity, which is largely responsible for redevelopment of the area that encompasses most of the beach district and the area along Hillsboro Boulevard from Federal Highway to the intracoastal waterway, was established in November 1999. The CRA is governed by a board which is comprised of the City's elected officials, and management of the City has operational responsibility of the CRA. The CRA is also fiscally dependent upon the City. Accordingly, the CRA is a blended component unit and is presented as a special revenue fund. The CRA has a September 30 year-end. Separate financial statements for the CRA are not available.

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

City of Deerfield Beach, Florida
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accounting and an audit is made biennially by a certified public accountant.

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
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Property taxes, (when levied for), franchise taxes, intergovernmental revenue (when the eligibility requirements are met), licenses, special assessments, charges for services for ambulance fees, as well as interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2016

D. New Accounting Pronouncements Adopted

The City implemented the following GASB Statements during the year ended September 30, 2016:

GASB Statement No. 72, *Fair Value and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosure related to all fair value measurements. The requirements of this Statement became effective for fiscal years beginning after June 15, 2015 and did not have a significant impact on the City's financial statements and their presentation.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68 as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67 and 68 for pension plans and pensions that are within their respective scopes. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement No. 67 or for pensions that are within the scope of Statement No. 68 are effective for fiscal years beginning after June 15, 2015. The requirements for this Statement became effective for the City during the fiscal year, however there was no significant impact.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for period beginning after June 15, 2015, and should be applied retroactively. The requirements for this Statement became effective for the City during the fiscal year, however there was no significant impact.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015. The implementation of GASB 79 did not have a material impact on the City's financial statements.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2016

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City has established an investment policy in accordance with Section 218.415, Florida Statutes that allows the City to invest in relatively low-risk securities, such as the State Treasurer's Investment Pool, and U.S. Government and Agencies securities. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, all investments have been reported at fair value except the State Treasurer's Investment Pool's reported value is the same as the value of the pool shares and is recorded at amortized cost. Resources of all funds, with the exception of the pension trust funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and dividends and realized and unrealized gains and losses on investments. Investment earnings on pooled investments are allocated monthly based upon equity balances of the respective funds. Accrued interest on pooled investments is grouped with investments on the balance sheet at year-end. In addition, the pension trust funds are authorized to invest in corporate bonds, stocks, money market funds, mortgages and notes.

2. Receivables and Payables

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

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

Amounts reflected as "due from other governments" in the government-wide and the fund financial statements represent amounts that are owed to the City by other governmental entities for services rendered by the City in the capacity of a vendor or for amounts to be reimbursed in connection with grants and other cooperative agreements.

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

3. Inventories and Prepaid Items

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

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

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2016

4. Restricted Assets

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

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

5. Capital Assets

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

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

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

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

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

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

6. Deferred Outflows/Inflows of Resources

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

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

The City reports within its government-wide statement of net position as deferred outflows amounts contributed during fiscal year 2016 into the pension plans as a result of the net pension liability associated with the plans measured as of September 30, 2015. The amounts paid during fiscal year 2016 to the plan will be reflected within the City's pension expense and related liability when the net pension liability is measured for the next fiscal year. The City reports as deferred inflows

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2016

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

Also, in the governmental fund financial statements the City reported deferred inflows for amounts not recorded within the period of availability and on deferred amount on a bond refunding which is being amortized over the the remining life of the debt.

7. Compensated Absences

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

8. Long-term Obligations

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

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

9. Fund Equity/Net Position

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report separate classifications of fund balance. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The restricted fund balance is defined as having restrictions (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Committed fund balance is defined as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) performed prior to year-end, of the City Commission. Assigned fund balance represents amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City, through resolution establishing its fund balance policy, has given the City Manager the authority to assign fund balance. Assignment of fund balance may be a) made for a specific purpose that is narrower than the general purposes of the government itself; and/or b) used to reflect the appropriation of a portion of existing unassigned fund balance to eliminate a projected deficit in the subsequent year's budget in an amount no greater than the projected excess of expenditures over expected revenues. Assigned fund balance shall reflect management's intended use of resources as set

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2016

forth each year by the City Manager. Assigned fund balance may or may not be appropriated for expenditure in the subsequent year depending on the timing of the project/reserve for which it was assigned. Unassigned fund balance is the residual classification for the General Fund, plus any deficits of any other governmental funds. The City government considers restricted or unrestricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. The City government considers committed, assigned, or unassigned amounts to have been spent when expenditures incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The City's policy is to expend resources in the following order: restricted, committed, assigned and unassigned.

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

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

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

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

The government-wide statement of net position reports \$11,449,508 of restricted net position of which approximately \$588,411 is restricted by enabling legislation.

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

10. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's estimates.

11. Property Taxes

Property taxes attach as an enforceable lien on real property and are levied as of October 1st. The tax levy is divided into two billings: the first billing (mailed mid-August) is an estimate of the current year's levy based on the proposed tax rates, which serves to inform tax payers of their proposed taxes prior to the final approval of the millage rate in September. The second billing (mailed on October 20) reflects the current year's actual levy. The billings are considered past due after March 31st of the following year after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2016

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations

For the year ended September 30, 2016, expenditures exceeded appropriations in four of the City's departments. The City Attorney, Central Services, Insurance/Safety, and Planning and Development Services departments exceeded their budgets by \$4,733, \$12,000, \$489,870, and \$369,803 respectively. The additional costs were incurred for outside legal services, for payments to suppliers for goods and services, to facilitate increases in the payment of insurance claims, as well as for the processing of applications for building permits. These over-expenditures were covered by positive budget variances in other departments as well as positive revenue variances.

B. Deficit Fund Equity

At September 30, 2016, the Community Development Block Grant Fund had a deficit fund balance of \$97,193. This deficit is expected to be funded by future grant reimbursements, which were not susceptible to accrual at September 30, 2016.

NOTE III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Deposits

The City maintains a common cash and cash equivalents pool for use by all non-fiduciary funds. Deposits of the City, including time deposit accounts, demand deposit accounts and certificates of deposit, are defined as public deposits. Pursuant to the City's policies, all of the City's deposits are held in qualified public depositories pursuant to Chapter 280.03 of the Florida Statutes, "Florida Security for Public Deposits Act." Under the Act, all qualified public depositories are required to pledge eligible collateral having fair value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in fault. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss. At September 30, 2016, the carrying amount of the City's deposits totaled \$21,893,813.

2. Investments

Authorized Investments

The City's investments are categorized as investments for the City as a whole (hereinafter referred to as "general City investments") and those of its various defined benefit pension plans. The City is authorized by statute and policy to invest public funds (general City investments) in interest-bearing savings accounts, money market accounts and checking accounts, obligations of the United States government, its agencies and instrumentalities; certificates of deposit that are fully insured and collateralized; repurchase agreements having a defined termination date and collateralized by U.S. Treasury obligations; and Local Government Surplus Trust Funds, as administered by the Florida State Board of Administration ("SBA"). The City invested funds throughout the year in the Florida Prime, which is not Securities and Exchange Commission ("SEC") registered, but which qualifies as a fluctuating net asset value ("NAV") pool. The City's investment in the SBA at September 30, 2016 represented less than 1% of the total investment assets of the SBA. The City of Deerfield Beach invests in the pool, the value of the City's position is the same as the value of the pool shares and is recorded at amortized cost. At September 30, 2016, the City's investment was \$4,194,919.

City of Deerfield Beach, Florida
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In accordance with GASB Statement no. 79, *Certain External Investment Pools and Pool Participants*, the City's investments in the Florida PRIME meets the definition of a qualifying investment pool that measures, for financial reporting purposes, all of its investments at amortized cost and should disclose the presence of any limitations or restrictions on withdrawals. As of September 30, 2016, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

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

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

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

As of September 30, 2016, the City had the following investments:

	Pension Trust Funds	All Other Funds	Total
Investment in Florida Prime	\$ -	\$ 4,194,919	\$ 4,194,919
Investment in Florida Municipal Investment Trust	-	8,150,367	8,150,367
Money market funds	9,105,717	1,027,992	10,133,709
Other mutual funds	74,937,148	-	74,937,148
Bond funds	5,451,224	-	5,451,224
U.S. Government and agency securities	24,488,213	41,224,171	65,712,384
Domestic corporate bonds and notes	22,192,141	-	22,192,141
International corporate equities	6,705,560	-	6,705,560
Domestic corporate equities	54,771,988	-	54,771,988
Total	\$ 197,651,991	\$ 54,597,449	\$ 252,249,440

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. In accordance with the City's investment policy, the City minimizes the interest rate risk of investments in the portfolio by placing limitations on the duration of such investments. With the exception of funds reserved for capital projects, all of the

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City's general investments shall be limited to instruments maturing within two years of purchase. This ensures that securities mature to meet cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity.

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

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

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

(City General Investments)

Investment Type	Value	Maturities (in Years)	
		Less Than 1	1-5
Florida Prime	\$ 4,194,919	\$ 4,194,919	\$ -
FL Municipal Investment Trust	8,150,367	-	8,150,367
Money market funds	1,027,992	1,027,992	-
U.S. Treasuries	4,504,965	3,003,750	1,501,215
U.S. Agencies	36,719,206	26,894,903	9,824,303
Total	\$ 54,597,449	\$ 35,121,564	\$ 19,475,885

(Pension Trust Funds)

Investment Type	Value	Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Bond funds	\$ 5,451,224	\$ -	\$ -	\$ 5,451,224	\$ -
Money market funds	4,183,619	11,714	1,186,056	2,864,106	121,743
U.S. Treasuries	10,392,348	420,132	4,120,918	3,229,517	2,621,781
U.S. Agencies	14,095,865	758,523	3,777,850	3,104,615	6,454,875
Domestic corporate bonds and notes	22,192,141	981,336	10,166,274	7,197,836	3,846,695
Total	\$ 56,315,197	\$ 2,171,705	\$ 19,251,098	\$ 21,847,298	\$ 13,045,094

Credit Risk

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

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The following table discloses credit ratings by investment type, at September 30, 2016, as applicable:

	Quality Credit Rating		Fair Value
	S & P	Moody's	
AAAm			\$ 4,194,919
AA+			100,365
AA-			50,391
A			45,826
A-			135,975
BBB+			172,883
BBB			6,121,919
BB			1,839,538
B			1,662,990
CCC			681,093
Not rated			1,027,992
		Aaa	13,769,613
		Aa	2,574,056
		A	2,438,594
		Aa1	127,170
		Aa2	272,146
		Aa3	174,879
		A1	551,853
		A2	628,666
		A3	2,555,475
		B1	56,598
		B2	25,500
		Baa	2,736,433
		Baa1	752,194
		Baa2	599,573
		Baa3	550,423
		Ba2	155,234
		Ba3	103,550
		Not rated	24,523,017
Total credit risk securities			68,628,865
U.S. treasuries and agency securities explicitly guaranteed			42,283,781
Total fixed income/credit risk securities			<u>\$ 110,912,646</u>
Total fixed income/credit risk securities - City			\$ 54,597,449
Total fixed income securities - pension trust funds			56,315,197
Total			<u>\$ 110,912,646</u>

Concentration of Credit Risk

The City limits its investments in any one issuer to no more than 5% of total investments, except for investments issued or explicitly guaranteed by the government and investments in mutual funds, external investment pools, and other pooled investments, which are excluded from this requirement. There were no individual investments that represented 5% or more of the City's total investments at September 30, 2016. The three pension plans limit their exposures by limiting their investments in any one issuer to no more than 5% of plan net position other than those issued by the US Government or its agencies. None of the plans had holdings that exceeded the 5% limit.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the

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value of its investment or collateral securities that are in the possession of another party. All of the City's investments in corporate bonds and notes, and equities are held by the pension plans. These investments are held by the various pension plans' custodial banks and are registered in the name of the pertinent pension plan. With the exception of the investments with the SBA, all of the City's general investments were held by the City's custodial bank and were registered in the City's name as of year-end.

Fair Value Hierarchy

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

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

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

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

Fire Pension

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

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

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

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

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

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

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	Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Equity securities:				
Common stocks	\$ 19,913,554	\$ 19,792,697	\$ 69,779	\$ 51,078
REITS	1,917,021	1,917,021	-	-
Mutual funds	24,379,657	10,402,615	13,977,042	-
Total equity securities	<u>46,210,232</u>	<u>32,112,333</u>	<u>14,046,821</u>	<u>51,078</u>
Debt securities:				
U.S. treasury securities	7,138,206	-	7,138,206	-
U.S. agency securities	7,199,520	-	7,199,520	-
Corporate bonds	14,130,663	1,998,689	12,131,974	-
Fixed income mutual funds	4,183,620	4,183,620	-	-
Total debt securities	<u>32,652,009</u>	<u>6,182,309</u>	<u>26,469,700</u>	<u>-</u>
Total investments by fair value	<u>125,072,473</u>	<u>70,406,975</u>	<u>54,563,342</u>	<u>102,156</u>
Investments measured at the net asset value (NAV)				
Real estate funds	9,403,130			
Hedge funds	<u>10,243,509</u>			
Total investments measured at the NAV	<u>19,646,639</u>			
Money market funds (exempt)	<u>5,151,221</u>			
Total investments	<u>\$ 149,870,333</u>			

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

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (3)	\$ 6,765,115	\$ -	Quarterly	90 Days
Real estate fund (4)	2,638,015	-	Quarterly	10 Days
Hedge fund (1)	5,958,880	-	Quarterly	90 Days
Hedge fund (2)	<u>4,284,629</u>	<u>-</u>	Annually	75 Days
Total investments measured at the NAV	<u>\$ 19,646,639</u>	<u>\$ -</u>		

- Hedge fund: The fund is a multi-strategy fund of hedge funds that aims to pursue varying strategies in order to diversify risk and reduce volatility. The fund is a diversified portfolio offering investment solutions through activist long/short equity hedge funds, event driven hedge funds and multi-strategy hedge funds. The investment is valued at NAV and a holder of capital, upon at least 90 days prior written notice, may request to redeem a minimum of \$100,000 of their capital shares, as of the close of business on the last business day of each

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calendar year, by giving irrevocable written notice.

2. Hedge fund: The fund engages in multi-manager investment strategies that aim to minimize risk through diversification and maximize total return through manager selection. The fund is a diversified portfolio offering investments with a broadly diversified group of alternative investment strategies through, but not limited to, long/short equities, distressed securities, arbitrage and special situations. The investment is valued at NAV and a holder of common shares, upon at least 75 days prior written notice, may request to redeem any or all of their common shares, on the last business day of any calendar quarter, commencing with the first such date at least 12 months following the date of their initial investment.
3. Real estate fund: The fund is an open-ended real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 90 days prior to quarter end
4. Real estate fund: The fund is an open-end diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemptions must be received by the fund 10 days prior to quarter end.

Police Pension

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

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

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

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	Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Equity securities:				
Domestic equities	\$ 17,071,477	-	\$ 17,071,477	-
International equities	6,705,560	-	6,705,560	-
Debt securities:				
U.S. treasury securities	1,059,610	-	1,059,610	-
Mortgage-backed-securities	565,186	-	565,186	-
Corporate bonds	610,950	-	610,950	-
Total debt securities	<u>2,235,746</u>	-	<u>2,235,746</u>	-
Total investments by fair value	<u>26,012,783</u>	-	<u>26,012,783</u>	-
Investments measured at the net asset value (NAV)				
Real estate fund	6,370,142			
Mutual funds	<u>5,451,224</u>			
Total investments measured at the NAV	<u>11,821,366</u>			
Total investments	<u>\$ 37,834,149</u>			

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 6,370,142	\$ -	Quarterly	90 Days
Mutual funds	<u>5,451,224</u>	-	Daily	Same day
Total investments measured at the NAV	<u>\$ 11,821,366</u>	<u>\$ -</u>		

1. Mutual funds: These include equity and fixed income mutual funds. These are valued using their respective NAV as of September 30, 2016. The most significant input into the NAV of such funds is the fair value of the investment holdings.
2. Real estate fund: The real estate portfolio holds investments in commingled funds. Limited partner interest in commingled funds are valued using the NAV of the partnership provided by the general partner. The most significant input the NAV of such entity is the fair value of its holdings. These holdings are valued on a continuous basis, audited annually and periodically appraised by an independent third party as directed by the governing document for each of the commingled fund investment. The valuation assumptions use both market and property specific input.

Non-Uniformed Pension

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

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

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

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

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

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

	Fair Value Measurements Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value				
Equity securities:				
Common stocks	\$ 29,069,430	\$ 29,069,430	\$ -	\$ -
Debt securities:				
U.S. treasury securities	2,194,530	2,194,530	-	-
U.S. agency securities	6,331,161	-	6,331,161	-
Corporate bonds	7,450,528	-	7,450,528	-
Total debt securities	15,976,219	2,194,530	13,781,689	-
Total investments by fair value	45,045,649	31,263,960	13,781,689	-
Investments measured at the net asset value (NAV)				
Real estate fund	4,232,247			
Hedge funds	2,925,349			
Total investments measured at the NAV	7,157,596			
Money market funds (exempt)	2,899,714			
Total investments	\$ 55,102,959			

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund (1)	\$ 4,232,247	\$ 600,000	Quarterly	45 Days
Hedge Fund (2)	2,925,349	-	Semi-annual	95 Days
Total investments measured at the NAV	\$ 7,157,596	\$ 600,000		

1. Real estate fund: This fund is an open-end core real estate fund with a diversified portfolio of multifamily, office, industrial and retail properties. The fund seeks to provide for the

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preservation of capital, stable income and modest appreciation over the mid- to long-term. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to quarter end.

2. Hedge fund: Aims to pursue varying strategies in order to diversify risks and reduce volatility. The fund invests with hedge funds and other portfolio managers or otherwise utilizes the services of investment advisors or other investment managers employing a variety of trading styles or strategies, including, but not limited to, direct lending, convertible arbitrage, merger or risk arbitrage and other event-driven investing, distressed and long/short credit, long/short equity, multi-strategy and other relative value strategies. The investment is valued at NAV and redemption requests must be received by the fund 95 days prior to redemption date of June 30 or December 31.

B. Receivables and Payables

The City reports the General, Community Redevelopment Agency (CRA), Water & Sewer and Solid Waste funds as major funds. Receivables at September 30, 2016 were as follows:

Governmental Activities

	General	CRA	Other Governmental Funds	Total
Receivables:				
Accounts	\$ 9,713,050	\$ -	\$ 254	\$ 9,713,304
Assessments	842	-	-	842
Interest	46,294	4,801	20,714	71,809
Gross receivables	9,760,186	4,801	20,968	9,785,955
Less: allowance for uncollectibles	(5,895,314)	-	-	(5,895,314)
Net receivables	<u>\$ 3,864,872</u>	<u>\$ 4,801</u>	<u>\$ 20,968</u>	<u>\$ 3,890,641</u>

Business-type Activities

	Water and Sewer	Solid Waste	Total
Receivables:			
Accounts	\$ 3,467,357	\$ 1,843,034	\$ 5,310,391
Assessments	27,676	-	27,676
Interest	329,490	-	329,490
Gross receivables	3,824,523	1,843,034	5,667,557
Less: allowance for uncollectibles	(179,763)	(62,701)	(242,464)
Net receivables	<u>\$ 3,644,760</u>	<u>\$ 1,780,333</u>	<u>\$ 5,425,093</u>

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

Uncollectible related to water sales	\$	93,476
Uncollectible related to sewer charges		86,286
Uncollectible related to solid waste charges		<u>62,701</u>
Total uncollectible for the current fiscal year	\$	<u><u>242,463</u></u>

Accounts payables at September 30, 2016 are as follows:

	<u>Vendors</u>	<u>Retainage</u>	<u>Total Payables</u>
Governmental activities:			
General fund	\$ 8,452,678	\$ -	\$ 8,452,678
CRA fund	157,339	-	157,339
Other governmental funds	<u>988,640</u>	<u>105,126</u>	<u>1,093,766</u>
	<u>\$ 9,598,657</u>	<u>\$ 105,126</u>	<u>\$ 9,703,783</u>
Business-type activities:			
Water and Sewer fund	\$ 1,076,761	\$ -	\$ 1,076,761
Solid Waste fund	<u>1,744,150</u>	<u>-</u>	<u>1,744,150</u>
	<u>\$ 2,820,911</u>	<u>\$ -</u>	<u>\$ 2,820,911</u>

C. Capital Assets

The following is a summary of capital asset activity for the year ended September 30, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Total</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 14,820,724	\$ 408,084	\$ -	\$ 15,228,808
Construction in progress	<u>14,867,009</u>	<u>3,902,898</u>	<u>1,826,816</u>	<u>16,943,091</u>
Total capital assets not being depreciated	<u>29,687,733</u>	<u>4,310,982</u>	<u>1,826,816</u>	<u>32,171,899</u>
Capital assets being depreciated:				
Buildings	38,641,944	73,209	-	38,715,153
Improvements other than buildings	6,510,074	81,645	519,238	6,072,481
Equipment	21,557,246	1,423,603	487,513	22,493,336
Infrastructure	<u>78,135,473</u>	<u>3,427,109</u>	<u>-</u>	<u>81,562,582</u>
Total capital assets being depreciated	<u>144,844,737</u>	<u>5,005,566</u>	<u>1,006,751</u>	<u>148,843,552</u>
Less: accumulated depreciation for:				
Buildings	12,557,954	956,642	-	13,514,596
Improvements other than buildings	2,394,689	303,428	393,345	2,304,772
Equipment	19,517,791	484,571	487,513	19,514,849
Infrastructure	<u>41,243,670</u>	<u>2,402,173</u>	<u>-</u>	<u>43,645,843</u>
Total accumulated depreciation	<u>75,714,104</u>	<u>4,146,814</u>	<u>880,858</u>	<u>78,980,060</u>
Total capital assets being depreciated, net	<u>69,130,633</u>	<u>858,752</u>	<u>125,893</u>	<u>69,863,492</u>
Governmental activities capital assets, net	<u>\$ 98,818,366</u>	<u>\$ 5,169,734</u>	<u>\$ 1,952,709</u>	<u>\$ 102,035,391</u>

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Business-type activities:	Beginning Balance	Increases	Decreases	Total
Capital assets not being depreciated:				
Land	\$ 50,531	\$ -	\$ -	\$ 50,531
Capital assets being depreciated:				
Buildings	1,810,875	-	-	1,810,875
Utility plants in service	46,103,503	22,468	-	46,125,971
Improvements other than buildings	83,314,570	2,523,954	-	85,838,524
Equipment	22,605,090	2,638,351	85,151	25,158,291
Total capital assets being depreciated	<u>153,834,038</u>	<u>5,184,774</u>	<u>85,151</u>	<u>158,933,661</u>
Less: accumulated depreciation for:				
Buildings	1,205,058	-	-	1,205,058
Utility plants in service	18,632,951	1,426,623	-	20,059,574
Improvements other than buildings	38,970,379	2,122,467	-	41,092,846
Equipment	18,260,068	773,787	85,151	18,948,704
Total accumulated depreciation	<u>77,068,456</u>	<u>4,322,877</u>	<u>85,151</u>	<u>81,306,181</u>
Total capital assets being depreciated, net	<u>76,765,582</u>	<u>861,896</u>	<u>-</u>	<u>77,627,479</u>
Business-type activities capital assets, net	<u>\$ 76,816,113</u>	<u>\$ 861,896</u>	<u>\$ -</u>	<u>\$ 77,678,011</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 101,313
Public safety	595,641
Human services	72,446
Physical environment	540,817
Transportation	1,582,471
Culture and recreation	1,254,126
Total depreciation expense - governmental activities	<u>\$ 4,146,814</u>
Business-type activities:	
Water and sewer	\$ 3,705,965
Solid waste	616,912
Total depreciation expense - business-type activities	<u>\$ 4,322,877</u>

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D. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of September 30, 2016, which are recorded in the appropriate fund balance classification of restricted, committed or assigned, in accordance with the City's fund balance policy are as follows:

Major funds:	
General Fund	\$ 4,108,911
Community Redevelopment Agency Fund	<u>572,097</u>
Total major funds	<u>4,681,008</u>
Nonmajor governmental funds	<u>4,598,310</u>
Total encumbrances	<u><u>\$ 9,279,318</u></u>

E. Construction Commitments

The City has outstanding commitments for construction and acquisition of property, plant and equipment. The following is a summary of the most significant of these commitments at September 30, 2016:

Project	Amounts Outstanding
NE 3rd Avenue/48th Street Roadway Project	\$ 596,867
Sullivan Park Expansion Project	<u>2,015,773</u>
	<u><u>\$ 2,612,640</u></u>

F. Unearned/Unavailable Revenue

Unearned/Unavailable revenue in the General Fund includes \$463,411 for local business taxes (formerly referred to as occupational licenses) relating to fiscal year 2016. The General Fund also includes ambulance transport fees in the amount of \$902,626 which are not available and are recorded as unavailable revenue; there is also an unearned revenue balance of \$5,000 for performance bond customer deposits.

The Miscellaneous Grants nonmajor special revenue fund had unavailable revenue of \$455,307.

G. Interfund Receivables, Payables and Transfers

The interfund balances below represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year-end. The composition of interfund balances at September 30, 2016 is as follows:

Due to/Due from

	CBDG Fund	Miscellaneous Grants Fund	General Construction Fund	Solid Waste Fund	Total
Receivable Fund:					
General Fund	\$ 88,653	\$ 233,924	\$ 2,547,723	\$ -	\$ 2,870,300
Water and Sewer Fund	-	-	-	1,800,000	1,800,000
Total	<u>\$ 88,653</u>	<u>\$ 233,924</u>	<u>\$ 2,547,723</u>	<u>\$ 1,800,000</u>	<u>\$ 4,670,300</u>

City of Deerfield Beach, Florida
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Interfund Transfers:

	Transfers to:				Total
	General	Nonmajor General Obligation Debt Service	Nonmajor Capital Grants	Nonmajor Governmental	
<u>Transfers from</u>					
General	\$ -	\$ 4,342,850	\$ -	\$ 282,077	\$ 4,624,927
CRA	1,095,156	-	-	-	1,095,156
General construction fund	-	-	69,843	-	69,843
Nonmajor Governmental	610,996	-	-	121,556	732,552
Solid Waste	321,113	-	-	-	321,113
Total	\$ 2,027,265	\$ 4,342,850	\$ 69,843	\$ 403,633	\$ 6,843,591

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

H. Capital Leases

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

The City has also financed the acquisition of sanitation vehicles in its Solid Waste enterprise fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception.

The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2016, were as follows:

Fiscal Year	Governmental Activities	Business-type Activities	Total
2017	\$ 363,593	\$ 541,662	\$ 905,255
2018	363,593	233,158	596,751
2019	363,593	233,158	596,751
2020	363,593	233,158	596,751
2021	272,693	174,868	447,561
Total minimum lease payments	1,727,065	1,416,004	3,143,069
Less: amount representing interest	(61,493)	(39,432)	(100,925)
Present value of future minimum lease payments	<u>\$ 1,665,572</u>	<u>\$ 1,376,572</u>	<u>\$ 3,042,144</u>

As of September 30, 2016, the equipment held under capital leases for governmental activities and business-type activities were \$1,752,172 and \$2,754,537, respectively. Accumulated depreciation

City of Deerfield Beach, Florida
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for equipment held under capital leases was \$0 and \$1,630,938 for governmental and business-type activities, respectively, as of September 30, 2016.

I. Long-Term Debt

1. Governmental Activities Debt:

- *General Obligation Bonds, Series 2000* – The original amount of this issue was divided into two series: Series “A,” for which \$9,978,847 in bonds were issued, and Series “B,” for which \$2,820,183 in bonds were issued. The proceeds of these bonds were used to finance the construction of a public safety complex, a public works facility, parks improvements, right-of-way improvements and expansion of the senior services facilities. The combined outstanding bonds of the issue, \$4,650,291, have interest rates that range from 4.25% to 6.08%. For Series A, principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2024.
- *General Obligation Bonds, Series 2012B-2* – The original amount of this issue was \$14,770,000. The proceeds of these bonds were used to refund previously issued debt, namely Florida Municipal Loan Council Revenue Bonds, Series 2000B; Series 2003A and Series 2003B. The interest rates on these bonds range from 2% to 5%. The principal is due annually on April 1st and interest is payable semi-annually on April 1st and October 1st with the final maturity date being October 1, 2028. The principal and interest of this issue will be payable from and secured by the City’s ad valorem taxes. For the current year, principal and interest of \$1,146,375 was paid. Ad valorem taxes amounted to \$34,887,089. The outstanding balance for this issue at year end amounted to \$12,645,000.
- *Covenant Bonds, Series 2006* – The original amount of this issue was \$5,965,000. The proceeds of this bond issue were used to complete the construction of the public works facility and the municipal operations complex. The interest rates on these bonds range from 4.00% to 5.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2031. The remaining outstanding bonds of this issue total \$4,550,000 with total interest payable of \$1,771,372 over the remainder of the term of the bonds. The principal and interest of this issue will be payable from and secured by a pledge of the City’s electric franchise fees. For the current year, principal and interest of \$398,069 were paid. Electric franchise fees amounted to \$4,961,669 for fiscal year 2016.
- *Covenant Bonds, Series 2012B-1* – The original amount of this issue was \$20,090,000. The proceeds of this bond issue were to repay previously issued debt as well to finance the construction of parks and right of way improvements, in addition to citywide street improvements. The interest rates on these bonds range from 2.00% to 4.00%. Principal is due annually on October 1st and interest is payable semi-annually on April 1st and October 1st, with the final maturity date being October 1, 2032. The remaining outstanding bonds of this issue total \$17,235,000 with total interest payable of \$4,000,035 over the remainder of the term of the bonds. The principal and interest of this issue will be payable from and secured by a pledge of the City’s ad valorem taxes. For the current year, principal and interest of \$1,560,844 was paid.

City of Deerfield Beach, Florida
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2. Business-type Activities Debt:

- *Loans Payable* – The City has entered into two loan agreements with the State of Florida Department of Environmental Protection. The primary purpose of these loans is to construct water and wastewater facilities. As of September 30, 2009, the City borrowed \$8,662,208, with interest rates ranging from 2.27% to 3.57%. As of September 30, 2016, the outstanding principal amount of these loans totaled \$5,053,149. Principal and interest payments on the two Florida Water Pollution Control Construction loans are due on April 15 and October 15 of each year. At September 30, 2016, the unpaid principal balances of Water Pollution Control Loan No. WW69302L and Loan No. WW693030 were \$880,600 and \$4,172,550, respectively. Revenues of the Water and Sewer System have been pledged as security for repayment of these loans. Total principal and interest paid during the current year totaled \$528,306. Net revenues of the water and sewer system amounted to \$4,334,995 for the year ended September 30, 2016.
- *Loans Payable* – On April 9, 2015, the City issued Wells Fargo Revenue Loan in the amount of \$8,580,000. The loan matures on November 15, 2021. The loan bears interest on the outstanding principal balance at 1.63%. Payments are due annually starting November 15, 2015. The proceeds of this loan was used to refund State Revenue Loan No. DW060610, which was paid in full, and the liability for this loan was removed from the Business-type activities column in the statement of net position. As of September 30, 2016, the principal balance outstanding was \$7,445,000.
- *Florida Municipal Loan Council Revenue Bonds, Series 2008A* – The original amount of this issue was \$17,028,786. The proceeds of this bond issue are to be used to construct a reverse osmosis water treatment addition to the City's west water treatment facility, as well as various other improvements to the water distribution system. The interest rate on these bonds is 4.81%. Principal is due annually on October 1st and interest is payable semiannually on April 1st and October 1st, with the final maturity date being October 1, 2028. The remaining outstanding bonds of this issue total \$12,839,802. The principal and interest of this issue will be payable from and secured by a pledge of the City's water and sewer system revenues. Total principal and interest paid during the year amounted to \$1,322,453 .

City of Deerfield Beach, Florida
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3. Changes in Long-Term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended September 30, 2016:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 18,533,692	\$ -	\$ 1,238,402	\$ 17,295,290	\$ 1,117,169
Covenant bonds	22,980,000	-	1,195,000	21,785,000	1,240,000
Plus: Deferred amounts for premiums/discounts	1,458,026	-	143,338	1,314,688	-
Total bonds payable	42,971,718	-	2,576,740	40,394,978	2,357,169
Capital leases	-	1,752,172	86,600	1,665,572	340,795
Net OPEB obligation	9,052,623	3,472,721	1,722,064	10,803,280	-
Claims and judgments	7,473,515	10,958,550	12,261,009	6,171,056	914,000
Net pension liability	41,869,167	20,121,292	7,210,215	54,780,244	-
Compensated absences	1,275,958	1,310,959	1,227,882	1,359,035	1,136,666
Total governmental activities long-term liability	<u>\$ 102,642,981</u>	<u>\$ 37,615,694</u>	<u>\$ 25,084,510</u>	<u>\$ 115,174,165</u>	<u>\$ 4,748,630</u>
Business-type activities:					
Capital leases	\$ 639,938	\$ 1,123,600	\$ 386,967	\$ 1,376,572	\$ 526,190
Net OPEB obligation	3,543,034	1,513,165	750,354	4,305,845	-
Net pension liability	687,065	3,038,722	732,223	2,993,564	-
Compensated absences	1,050,495	760,826	581,602	1,229,719	601,537
Bonds payable	13,534,408	-	694,606	12,839,802	727,083
Loans payable	14,042,422	-	1,544,272	12,498,150	1,613,415
Total business-type activities long-term liabilities	<u>\$ 33,497,362</u>	<u>\$ 6,436,313</u>	<u>\$ 4,690,024</u>	<u>\$ 35,243,651</u>	<u>\$ 3,468,225</u>

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

4. Summary of Annual Debt Service Requirements

The annual debt service requirements to maturity for debt outstanding as of September 30, 2016 are as follows:

Year Ending September 30	Governmental Activities Debt					
	General Obligation Bonds			Covenant Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 1,117,169	\$ 1,374,218	\$ 2,491,387	\$ 1,240,000	\$ 714,538	\$ 1,954,538
2018	1,104,936	1,386,034	2,490,970	1,295,000	661,788	1,956,788
2019	1,099,238	1,391,592	2,490,830	1,335,000	618,188	1,953,188
2020	1,096,610	1,397,240	2,493,850	1,370,000	578,038	1,948,038
2021	1,092,061	1,401,089	2,493,150	1,415,000	537,838	1,952,838
2022-2026	5,828,561	6,644,940	12,473,501	7,860,000	1,936,079	9,796,079
2027-2031	5,956,715	1,536,584	7,493,299	5,960,000	684,808	6,644,808
2032-2034	-	-	-	1,310,000	40,134	1,350,134
Total	<u>\$ 17,295,290</u>	<u>\$ 15,131,697</u>	<u>\$ 32,426,987</u>	<u>\$ 21,785,000</u>	<u>\$ 5,771,411</u>	<u>\$ 27,556,411</u>

City of Deerfield Beach, Florida
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Business-type Activites Debt						
Year Ending September 30	Revolving Loans			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
Business-type Activites Debt						
Year Ending September 30	Revolving Loans			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 1,613,415	\$ 221,505	\$ 1,834,920	\$ 727,083	\$ 608,492	\$ 1,335,575
2018	1,637,761	192,559	1,830,320	764,591	572,121	1,336,712
2019	1,667,316	163,118	1,830,434	802,229	533,918	1,336,147
2020	1,697,084	133,168	1,830,252	841,720	495,131	1,336,851
2021	1,717,071	102,694	1,819,765	881,859	451,809	1,333,668
2022-2026	3,743,140	208,983	3,952,123	5,111,134	1,553,110	6,664,244
2027-2031	422,363	7,012	429,376	3,711,186	277,690	3,988,876
Total	\$ 12,498,150	\$ 1,029,039	\$ 13,527,190	\$ 12,839,802	\$ 4,492,271	\$ 17,332,073

5. Pollution Remediation

The City accepted approximately 44.65 acres of donated land in October 2011 from a private donor. The City plans to redevelop the land and eventually use it for community facilities and recreation, as well as open space. The land has been found to contain contamination from toxic substances. According to studies conducted to determine the extent of the pollution and the expected costs of remediation can range between \$150,000 and \$4,000,000 depending on the prospective use of the land. The donor has contributed \$250,000 towards the future costs of clean-up. No remediation efforts had begun as of September 30, 2016. The remediation outlays are considered necessary to prepare the asset for its intended use, and will be capitalized as part of the newly developed asset as expenditures are incurred, and therefore no expenditure and liability have been accrued at this time.

NOTE IV. OTHER INFORMATION

A. Restricted Assets

The amounts shown below are those assets restricted by sources external to the City.

Ordinances and bond covenants pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts as of September 30, 2016:

<u>Governmental Activities</u>	Total
Community Redevelopment Agency Funds	\$ 2,006,838
Cemetery reserve endowments	1,858,580
Local option gas tax	923,228
Impact fees	267,232
Grant funds	1,704,299
Law Enforcement/Crime Prevention /Other Trust Funds	2,908,306
Bond construction account	5,884,364
Loan debt service accounts	2,400,833
Total governmental activities restricted assets	\$ 17,953,680

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Business-type Activities

	Water and Sewer Fund	Solid Waste Fund	Total
Customer deposits	\$ 552,030	\$ 51,007	\$ 603,037
Bond construction accounts	2,733,515	-	2,733,515
Revolving loan covenant accounts	1,834,718	-	1,834,718
Total business-type activities restricted assets	<u>\$ 5,120,263</u>	<u>\$ 51,007</u>	<u>\$ 5,171,270</u>

B. Restricted Net Position

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

<u>Purpose</u>	<u>Amount</u>
Improvements to programs within the Community Redevelopment Area	\$ 1,843,653
State Housing Initiative/Neighborhood Stabilization Grant Programs	1,094,533
Roadway improvements/parking system improvements	838,631
Senior services programs	275,368
Confiscated property seizures/code enforcement fines for crime prevention	1,567,647
Beautification and landscape projects	348,784
Parks and recreation program	433,633
Perpetual care and general reserve operations for cemeteries	1,873,186
Debt service	<u>1,339,355</u>
Total restricted net position - governmental activities	<u>9,614,790</u>
Restricted for debt service (Water and Sewer Fund)	<u>1,834,718</u>
Total restricted net position - business-type activities	<u>1,834,718</u>
Total government-wide restricted net position	<u>\$ 11,449,508</u>

City of Deerfield Beach, Florida
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C. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. Liability claims in the State of Florida are limited to some extent by Chapter 768.28 of the Florida Statutes, under the Doctrine of Sovereign Immunity. The General Fund provides coverage of up to \$175,000 per participant for employee health claims. The General Fund also provides coverage for workers compensation claims. The City retains the risk of loss up to \$200,000 for general liability claims and \$100,000 for property damage claims. For all other risks of loss, the City has purchased an excess coverage insurance policy covering individual claims in excess of these specified amounts. Settled claims did not exceed the commercial coverage in any of the past three fiscal years.

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

At September 30, 2016, the amount of these liabilities was \$6,171,056. Changes in the reported liability since September 30, 2015 resulted from the following:

Fiscal Year	Claims Payable October 1	Current Year's Claims and Changes in Estimates	Claims Payments	Liability September 30
2016	\$ 7,473,515	\$ 10,958,550	\$ (12,261,009)	\$ 6,171,056
2015	\$ 7,125,785	\$ 10,887,454	\$ (10,539,724)	\$ 7,473,515

D. Contingent Liabilities

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

At September 30, 2016, portions of some Federal Emergency Management Agency ("FEMA") claims for approximately \$2.1 million were determined, through a review by the Office of the Inspector General, to be overfunded. The City's position is, the expenditures were proper, had been fully reviewed and approved by FEMA representatives at the State and Federal levels, and will be ultimately approved by FEMA. Based on the nature of this matter as described above, management does not believe it is probable that the City will have to refund any amounts to FEMA. As such, no liability has been recorded related to the request for reimbursement of previous FEMA awards.

Amounts, if any, of other expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

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

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Notes to the Financial Statements
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E. Defined Benefit Pension Plans

1. Plan Description

The City of Deerfield Beach, as a single employer, maintains three defined benefit pension plans covering full-time firefighters employed by the City prior to October 1, 2011, police officers employed by the City prior to January 13, 1990, and non-uniformed employees hired before April 17, 1990. The Deerfield Beach Municipal Firefighters' Pension Trust Fund (the Fire Pension Plan), the City of Deerfield Beach Police Officers' Retirement Plan (the Police Pension Plan) and the City of Deerfield Beach Non-Uniformed Employees' Retirement Fund (the Non-uniformed Pension Plan) are individual plans administered for each of three employee categories: fire, police and non-uniformed personnel. Each plan is governed by its own board of trustees, which is responsible for establishing employee benefit provisions within the framework of Chapters 175 and 185 of the Florida Statutes and local ordinances. Retirement, disability and death benefits and annual cost-of-living adjustments are provided by all three plans to members and beneficiaries. New members are no longer admitted to any of the three defined benefit plans.

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

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

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

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

2. Funding Policy

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

The Fire Pension Fund, as well as the Police Pension Fund, is partially funded by contributions from the State of Florida. The state's contribution to the pension funds consists of excise taxes collected on fire and casualty insurance premiums on policies written within the City limits. For fiscal year 2016, the state contributed \$750,586 and \$627,053 to the Fire Pension and Police Pension Funds, respectively. On-behalf payments of fringe benefits and salaries for the City's employees were recognized as revenues and expenses during the period.

City of Deerfield Beach, Florida
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Information regarding fiscal year 2016 participant data for the three pension plans is as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>	<u>Total</u>
Plan membership as of actuarial valuation date				
Inactive members or beneficiaries currently receiving benefits	116	76	147	339
Inactive members entitled to but not yet receiving benefits	0	0	0	0
Active member	<u>87</u>	<u>0</u>	<u>4</u>	<u>91</u>
	<u>203</u>	<u>76</u>	<u>151</u>	<u>430</u>

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

3. Net Pension Liability

The component of net pension liability as of September 30, 2015 were as follows:

	<u>Fire</u>	<u>Police</u>	<u>Non-uniformed</u>	<u>Total</u>
Total pension liability	\$ 136,963,565	\$ 52,186,489	\$ 60,695,984	\$ 249,846,038
Plan fiduciary net position	<u>(99,661,364)</u>	<u>(37,671,100)</u>	<u>(55,328,028)</u>	<u>(192,660,492)</u>
City's net pension liability	<u>\$ 37,302,201</u>	<u>\$ 14,515,389</u>	<u>\$ 5,367,956</u>	<u>\$ 57,185,546</u>
Plan fiduciary net position as a percentage of the total pension liability	72.76 %	72.19 %	91.16 %	

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	Fire	Police	Non-uniformed
Total pension liability - beginning	\$ 132,952,717	\$ 51,305,769	\$ 61,095,748
Changes for the year:			
Service cost	2,745,537	-	77,233
Interest	10,038,296	3,459,881	4,161,337
Difference between expected and actual experience	(1,414,007)	(515,319)	-
Change in benefit terms	106,820	2,326,603	-
Change of assumptions	-	-	1,187,719
Share plan allocation	-	359,314	-
Benefit payments	(7,418,254)	(4,749,759)	(5,826,053)
Refunds	(47,544)	-	-
Net change in total pension liability	<u>4,010,848</u>	<u>880,720</u>	<u>(399,764)</u>
Total pension liability - ending (a)	136,963,565	52,186,489	60,695,984
Plan fiduciary net position - beginning	103,894,584	39,056,879	59,846,539
Contributions - employer	5,064,382	1,944,572	1,713,421
Contributions - State of Florida	725,199	564,765	-
Contribution - employee	868,805	-	26,457
Net investment income (loss)	(3,188,136)	952,079	(330,924)
Benefit payments	(7,418,254)	(4,749,759)	(5,826,053)
Refund of member contributions	(47,544)	-	-
Administrative expenses	<u>(237,672)</u>	<u>(97,436)</u>	<u>(101,412)</u>
Net change in plan fiduciary net position	<u>(4,233,220)</u>	<u>(1,385,779)</u>	<u>(4,518,511)</u>
Plan fiduciary net position - ending (b)	<u>99,661,364</u>	<u>37,671,100</u>	<u>55,328,028</u>
Net pension liability (a-b)	<u>\$ 37,302,201</u>	<u>\$ 14,515,389</u>	<u>\$ 5,367,956</u>

4. Significant Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of October 1, 2014, using the following actuarial assumptions.

Assumptions	Fire Pension	Police Pension	Non-Uniformed
Inflation	2.75%	N/A	3.00%
Salary increases	5% to 11%	N/A	6.00% per year
Investment rate of return	7.625%	6.75%	7.00%
Mortality	RP-2000 fully generational with scale AA	RP-2000 Generational RP-2000 table Disabled for disabled lives projection	1994 Group Annuity Mortality (GAM) table for males and females
Retirement age	N/A	N/A	Age 64 with 10 years of service service or age 55 with 25 years of service

5. Pension Discount Rate

The discount rate used to measure the total pension liability was 7.625%, 6.75%, and 7.00% for the Fire, Police, and Non-Uniformed Pension plans respectively. This is a single rate that reflects the long-term expected net rate of return on Pension plan investments expected to be used to finance the payment of benefits, including inflation. The projection of cash flows used to determine the discount rate assumed member contributions are made at 9% of pay and City contributions will be made in an amount equal to the difference between the actuarially determined contributions and

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member contributions. Fiduciary net position is projected to be sufficient to make projected benefits payments, for purposes of this determination.

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

Net Pension Liability

	Fire Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
Percent change	6.625%	7.625%	8.625%
Net pension liability	\$52,062,269	\$37,302,201	\$25,059,491

	Police Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
Percent change	5.75%	6.75%	7.75%
Net pension liability	\$21,853,356	\$14,515,389	\$12,232,098

	Non-uniformed Pension Plan		
	1% Decrease	Current Discount Rate	1% Increase
Percent change	6.00%	7.00%	8.00%
Net pension liability	\$10,316,547	\$5,367,956	\$1,077,940

6. Investments - Long-Term Expected Rate of Return

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

Fire

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.97%
International equity	2.50%
Bonds	4.38%
Treasury inflation-protected securities	3.08%
Convertibles	6.37%
Private real estate	4.57%
Master limited partnerships	10.21%
Hedge fund	3.94%

Police

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
Foreign equity securities	8.50%
Domestic fixed income	2.50%
Global bond	3.50%
Real estate funds	4.50%

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Police

Asset Class	Long-Term Expected Real Rate of Return
Treasury inflation-protected securities	2.50%

Non-Uniformed

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	6.45%
International equity	5.34%
Fixed income	2.30%
Real estate funds	2.80%
Hedge fund	2.35%

7. Asset Allocation

The tables below indicate the fund investment policy, targets, and actual asset allocations as of September 30, 2016:

Fire

Asset Class	Investment Policy
Fixed income & TIPS	20-67%
International	10-25%
Large cap core	6-12%
Large cap growth	6-12%
Mid cap core	5-9%
Small cap value	3-7%
Convertibles	6-11%
Hedge fund	0-15%
Master limited partnerships	2-7%
Real estate funds	0-12%

Fire

Asset Class	Actual Allocation
Fixed income & TIPS	23.90%
International	14.00%
Large cap core	8.20%
Large cap growth	4.10%
Mid cap core	7.20%
Small cap value	5.40%
Convertibles	9.50%
Hedge fund	10.20%
Master limited partnerships	3.30%
Real estate funds	11.30%

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Police

Asset Class	Investment Policy
Domestic equity	25-60%
Fixed income	30-40%
International equity	10-20%
Real estate fund	0-15%
Treasury inflation-protected securities	0-5%
Global Bond	0-10%

Police

Asset Class	Actual Allocation
Domestic equity	45.00%
Fixed income	17.00%
International equity	15.00%
Real estate fund	15.00%
Treasury inflation-protected securities	3.00%
Global Bond	5.00%

Non-Uniformed

Asset Class	Investment Policy
Domestic equity	30-65%
International equity	5-15%
Fixed income	20-40%
Hedge funds	0-12.5%
Real estate fund	0-7.5%
Cash and cash equivalents	Minimum

Non-Uniformed

Asset Class	Actual Allocation
Domestic equity	43.00%
International equity	10.00%
Fixed income	29.00%
Hedge funds	5.00%
Real estate fund	8.00%
Cash and cash equivalents	3.00%

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

Pension expense and deferred outflows and deferred inflows of resources related to pensions: The net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014. The City reported deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows (Inflows)		
	Fire	Police	Non-Uniformed
Contributions subsequent to the measurement date	\$ 5,727,739	\$ 2,535,829	\$ 1,543,620
Difference between expected and actual experience	(594,946)	(491,556)	-
Difference between expected and actual earnings on investments	8,292,172	1,284,288	2,640,190
Change in assumptions	769,536	-	-
Total deferred outflows (inflows)	<u>\$ 14,194,501</u>	<u>\$ 3,328,561</u>	<u>\$ 4,183,810</u>

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The deferred outflows of resources resulting from City contributions to the pension plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. The amount reported as a deferred inflow/outflow of resources related to the pension will be recognized in pension expense over the four remaining years as follows:

Fiscal Year Ended September 30	Fire Pension	Police Pension	Non-Uniformed Pension
2017	\$ 2,201,318	\$ 157,219	\$ 588,488
2018	1,823,830	157,220	588,488
2019	1,856,860	157,220	588,490
2020	2,584,754	321,073	874,724
Total	<u>\$ 8,466,762</u>	<u>\$ 792,732</u>	<u>\$ 2,640,190</u>

F. Defined Contribution Plan

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

The City contributed 8% of salaries to the plan on a bi-weekly basis, for a contribution for the year ending September 30, 2016 of \$1,462,821. The plan requires a 4% match of all participants. Plan participants become fully vested in the plan after five years of service. Total member contributions for the fiscal year totaled \$687,530.

G. Deferred Compensation Plan

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

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

H. Other Postemployment Benefits

The City's Other Postemployment Benefits (OPEB) are presented in accordance with GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

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Benefit Description and Funding Policy

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

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

Benefit provisions and City contribution requirements are established and may be amended by the City Commission. As of September 30, 2016, there were 206 retired employees receiving a monthly benefit with an additional 361 eligible for participation in the future. Benefit payments totaled \$2,472,418 for the year.

Annual OPEB Cost, Funding Status and Funding Progress

Annual OPEB Cost (AOC) is a measure of the periodic cost of an employer's participation in a defined benefit OPEB plan. Details of the City's AOC and Net OPEB Obligation (NOO) for the year ended September 30, 2016 follow:

Annual required contribution		\$	4,955,088
Interest on plan obligation			503,826
Adjustment to ARC			<u>(473,028)</u>
Annual OPEB cost (AOC)			4,985,886
Actual contributions made			<u>(2,472,418)</u>
Increase in NOO			2,513,468
NOO - Beginning of year			<u>12,595,657</u>
NOO - End of year			<u><u>\$ 15,109,125</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation for the last three fiscal years follow:

<u>Fiscal Year</u>	<u>AOC</u>	<u>Contribution</u>	<u>Percent Contributed</u>	<u>NOO</u>
2014	\$ 4,698,549	\$ 2,144,414	-%	\$ 10,147,012
2015	4,666,685	2,218,040	-%	12,595,657
2016	4,985,886	2,472,418	-%	15,109,125

As of the October 1, 2014 valuation date, the actuarial accrued liability for benefits was \$63,437,144 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$63,437,144. The payroll for active participating employees for that period was approximately \$22,838,932 and the unfunded actuarial accrued liability as a percentage of payroll was 293.0%. The annual OPEB cost and the actuarial accrued liability increased due to increased costs for claims based on the age-graded, sex distinct, monthly per capita cost.

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Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Amounts determined regarding the funding status of benefits and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Following are the actuarial methods and significant actuarial assumptions used to determine the annual required contribution for the current year:

Valuation date:	October 1, 2014
Actuarial cost method:	Entry-age
Amortization method:	Level percent *, open
Remaining amortization period:	30 years
Investment rate of return/discount rate:	4.0%
Inflation rate:	4.0%
Projected salary increases:	6%

NOTE V. COST SHARING DEFINED BENEFIT PLANS

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

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

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

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

A. Plan Description

FRS Pension Plan

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

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

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

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

HIS Plan

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

B. Benefits Provided

FRS Pension Plan

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

Elected Officers' Class: 3.00%

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

HIS Plan

For the fiscal year ended September 30, 2016 eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-

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administered retirement system must provide proof of health insurance coverage, which may include Medicare.

C. Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Employees are required to contribute 3% of gross salary. Employer contribution is based on class. For the fiscal year ended September 30, 2016, the contribution rate for Elected Officers' Class for the period October 1, 2015 through June 30, 2016 and from July 1, 2016 through September 30, 2016 was 42.27% and 42.47% percent, respectively

The City's contributions for FRS totaled \$59,165 and employee contributions totaled \$3,524. for the fiscal year ended September 30, 2016.

HIS Plan

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2016, the HIS contribution was 1.66 percent. The City contributed 100 percent of its statutorily required contributions for the current year and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

At September 30, 2016, the City reported liabilities of \$533,351 for its proportionate share of the FRS net pension liability and \$54,911 for the HIS net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The City's proportionate share of the net pension liability was based on the City's fiscal year 2016 contributions relative to the fiscal year 2015 contributions of all participating members.

For the fiscal year ended September 30, 2016, the City recognized pension expense of \$234,000. In addition, the City reported, in the government-wide financial statements, deferred outflows of resources and deferred inflows of resources related to both plans from the following sources:

Description	Deferred Outflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 40,837	\$ -	\$ 40,837
Change of assumptions	32,266	8,617	40,883
Net difference between projected and actual earnings on plan investments	137,865	28	137,893
Changes in proportion and differences between City contributions and proportionate share of contributions	150,666	822	151,488
City contributions subsequent to measurement date	15,315	650	15,965
Total deferred outflows of resources	<u>\$ 376,949</u>	<u>\$ 10,117</u>	<u>\$ 387,066</u>

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Description	Deferred Inflows of Resources		
	FRS	HIS	Total
Differences between expected and actual experience	\$ 4,966	\$ 125	\$ 5,091
Changes in proportion and differences between City contributions and proportionate share of contributions	24,497	3,072	27,569
Total deferred outflows of resources	<u>\$ 29,463</u>	<u>\$ 3,197</u>	<u>\$ 32,660</u>

The deferred outflows of resources related to pensions, totaling \$15,965, resulting from City contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Employer Share of Deferred Outflows		
	FRS	HIS	Total
2017	\$ 65,710	\$ 1,145	\$ 66,855
2018	65,710	1,145	66,855
2019	119,458	1,139	120,597
2020	72,976	1,137	74,113
2021	7,480	1,039	8,519
Thereafter	837	665	1,502
Total	<u>\$ 332,171</u>	<u>\$ 6,270</u>	<u>\$ 338,441</u>

E. Actuarial Assumptions

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

Mortality table	Generational RP-2000 with	
Experience Study	Projection Scale BB Tables	
Actuarial cost method	7/1/08 - 6/30/13	
	Individual entry age normal	
	FRS	HIS
Investment rate of return	7.60 %	2.85 %
Projected salary increases	3.25 %	3.25 %
Inflation	2.60 %	2.60 %

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F. Long-term Expected Rate of Return

FRS Pension Plan

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	3.0%	3.0%	1.7%
Fixed income	18%	4.7%	4.6%	4.6%
Global equity	53%	8.1%	6.8%	17.2%
Real estate (property)	10%	6.4%	5.8%	12.0%
Private equity	6%	11.5%	7.8%	30.0%
Strategic investments	12%	6.1%	5.6%	11.1%
	<u>100%</u>			
Assumed inflation-mean		2.6%		1.9%

Note: (1) As outlined in the Plan's investment policy

G. Discount Rate

The discount rate used to measure the total pension liability was 7.60% for the FRS plan. The fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The HIS program uses a pay as you go funding structure, so therefore, the depletion date is considered to be immediate and the single equivalent discount rate is equal to the municipal bond rate. The municipal bond rate of 2.85% was used to determine the total pension liability for the program. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

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

The following table presents the sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the City's proportionate share of the net pension liability if the discount rate was 1.00% lower or 1.00% higher than the current discount rate at June 30, 2016.

	City's Proportionate Share of the Net Pension Liability		
	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
FRS	\$ 981,934	\$ 533,351	\$ 159,964
	1% Decrease 1.85%	Current Discount Rate 2.85%	1% Increase 3.85%
HIS	\$ 62,995	\$ 54,911	\$ 48,201

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I. Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2016, the City recognized pension expense of \$1,717,416. as the result of GASB No. 68. Deferred outflows and inflows of resources related to pensions are as follows.

	Non- Uniformed Pension	Police Pension	Fire Pension	FRS/HIS Pension	Total
Total deferred outflows	\$ 5,042,513	\$ 3,820,117	\$ 16,094,680	\$ 387,066	\$ 25,344,376
Total deferred inflows	858,703	491,556	1,900,179	32,660	3,283,098
Total net pension liability	5,367,956	4,515,389	37,302,201	588,262	57,773,808
Total pension expense	\$ 221,505	\$ 432,556	\$ 829,499	\$ 233,856	\$ 1,717,416

k. New Accounting Pronouncements Not Yet Adopted

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. The City is currently evaluating the implementation requirements of this statement.

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GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirement of this Statement are effective for financial statements for periods beginning after December 15, 2015. The City is currently evaluating the implementation requirements of this statement.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The City is currently evaluating the implementation requirement of this statement.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. The City is currently evaluating the implementation requirement of this statement.

GASB Statement No.82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The City is currently evaluating the implementation requirement of this statement.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting for reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidelines in this Statement. This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement will also enhance the decision-usefulness of the information provided to financial statements users by requiring disclosures related to those AROs. The requirements for this Statement are effective for reporting periods beginning after June 15, 2018. The City is currently evaluating the implementation requirements of this statement.

City of Deerfield Beach, Florida
Notes to the Financial Statements
September 30, 2016

GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City is currently evaluating the requirements of this statement.

GASB Statement No. 85, *OMNIBUS 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits [OPEB]). The requirements of this statement are effective for reporting periods beginning after June 15, 2017. The City is currently evaluating the requirements of this statement.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources- resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2017. The City is currently evaluating the requirements of this statement.

Required Supplementary Information

City of Deerfield Beach, Florida
Required Supplementary Information
General Fund
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis - Unaudited)
For the Year Ended September 30, 2016

	Budgeted Amounts		(Budgetary Basis)	Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues:				
Property taxes	\$ 34,667,948	\$ 34,667,948	\$ 34,887,089	\$ 219,141
Sales Taxes	6,433,210	6,433,210	6,790,747	357,537
Fire assessment fees	10,993,880	10,993,880	11,068,185	74,305
Franchise fees	8,112,992	8,112,992	7,795,465	(317,527)
Utility Tax	7,948,000	7,948,000	8,074,781	126,781
Licenses and permits	3,686,000	3,686,000	4,202,871	516,871
Intergovernmental	3,100,770	3,100,770	4,185,281	1,084,511
Charges for services	9,763,758	9,763,758	9,537,692	(226,066)
Fines and forfeitures	1,255,300	1,255,300	1,390,405	135,105
Investment earnings	33,000	33,000	124,029	91,029
Miscellaneous:				
Impact fees	77,500	77,500	-	(77,500)
Donations/contributions	186,000	186,000	217,381	31,381
Administrative fees	7,350,019	7,350,019	7,350,019	-
Other	4,207,453	4,207,453	435,606	(3,771,847)
Total revenues	97,815,830	97,815,830	96,059,551	(1,756,279)
Expenditures				
Departmental:				
City commission	235,267	235,267	233,876	1,391
City manager	5,528,047	5,528,047	5,244,880	283,167
City clerk	418,581	418,581	393,681	24,900
City attorney	411,000	411,000	415,733	(4,733)
Central services	520,900	520,900	532,900	(12,000)
Parks & recreation	11,649,430	11,649,430	10,453,702	1,195,728
Fire/rescue	30,963,128	30,963,128	29,850,596	1,112,532
Human resources	812,923	812,923	606,888	206,035
Insurance/safety	4,988,683	4,988,683	5,478,553	(489,870)
Financial services	1,325,638	1,325,638	1,257,005	68,633
Planning and development services	4,554,166	4,554,166	4,923,969	(369,803)
Information technology services	1,324,463	1,324,463	1,171,832	152,631
Economic development	94,413	94,413	22,680	71,733
Community development	361,824	361,824	185,731	176,093
Police	23,168,725	23,168,725	22,968,827	199,898
Fleet maintenance	876,606	876,606	684,009	192,597
Senior services	2,413,277	2,413,277	2,075,818	337,459
Community participation	210,593	210,593	168,093	42,500
Other - unclassified	5,096,184	5,096,184	3,676,132	1,420,052
Debt service	568,642	568,642	91,148	477,494
Total expenditures	95,522,490	95,522,490	90,436,053	5,086,437
Excess (deficiency) of revenues over (under) expenditures	2,293,340	2,293,340	5,623,498	3,330,158
Other financing sources (Uses)				
Capital lease	-	-	1,752,172	1,752,172
Transfers in	2,207,265	2,207,265	2,027,265	(180,000)
Transfers out	(4,500,605)	(4,500,605)	(4,624,930)	(124,325)
Total other financing sources (uses)	(2,293,340)	(2,293,340)	(845,493)	1,447,847
Net change in budgetary fund balances	\$ -	\$ -	\$ 4,778,005	\$ 4,778,005

City of Deerfield Beach, Florida

Required Supplementary Information Community Redevelopment Agency Fund Budgetary Comparison Schedule (Non-GAAP Budgetary Basis - Unaudited) For the Year Ended September 30, 2016

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 2,743,081	\$ 2,743,081	\$ 2,716,228	\$ (26,853)
Investment earnings	-	-	9,616	9,616
Miscellaneous	222,791	222,791	8,500	(214,291)
Total revenues	<u>2,965,872</u>	<u>2,965,872</u>	<u>2,734,344</u>	<u>(231,528)</u>
Expenditures				
Current:				
Economic environment	1,397,912	1,397,912	759,608	638,304
Public Safety	55,000	55,000	38,175	16,825
Physical environment	750,000	750,000	-	750,000
Culture and recreation	150,000	150,000	134,457	15,543
Capital outlay	1,317,804	1,317,804	116,002	1,201,802
Total expenditures	<u>3,670,716</u>	<u>3,670,716</u>	<u>1,048,242</u>	<u>(2,622,474)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(704,844)</u>	<u>(704,844)</u>	<u>1,686,102</u>	<u>2,390,946</u>
Other financing sources (Uses)				
Transfers out	<u>(1,095,156)</u>	<u>(1,095,156)</u>	<u>(1,095,156)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,095,156)</u>	<u>(1,095,156)</u>	<u>(1,095,156)</u>	<u>-</u>
Net change in budgetary fund balances	<u>\$ (1,800,000)</u>	<u>\$ (1,800,000)</u>	<u>\$ 590,946</u>	<u>\$ 2,390,946</u>

City of Deerfield Beach, Florida
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis - Unaudited)
General Fund
For the Year Ended September 30, 2016

NOTE 1. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

At any time during the fiscal year, the City Manager may authorize a budget adjustment among the various line items within a department, as long as the total budget for the department does not change. Furthermore, if the City Manager certifies that there are revenues available for appropriation in excess of those estimated in the original budget, the City Commission may, by ordinance, make supplemental appropriations for the year up to the amount of such excess. No supplemental appropriations were made during the fiscal year.

B. Reconciliation of Budget to Actual

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

	GAAP Basis Actual	Net Encumbrances*	Non-GAAP Basis Actual
Current expenditures	\$ 89,379,916	\$ 964,989	\$ 90,344,905
Debt service	91,148	-	91,148
Total expenditures	<u>\$ 89,471,064</u>	<u>\$ 964,989</u>	<u>\$ 90,436,053</u>

In the above reconciliation, "net encumbrances" represents the difference between the encumbrances outstanding as of September 30, 2015 and the outstanding encumbrances as of September 30, 2016, which were paid during fiscal year 2016.

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

Measurement Date, September 30,	<u>2014</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 2,859,229	\$ 2,745,537
Interest	9,456,530	10,038,296
Changes of benefit terms	172,555	106,820
Differences between expected and actual experience	846,838	(1,414,007)
Changes in assumption	1,795,582	-
Benefit payments, including refunds of employee contributions	(7,328,455)	(7,418,254)
Refunds of member contributions	-	(47,544)
Net change in total pension liability	<u>7,802,279</u>	<u>4,010,848</u>
Total pension liability - beginning	<u>125,150,438</u>	<u>132,952,717</u>
Total pension liability - ending (a)	<u>132,952,717</u>	<u>136,963,565</u>
Plan fiduciary net position		
Contributions - employer	\$ 5,051,768	\$ 5,064,382
Contributions - State of Florida	791,013	725,199
Contributions - employees	882,792	868,805
Net Investment Income	8,931,143	(3,188,136)
Benefit payments	(7,328,455)	(7,418,254)
Refund of member contributions	-	(47,544)
Administrative expense	(232,032)	(237,672)
Net change in plan fiduciary net position	<u>8,096,229</u>	<u>(4,233,220)</u>
Plan fiduciary net position - beginning	<u>95,798,355</u>	<u>103,894,584</u>
Plan fiduciary net position - ending	<u>\$ 103,894,584</u>	<u>\$ 99,661,364</u>
City's net pension liability - ending	<u>\$ 29,058,133</u>	<u>\$ 37,302,201</u>
Net position as percentage of the total pension liability	78.14 %	72.76 %
Covered employee payroll	\$ 9,687,400	\$ 9,628,949
Net pension liability as a percentage of covered employee payroll	299.96 %	387.40 %

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

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

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 5,842,802	\$ 5,842,802	\$ -	\$ 9,687,400	60.3 %
2015	5,789,581	5,789,581	-	9,628,949	60.1 %
2016	5,727,739	5,727,739	-	9,412,235	60.9 %

Methods and assumptions used to determine rates::

Valuation date	October 1, 2014
Notes	Actuarially determined contributions are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	17 years as of October 1, 2014.
Asset Valuation Method	5-year smoothed market
Inflation	2.75%
Salary Increases	5% to 11%, including inflation
Investment Rate of Return	7.625% net of investment expenses, including inflation
Retirement Age	First day of the month coincident with or next following the earlier of (1) completion of 20 years of credited service without regard to age, or (2) attainment of age 52 and completion of 10 years of credited service.
Mortality	RP-2000 Combined Mortality Table Fully Generational using Scale AA.

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

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

Measurement Date, September 30,	2014	2015
Total pension liability		
Interest	\$ 3,367,750	\$ 3,459,881
Changes of benefit terms	-	2,326,603
Share Plan Allocation	338,294	359,314
Differences between expected and actual experience	-	(515,319)
Benefit payments, including refunds	(4,585,732)	(4,749,759)
Net change in total pension liability	(879,688)	880,720
Total pension liability - Beginning	52,185,457	51,305,769
Total pension liability - Ending (a)	51,305,769	52,186,489
Plan fiduciary Net Position		
Contributions - employer	\$ 1,779,355	\$ 1,944,572
Contributions - employee	543,745	564,764
Net investment income	3,324,844	952,079
Benefit payments, including refunds of employee contributions	(4,585,732)	(4,749,759)
Administrative expense	(71,170)	(97,436)
Net change in plan fiduciary net position	991,042	(1,385,780)
Plan fiduciary net position - beginning	38,065,837	39,056,879
Plan fiduciary net position - ending	\$ 39,056,879	\$ 37,671,100
City's net pension liability - ending	\$ 12,248,890	\$ 14,515,389
Net position as percentage of the total pension liability	76.13 %	72.19 %
Covered employee payroll	N/A	N/A *
Net pension liability as a percentage of covered employee payroll	N/A	N/A *

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

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

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

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2014	\$ 1,984,806	\$ 1,984,806	\$ -	-	-%
2015	2,150,023	2,150,023	-	N/A	N/A
2016	2,535,829	2,535,829	-	N/A	N/A

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

Methods and assumptions used to determine contribution rates,:

Valuation Date	October 1, 2014
Notes	Actuarially determined contributions are calculated as of October 1, which is one year prior to the end of the year in which contributions are reported.
Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar, closed
Remaining Amortization Period	23 years
Asset Valuation Method	Restricted to 80% - 120% of market value, obtained by smoothing three years' past differences between actual investment earnings and assumed investment return, then adding this number onto the current market value.
Inflation	N/A
Salary Increases	6.0% per year
Investment Rate of Return	6.75% compounded annually, net of investment related expenses
Retirement Age	Age 64 with 10 years of service or age 55 with 25 years of service
Mortality	RP-2000 Table with no projection

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

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

Measurement Date, September 30,	<u>2014</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 78,741	\$ 77,233
Interest	4,289,889	4,161,337
Differences between expected and actual experience	528,068	-
Benefit payments, including refunds of employee contributions	<u>(5,786,184)</u>	<u>(4,638,334)</u>
Net change in total pension liability	(889,486)	(399,764)
Total pension liability - beginning	<u>61,985,234</u>	<u>61,095,748</u>
Total pension liability - ending (a)	<u>61,095,748</u>	<u>60,695,984</u>
Plan fiduciary net position		
Contributions - employer	\$ 1,721,000	\$ 1,713,421
Contributions - member	33,417	26,457
Net investment income	5,519,418	(330,924)
of member contributions	(5,786,184)	(5,826,053)
Administrative expense	<u>(93,157)</u>	<u>(101,412)</u>
Net change in plan fiduciary net position	1,394,494	(4,518,511)
Plan fiduciary net position - beginning	<u>58,452,045</u>	<u>59,846,539</u>
Plan fiduciary net position - ending	<u>\$ 59,846,539</u>	<u>\$ 55,328,028</u>
City's net pension liability - ending	<u>\$ 1,249,209</u>	<u>\$ 5,367,956</u>
Net position as percentage of the total pension liability	97.96 %	91.16 %
Covered employee payroll	412,795	307,142
Net pension liability as a percentage of covered employee payroll	302.62 %	1,747.71 %

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

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

Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 1,721,000	\$ 1,721,000	\$ -	\$ 371,300	463.51 %
2015	1,713,421	1,713,421	-	412,795	415.08 %
2016	1,543,620	1,543,620	-	307,142	502.58 %

Methods and assumptions used to determine contribution rates:

Valuation date October 1, 2014
Notes Actuarially determined contributions are calculated as of October 1,
one year prior to the end of the year in which contributions are reported.

Actuarial cost method Entry age normal
Amortization method Level dollar, closed
Remaining amortization period 8 years
Asset valuation method 4-year smoothed market
Inflation 4.00%
Salary increases 6.0% per year
Investment rate of return 7.00%
Retirement age Age 64 with 10 years of service or age 55 with 25 years of service
Mortality 1994 Group Annuity Mortality (GAM) table for males and females

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

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

Other Post-Employment Benefits						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
10/1/2010	\$ -	\$ 52,101,328	\$ 52,101,328	0 %	\$ 33,561,568	155 %
10/1/2012	-	61,099,758	61,099,758	0 %	21,899,991	279 %
10/1/2014	-	63,437,144	63,437,144	0 %	21,647,531	293 %

City of Deerfield Beach, Florida
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Florida Retirement System Pension Plan

	2016
City's proportion of the net pension liability	0.00211 %
City's proportionate share of the FRS net pension liability	\$ 533,351
City's covered employee payroll	\$ 4,788,287
City's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	11.1 %
FRS Plan fiduciary net position as a percentage of the total pension liability	84.9 %

Note: The amounts presented above were determined as of June 30th.

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

	2016
Contractually required FRS contribution	\$ 543,466
FRS contribution in relation to the contractually required contribution	543,466
FRS contribution deficiency (excess)	\$ -
City's covered payroll	\$ 4,827,426
FRS contribution as a percentage of covered employee payroll	11.26 %

Note: This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available. The amounts presented above were determined as of September 30th.

The schedules presented above illustrate the requirements of GASB Statement No. 68. The City recognized the net pension liability, deferred outflows and deferred inflows, and pension expense related to the FRS and HIS plans during the year ended September 30, 2016. Beginning year amounts were not considered to be significant.

City of Deerfield Beach, Florida
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Health Insurance Subsidy Pension Plan

	2016
City's proportion of the net pension liability	0.000471 %
City's proportionate share of the FRS net pension liability	\$ (54,911)
City's covered employee payroll	\$ 4,788,287
City's proportionate share of the FRS net pension liability as a percentage of its covered employee payroll	(1.1)%
FRS Plan fiduciary net position as a percentage of the total pension liability	0.97 %

Note: The amounts presented above were determined as of June 30th.

Schedule of the City's Contributions
Health Insurance Subsidy Pension Plan

	2016
Contractually required FRS contribution	\$ 79,503
FRS contribution in relation to the contractually required contribution	79,503
FRS contribution deficiency (excess)	\$ -
City's covered payroll	\$ 4,827,426
FRS contribution as a percentage of covered employee payroll	1.65 %

Note: This schedule is presented as required by accounting principles generally accepted in the United States of America. However, until a full 10-year trend is compiled, information is presented for those years available. The amounts presented above were determined as of September 30th..

The schedules presented above illustrate the requirements of GASB Statement No. 68. The City recognized the net pension liability, deferred outflows and deferred inflows, and pension expense related to the FRS and HIS plans during the year ended September 30, 2016. Beginning year amounts were not considered to be significant.

**COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

DEBT SERVICE FUNDS

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

General Obligation Debt Service Fund – to accumulate monies for payment of Series 2000A, 2006 and 2012 Florida Municipal Loan Council Revenue bonds.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL GRANTS PROJECTS FUNDS

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

GENERAL CONSTRUCTION FUND

General Construction Fund – This fund is used to account for the acquisition and construction of major capital improvements that are financed by the issuance of bonds.

PERMANENT FUNDS

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

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

CITY OF DEERFIELD BEACH, FLORIDA
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2016

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	General Construction Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Assets						
Cash and cash equivalents	\$ 3,830,453	\$ -	\$ -	\$ 17,431	\$ 664,698	\$ 4,512,582
Investments	274,579	2,400,835	-	5,749,487	1,193,882	9,618,783
Receivables, net of allowance:						
Accounts	-	-	-	-	254	254
Interest	6,362	-	-	-	14,352	20,714
Due from other governments	951,192	-	117,448	746,839	-	1,815,479
Total assets	<u>\$ 5,062,586</u>	<u>\$ 2,400,835</u>	<u>\$ 117,448</u>	<u>\$ 6,513,757</u>	<u>\$ 1,873,186</u>	<u>\$ 15,967,812</u>
Liabilities						
Accounts payable	\$ 242,067	\$ -	\$ -	\$ 851,699	\$ -	\$ 1,093,766
Accrued payroll	26,500	-	-	-	-	26,500
Due to other funds	322,577	-	102,704	2,445,019	-	2,870,300
Total liabilities	<u>591,144</u>	<u>-</u>	<u>102,704</u>	<u>3,296,718</u>	<u>-</u>	<u>3,990,566</u>
Deferred Inflows of Resources						
Unavailable revenue	529,710	-	-	246,583	-	776,293
Total deferred inflows of resources	<u>529,710</u>	<u>-</u>	<u>-</u>	<u>246,583</u>	<u>-</u>	<u>776,293</u>
Fund Balances						
Nonspendable	-	-	-	-	1,066,318	1,066,318
Restricted	4,226,594	2,400,835	14,744	2,970,456	806,868	10,419,497
Unassigned	(284,862)	-	-	-	-	(284,862)
Total fund balances	<u>3,941,732</u>	<u>2,400,835</u>	<u>14,744</u>	<u>2,970,456</u>	<u>1,873,186</u>	<u>11,200,953</u>
Total liabilities and fund balances	<u>\$ 5,062,586</u>	<u>\$ 2,400,835</u>	<u>\$ 117,448</u>	<u>\$ 6,513,757</u>	<u>\$ 1,873,186</u>	<u>\$ 15,967,812</u>

CITY OF DEERFIELD BEACH, FLORIDA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2016

	Special Revenue Funds	General Obligation Debt Service Fund	Capital Grants Projects Fund	General Construction Fund	Perpetual Care Permanent Fund	Total Nonmajor Governmental Funds
Revenues						
Local option gas tax	\$ 1,491,230	\$ -	\$ -	\$ -	\$ -	\$ 1,491,230
Intergovernmental	2,871,303	-	215,555	1,912,041	-	4,998,899
Charges for services	136,779	-	-	-	-	136,779
Fines and forfeitures	440,436	-	-	-	-	440,436
Impact fees	176,954	-	-	-	-	176,954
Investment earnings	12,493	283	-	34,094	27,180	74,050
Miscellaneous						
Cemetery plot sales	-	-	-	-	76,900	76,900
Parking deviation fees	42,000	-	-	-	-	42,000
Donations/contributions	266,199	-	-	-	-	266,199
Administrative fees	557,821	-	-	-	-	557,821
Other	131,517	-	-	-	-	131,517
Total revenues	<u>6,126,732</u>	<u>283</u>	<u>215,555</u>	<u>1,946,135</u>	<u>104,080</u>	<u>8,392,785</u>
Expenditures						
Current:						
Economic environment	1,801,146	-	-	-	-	1,801,146
Public Safety	655,461	-	-	-	-	655,461
Human services	23,226	-	-	-	-	23,226
Physical environment	25,760	-	-	-	-	25,760
Transportation	1,792,883	-	-	-	-	1,792,883
Culture and recreation	172,184	-	-	-	-	172,184
Capital outlay	699,007	-	215,555	3,687,342	-	4,601,904
Debt service:						
Principal retirement	-	2,433,402	-	-	-	2,433,402
Interest and fiscal charges	-	2,043,469	-	-	-	2,043,469
Total expenditures	<u>5,169,667</u>	<u>4,476,871</u>	<u>215,555</u>	<u>3,687,342</u>	<u>-</u>	<u>13,549,435</u>
Excess (deficiency) of revenues over expenditures	<u>957,065</u>	<u>(4,476,588)</u>	<u>-</u>	<u>(1,741,207)</u>	<u>104,080</u>	<u>(5,156,650)</u>
Other Financing Sources (Uses)						
Transfers in	403,634	4,342,850	69,843	-	-	4,816,327
Transfers out	(296,556)	-	-	(69,843)	(435,996)	(802,395)
Total other financing sources (uses)	<u>107,078</u>	<u>4,342,850</u>	<u>69,843</u>	<u>(69,843)</u>	<u>(435,996)</u>	<u>4,013,932</u>
Net change in fund balances	1,064,143	(133,738)	69,843	(1,811,050)	(331,916)	(1,142,718)
Fund balances- beginning	2,877,589	2,534,573	(55,099)	4,781,506	2,205,102	12,343,671
Fund balances - ending	<u>\$ 3,941,732</u>	<u>\$ 2,400,835</u>	<u>\$ 14,744</u>	<u>\$ 2,970,456</u>	<u>\$ 1,873,186</u>	<u>\$ 11,200,953</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2016

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund
Assets						
Cash and cash equivalents	\$ 593,150	\$ -	\$ 578,552	\$ 448,568	\$ 82,768	\$ 906,613
Investments	56,066	-	-	-	-	-
Receivables, net of allowance:						
Interest	6,362	-	-	-	-	-
Due from other governments	274,013	88,659	-	588,520	-	-
Total assets	<u>\$ 929,591</u>	<u>\$ 88,659</u>	<u>\$ 578,552</u>	<u>\$ 1,037,088</u>	<u>\$ 82,768</u>	<u>\$ 906,613</u>
Liabilities						
Accounts payable	\$ 64,480	\$ 22,796	\$ 2,500	\$ 149,048	\$ -	\$ 3,243
Accrued payroll	25,100	-	-	1,400	-	-
Due to other funds	-	88,653	-	233,924	-	-
Total liabilities	<u>89,580</u>	<u>111,449</u>	<u>2,500</u>	<u>384,372</u>	<u>-</u>	<u>3,243</u>
Deferred Inflows of Resources						
Unavailable revenue	-	74,403	-	455,307	-	-
Total deferred inflows of resources	<u>-</u>	<u>74,403</u>	<u>-</u>	<u>455,307</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	840,011	-	576,052	385,078	82,768	903,370
Unassigned	-	(97,193)	-	(187,669)	-	-
Total fund balances	<u>840,011</u>	<u>(97,193)</u>	<u>576,052</u>	<u>197,409</u>	<u>82,768</u>	<u>903,370</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 929,591</u>	<u>\$ 88,659</u>	<u>\$ 578,552</u>	<u>\$ 1,037,088</u>	<u>\$ 82,768</u>	<u>\$ 906,613</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Balance Sheet
September 30, 2016

Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Impact Fees Fund	Law Enforcement Trust Fund	Nuisance Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ 505,643	\$ 213,659	\$ 86,106	\$ 176,954	\$ 230,929	\$ 7,511	\$ 3,830,453
-	-	-	-	218,513	-	274,579
-	-	-	-	-	-	6,362
-	-	-	-	-	-	951,192
<u>\$ 505,643</u>	<u>\$ 213,659</u>	<u>\$ 86,106</u>	<u>\$ 176,954</u>	<u>\$ 449,442</u>	<u>\$ 7,511</u>	<u>\$ 5,062,586</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,067
-	-	-	-	-	-	26,500
-	-	-	-	-	-	322,577
-	-	-	-	-	-	591,144
-	-	-	-	-	-	529,710
-	-	-	-	-	-	529,710
505,643	213,659	86,106	176,954	449,442	7,511	4,226,594
-	-	-	-	-	-	(284,862)
<u>505,643</u>	<u>213,659</u>	<u>86,106</u>	<u>176,954</u>	<u>449,442</u>	<u>7,511</u>	<u>3,941,732</u>
<u>\$ 505,643</u>	<u>\$ 213,659</u>	<u>\$ 86,106</u>	<u>\$ 176,954</u>	<u>\$ 449,442</u>	<u>\$ 7,511</u>	<u>\$ 5,062,586</u>

City of Deerfield Beach, Florida
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2016

	Road and Bridge Tax Fund	CDBG Fund	SHIP Grant Fund	Miscellaneous Grants Fund	Parking Deviation Fund	General Trust Fund
Revenues						
Local option gas tax	\$ 1,491,230	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	583,080	663,436	689,250	935,537	-	-
Charges for services	-	-	-	-	-	117,042
Fines and forfeitures	-	-	-	-	-	-
Impact fees	-	-	-	-	-	-
Investment earnings	11,034	-	-	-	-	-
Miscellaneous						
Parking deviation fees	-	-	-	-	42,000	-
Donations/contributions	-	-	-	80,661	-	135,368
Administrative fees	557,821	-	-	-	-	-
Other	2,845	-	-	128,672	-	-
Total revenues	<u>2,646,010</u>	<u>663,436</u>	<u>689,250</u>	<u>1,144,870</u>	<u>42,000</u>	<u>252,410</u>
Expenditures						
Current:						
Economic environment	-	548,642	216,079	1,036,424	-	-
Public Safety	-	-	-	457,053	-	81,451
Human services	-	17,226	-	-	-	-
Physical environment	-	-	-	-	-	664
Transportation	1,792,883	-	-	-	-	-
Culture and recreation	-	-	-	74,672	-	97,512
Capital outlay	279,000	100,282	-	216,297	-	103,428
Total expenditures	<u>2,071,883</u>	<u>666,150</u>	<u>216,079</u>	<u>1,784,446</u>	<u>-</u>	<u>283,055</u>
Excess (deficiency) of revenues over expenditures	<u>574,127</u>	<u>(2,714)</u>	<u>473,171</u>	<u>(639,576)</u>	<u>42,000</u>	<u>(30,645)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	297,624	-	106,010
Transfers out	-	-	-	(15,546)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,078</u>	<u>-</u>	<u>106,010</u>
Net change in fund balances	574,127	(2,714)	473,171	(357,498)	42,000	75,365
Fund balances - beginning of year	265,884	(94,479)	102,881	554,907	40,768	828,005
Fund balances - end of year	<u>\$ 840,011</u>	<u>\$ (97,193)</u>	<u>\$ 576,052</u>	<u>\$ 197,409</u>	<u>\$ 82,768</u>	<u>\$ 903,370</u>

Target Area Trust Fund	Beautification and Landscape Trust Fund	Crime Prevention Trust Fund	Impact Fees Fund	Law Enforcement Trust Fund	Nuisance Abatement Assessment Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,491,230
-	-	-	-	-	-	2,871,303
-	19,737	-	-	-	-	136,779
243,061	-	331	-	189,533	7,511	440,436
-	-	-	176,954	-	-	176,954
-	-	-	-	1,459	-	12,493
-	-	-	-	-	-	42,000
-	-	50,130	-	40	-	266,199
-	-	-	-	-	-	557,821
-	-	-	-	-	-	131,517
<u>243,061</u>	<u>19,737</u>	<u>50,461</u>	<u>176,954</u>	<u>191,032</u>	<u>7,511</u>	<u>6,126,732</u>
-	-	-	-	-	-	1,801,146
-	-	11,980	-	104,977	-	655,461
-	-	-	-	6,000	-	23,226
-	25,096	-	-	-	-	25,760
-	-	-	-	-	-	1,792,883
-	-	-	-	-	-	172,184
-	-	-	-	-	-	699,007
<u>-</u>	<u>25,096</u>	<u>11,980</u>	<u>-</u>	<u>110,977</u>	<u>-</u>	<u>5,169,667</u>
<u>243,061</u>	<u>(5,359)</u>	<u>38,481</u>	<u>176,954</u>	<u>80,055</u>	<u>7,511</u>	<u>957,065</u>
-	-	-	-	-	-	403,634
<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,010)</u>	<u>-</u>	<u>(296,556)</u>
<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(206,010)</u>	<u>-</u>	<u>107,078</u>
168,061	(5,359)	38,481	176,954	(125,955)	7,511	1,064,143
<u>337,582</u>	<u>219,018</u>	<u>47,625</u>	<u>-</u>	<u>575,397</u>	<u>-</u>	<u>2,877,589</u>
<u>\$ 505,643</u>	<u>\$ 213,659</u>	<u>\$ 86,106</u>	<u>\$ 176,954</u>	<u>\$ 449,442</u>	<u>\$ 7,511</u>	<u>\$ 3,941,732</u>

City of Deerfield Beach, Florida
Road and Bridge Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended September 30, 2016

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local option gas tax	\$ 1,359,172	\$ 1,359,172	\$ 1,491,230	\$ 132,058
Intergovernmental	567,228	567,228	583,080	15,852
Investment earnings	-	-	11,034	11,034
Miscellaneous:				
Administrative fees	557,821	557,821	557,821	-
Total revenues	2,484,221	2,484,221	2,643,165	158,944
Expenditures				
Current:				
Transportation	2,145,221	2,145,221	1,792,883	352,338
Capital outlay	339,000	339,000	305,728	33,272
Debt service				
Total expenditures	2,484,221	2,484,221	2,098,611	385,610
Excess (deficiency) of revenues over (under) expenses	-	-	544,554	(226,666)
Net change in budgetary fund balance	\$ -	\$ -	\$ 544,554	\$ (226,666)

City of Deerfield Beach, Florida
Community Development Block Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year Ended September 30, 2016

	Budgeted Amounts		(Budgetary Basis) Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,039,639	\$ 1,039,639	\$ 663,437	\$ (376,202)
Total revenues	1,039,639	1,039,639	663,437	(376,202)
Expenditures				
Current:				
Economic environment	1,009,639	1,009,639	548,643	460,996
Human services	-	-	17,226	(17,226)
Capital outlay	-	-	100,282	(100,282)
Total expenditures	1,009,639	1,009,639	666,151	343,488
Excess (deficiency) of revenues over (under) expenses	30,000	30,000	(2,714)	(32,714)
Transfers out	(30,000)	(30,000)	-	30,000
Total other financing sources (uses)	(30,000)	(30,000)	-	30,000
Net change in budgetary fund balances	\$ -	\$ -	\$ (2,714)	\$ (32,714)

City of Deerfield Beach, Florida
Pension Trust Funds
Combining Statement of Fiduciary Net Position
September 30, 2016

	Fire Pension Fund	Police Pension Fund	Non-Uniformed Pension Fund	Total Pension Trust Funds
Assets				
Cash and cash equivalents	\$ 5,151,221	\$ 1,054,781	\$ 2,899,714	\$ 9,105,716
Investments:				
Mutual funds	23,830,259	29,809,399	7,157,596	60,797,254
U. S. government and agency securities	14,337,726	1,624,796	8,525,691	24,488,213
Corporate bonds and notes	14,130,663	610,950	7,450,528	22,192,141
Corporate equities	46,210,232	5,789,004	29,069,430	81,068,666
Total Investments	<u>\$ 98,508,880</u>	<u>\$ 37,834,149</u>	<u>\$ 52,203,245</u>	<u>\$ 188,546,274</u>
Receivables:				
Interest and dividends	115,522	13,258	127,313	256,093
Contributions receivable (state)	64,210	-	-	64,210
Due from brokers	4,281,233	-	-	4,281,233
Total receivables	<u>4,460,965</u>	<u>13,258</u>	<u>127,313</u>	<u>4,601,536</u>
Other assets	-	-	27,300	27,300
Total assets	<u>108,121,066</u>	<u>38,402,188</u>	<u>56,257,572</u>	<u>202,280,827</u>
Liabilities				
Accounts payable	931,430	193,917	209,481	1,334,828
Total liabilities	<u>931,430</u>	<u>193,917</u>	<u>209,481</u>	<u>1,334,828</u>
Net Position				
Restricted for pension benefits	<u>\$ 107,189,636</u>	<u>\$ 38,708,271</u>	<u>\$ 55,048,091</u>	<u>\$ 200,945,997</u>

City of Deerfield Beach, Florida
Pension Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2016

	Fire Pension Fund	Police Pension Fund	Non-Uniformed Pension Fund	Total Pension Trust Funds
Additions				
Contributions:				
Employer	\$ 5,060,592	\$ 1,908,777	\$ 1,543,620	\$ 8,512,989
Plan members	883,740	-	27,643	911,383
State (from the General Fund)	667,147	627,053	-	1,294,200
Total contributions	<u>6,611,479</u>	<u>2,535,830</u>	<u>1,571,263</u>	<u>10,718,572</u>
Investment earnings:				
Interest	2,165,156	1,325,133	1,186,497	4,676,786
Net increase in the fair value of investments	6,385,731	2,436,779	3,310,973	12,133,483
Total investment earnings	8,550,887	3,761,912	4,497,470	16,810,269
Less investment expense	(623,909)	(304,672)	(334,106)	(1,262,687)
Net investment earnings	<u>7,926,978</u>	<u>3,457,240</u>	<u>4,163,364</u>	<u>15,547,582</u>
Miscellaneous	-	6,352	5,757	12,109
Total additions	<u>14,538,457</u>	<u>5,999,422</u>	<u>5,740,384</u>	<u>26,278,263</u>
Deductions				
Benefits paid	6,795,446	4,838,890	5,917,598	17,551,934
Administrative expenses	214,739	97,584	102,723	415,046
Total deductions	<u>7,010,185</u>	<u>4,936,474</u>	<u>6,020,321</u>	<u>17,966,980</u>
Change in net position	7,528,272	1,062,947	(279,937)	8,311,283
Net Position Restricted for Pension Benefits:				
Beginning of year	<u>99,661,364</u>	<u>37,645,323</u>	<u>55,328,028</u>	<u>192,634,715</u>
End of year	<u>\$ 107,189,636</u>	<u>\$ 38,708,271</u>	<u>\$ 55,048,091</u>	<u>\$ 200,945,997</u>

STATISTICAL SECTION

City of Deerfield Beach, Florida

For the Year Ended September 30, 2016

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STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

CITY OF DEERFIELD BEACH, FLORIDA
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	\$ 40,835,672	\$ 41,694,017	\$ 41,572,817	\$ 42,523,352	\$ 46,212,686	\$ 54,762,079	\$ 58,120,088	\$ 57,468,114	\$ 61,201,885	\$ 64,215,625
Restricted	10,098,177	13,071,373	17,264,796	19,803,912	18,784,355	12,470,310	10,058,524	9,663,870	7,853,503	9,614,790
Unrestricted	13,167,465	17,702,129	11,233,454	4,546,293	(1,279,034)	(4,231,887)	(4,979,499)	(615,504)	(31,131,872)	(28,967,707)
Governmental activities net position	<u>\$ 64,101,314</u>	<u>\$ 72,467,519</u>	<u>\$ 70,071,067</u>	<u>\$ 66,873,557</u>	<u>\$ 63,718,007</u>	<u>\$ 63,000,502</u>	<u>\$ 63,199,113</u>	<u>\$ 66,516,480</u>	<u>\$ 37,923,516</u>	<u>\$ 44,862,708</u>
Business-type activities:										
Investment in capital assets	43,524,426	44,080,196	46,197,560	47,731,493	48,174,577	48,786,203	48,869,742	50,924,663	52,525,476	56,362,887
Restricted	-	-	-	-	8,887,099	743,836	743,838	743,838	1,760,856	1,834,718
Unrestricted	14,999,740	18,368,395	18,673,997	19,889,646	15,646,387	28,999,074	32,233,021	33,335,797	31,535,603	26,713,892
Total business-type activities net position	<u>\$ 58,524,166</u>	<u>\$ 62,448,591</u>	<u>\$ 64,871,557</u>	<u>\$ 67,621,139</u>	<u>\$ 72,708,063</u>	<u>\$ 78,529,113</u>	<u>\$ 81,846,601</u>	<u>\$ 85,004,298</u>	<u>\$ 85,821,935</u>	<u>\$ 84,911,497</u>
Primary Government										
Invested in capital assets	\$ 84,360,098	\$ 85,774,213	\$ 87,770,377	\$ 90,254,845	\$ 94,387,263	\$103,548,282	\$106,989,830	\$108,392,777	\$113,727,361	\$120,578,512
Restricted for	10,098,177	13,071,373	17,264,796	19,803,912	27,671,454	13,214,146	10,802,362	10,407,708	9,614,359	11,449,508
Unrestricted	28,167,205	36,070,524	29,907,451	24,435,939	14,367,353	24,767,187	27,253,522	32,720,293	403,731	(2,253,815)
Total primary government net position	<u>\$122,625,480</u>	<u>\$134,916,110</u>	<u>\$134,942,624</u>	<u>\$134,494,696</u>	<u>\$136,426,070</u>	<u>\$141,529,615</u>	<u>\$145,045,714</u>	<u>\$151,520,778</u>	<u>\$123,745,451</u>	<u>\$129,774,205</u>

CITY OF DEERFIELD BEACH, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General government	\$ 21,310,205	\$ 19,402,059	\$ 22,190,311	\$ 18,528,933	\$ 22,805,473	\$ 12,612,575	\$ 11,821,874	\$ 12,353,311	\$ 14,043,751	\$ 15,971,447
Economic environment	2,748,846	2,095,672	1,964,859	1,415,860	770,651	959,617	1,981,715	2,832,290	1,746,288	2,770,154
Public safety	38,092,021	39,946,697	41,915,667	44,400,644	45,399,408	50,047,068	52,604,329	55,555,149	56,811,183	59,621,417
Human services	2,283,091	3,007,015	2,588,723	2,722,603	2,510,309	2,140,927	2,136,865	2,159,042	2,382,915	2,836,456
Physical environment	5,476,504	5,583,768	6,164,735	5,875,926	3,092,598	4,050,701	4,978,883	3,974,644	6,311,645	4,952,451
Transportation	2,861,275	3,042,067	3,138,654	2,911,620	2,579,100	2,502,148	2,906,127	3,375,247	4,125,562	4,047,654
Culture and recreation	5,795,840	6,138,096	6,607,981	6,465,100	7,223,675	5,394,983	4,358,166	4,032,285	3,728,135	5,846,869
Interest on long term debt	2,058,992	1,911,289	1,994,441	1,970,464	1,923,219	1,878,627	3,024,834	2,807,078	1,921,214	1,895,608
Total governmental activities expenses	<u>80,626,774</u>	<u>81,126,663</u>	<u>86,565,371</u>	<u>84,291,150</u>	<u>86,304,433</u>	<u>79,586,646</u>	<u>83,812,793</u>	<u>87,089,046</u>	<u>91,070,693</u>	<u>97,942,056</u>
Business-type activities:										
Water and sewer	20,325,211	20,123,711	23,145,215	21,264,592	20,182,450	20,048,897	20,899,520	22,210,582	23,570,064	25,282,502
Solid waste	15,717,636	15,522,193	15,588,347	15,307,635	14,795,080	13,613,964	14,354,330	13,849,313	14,468,169	15,712,131
Total business-type activities expenses	<u>36,042,847</u>	<u>35,645,904</u>	<u>38,733,562</u>	<u>36,572,227</u>	<u>34,977,530</u>	<u>33,662,861</u>	<u>35,253,850</u>	<u>36,059,895</u>	<u>38,038,233</u>	<u>40,994,633</u>
Total primary government expenses	<u>\$ 116,669,621</u>	<u>\$ 116,772,567</u>	<u>\$ 125,298,933</u>	<u>\$ 120,863,377</u>	<u>\$ 121,281,963</u>	<u>\$ 113,249,507</u>	<u>\$ 119,066,643</u>	<u>\$ 123,148,941</u>	<u>\$ 129,108,926</u>	<u>\$ 138,936,689</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 4,850,457	\$ 4,271,872	\$ 3,994,889	\$ 4,770,617	\$ 5,253,744	\$ 1,855,406	\$ 878,655	\$ 540,328	\$ 4,291,549	\$ 4,757,881
Public safety	10,887,195	14,200,414	12,951,771	13,277,004	15,899,993	15,661,078	16,737,515	20,615,778	23,802,373	21,932,165
Human services	530,763	619,546	508,744	488,947	23,387	327,856	12,699	29,316	10,020	50,140
Physical environment	247,415	186,153	289,262	258,722	186,497	1,191,226	185,794	286,215	355,326	189,872
Transportation	1,543,358	1,566,684	1,519,532	1,581,055	1,684,182	1,633,553	1,677,235	1,829,159	2,537,022	2,566,791
Urban renewal	1,181,555	1,426,646	1,759,727	1,510,701	1,863,060	1,347,634	1,699,851	1,907,505	2,113,288	3,078,829
Operating grants and contributions	8,221,289	4,612,921	6,877,028	6,999,594	5,009,285	5,813,834	7,588,761	6,253,912	4,941,733	6,690,084
Capital grants and contributions	1,700,423	820,248	426,674	925,167	2,038,731	2,330,864	1,630,221	285,142	348,392	2,374,178
Total governmental activities	<u>29,162,455</u>	<u>27,704,484</u>	<u>28,327,627</u>	<u>29,811,807</u>	<u>31,958,879</u>	<u>30,161,451</u>	<u>30,410,731</u>	<u>31,747,355</u>	<u>38,399,703</u>	<u>41,639,940</u>
Business-type activities:										
Charges for services										
Water and sewer	18,870,533	22,667,068	25,001,144	24,675,663	24,807,442	24,250,089	24,651,018	24,754,868	25,296,809	24,908,850
Solid waste	16,023,140	15,942,312	14,507,783	14,624,135	14,925,959	14,701,713	15,441,291	14,626,474	14,748,707	15,327,755
Capital grants and contributions	174,208	591,520	1,333,400	12,240	292,206	27,539	111,699	45,899	64,452	-
Total business-type activities	<u>35,067,881</u>	<u>39,200,900</u>	<u>40,842,327</u>	<u>39,312,038</u>	<u>40,025,607</u>	<u>38,979,341</u>	<u>40,204,008</u>	<u>39,427,241</u>	<u>40,109,968</u>	<u>40,236,605</u>
Total primary government program revenues	<u>\$ 64,230,336</u>	<u>\$ 66,905,384</u>	<u>\$ 69,169,954</u>	<u>\$ 69,123,845</u>	<u>\$ 71,984,486</u>	<u>\$ 69,140,792</u>	<u>\$ 70,614,739</u>	<u>\$ 71,174,596</u>	<u>\$ 78,509,671</u>	<u>\$ 81,876,545</u>
Net (Expense)/Revenue										
Governmental activities	\$ (51,464,319)	\$ (53,422,179)	\$ (58,237,744)	\$ (54,479,343)	\$ (54,345,554)	\$ (49,425,195)	\$ (53,402,062)	\$ (55,341,691)	\$ (52,670,990)	\$ (56,302,116)
Business-type activities	(974,966)	3,554,996	2,108,765	2,739,811	5,048,077	5,316,480	4,950,158	3,367,346	2,071,735	(758,028)
Total primary government net expense	<u>\$ (52,439,285)</u>	<u>\$ (49,867,183)</u>	<u>\$ (56,128,979)</u>	<u>\$ (51,739,532)</u>	<u>\$ (49,297,477)</u>	<u>\$ (44,108,715)</u>	<u>\$ (48,451,904)</u>	<u>\$ (51,974,345)</u>	<u>\$ (50,599,255)</u>	<u>\$ (57,060,144)</u>

CITY OF DEERFIELD BEACH, FLORIDA
Changes in Net Position
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 41,783,736	\$ 39,040,869	\$ 36,685,924	\$ 35,093,629	\$ 34,791,821	\$ 27,073,004	\$ 28,188,611	\$ 33,750,761	\$ 35,512,381	\$ 37,603,317
Utility taxes	-	-	-	-	-	6,705,240	7,343,575	7,907,567	7,976,554	8,074,781
Sales taxes	4,555,929	4,282,151	3,832,424	3,693,667	3,890,338	4,123,936	4,394,070	4,648,145	4,875,615	5,413,109
Franchise taxes	12,477,400	12,540,651	11,908,808	9,767,204	9,429,873	8,652,572	8,959,809	8,867,645	6,832,413	7,795,465
Motor fuel taxes	1,384,787	1,369,644	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,318,433	1,353,883	1,491,230
Alcoholic beverage/mobile home license taxes	56,304	55,940	56,288	55,795	49,433	52,419	48,407	55,777	96,892	85,980
Grants and contributions not restricted to specific programs	1,589,751	2,947,124	1,213,534	1,174,449	1,241,144	1,072,777	1,471,496	1,622,476	1,804,085	1,868,658
Unrestricted investment earnings	2,254,270	1,505,692	719,477	160,249	77,980	39,677	64,333	56,617	85,147	207,623
Miscellaneous revenues	52,586	46,313	87,851	65,561	432,884	176,178	166,419	166,676	1,797,415	380,032
Transfers	10,000	-	-	-	(7,014)	(477,187)	-	264,961	270,893	321,113
Total governmental activities	64,164,763	61,788,384	55,841,292	51,281,833	51,190,004	48,707,690	51,922,602	58,659,058	60,605,278	63,241,308
Business-type activities:										
Unrestricted investment earnings	772,066	369,429	314,201	9,771	31,833	27,383	45,401	55,312	59,880	168,703
Miscellaneous revenues	-	-	-	-	-	-	-	-	(46,381)	-
Transfers	(10,000)	-	-	-	7,014	477,187	(1,678,071)	(264,961)	(270,893)	(321,113)
Total business-type activities	762,066	369,429	314,201	9,771	38,847	504,570	(1,632,670)	(209,649)	(257,394)	(152,410)
Total primary government	64,926,829	62,157,813	56,155,493	51,291,604	51,228,851	49,212,260	50,289,932	58,449,409	60,347,884	63,088,898
Change in net position										
Governmental activities	12,700,444	8,366,205	(2,396,452)	(3,197,510)	(3,155,550)	(717,505)	(1,479,460)	3,317,367	7,934,288	6,939,192
Business-type activities	(212,900)	3,924,425	2,422,966	2,749,582	5,086,924	5,821,050	3,317,488	3,157,697	1,814,341	(910,438)
Total primary government	\$ 12,487,544	\$ 12,290,630	\$ 26,514	\$ (447,928)	\$ 1,931,374	\$ 5,103,545	\$ 1,838,028	\$ 6,475,064	\$ 9,748,629	\$ 6,028,754

CITY OF DEERFIELD BEACH, FLORIDA
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2007	\$ 41,783,736	\$ -	\$ 4,555,929	\$ 12,477,400	\$ 1,384,787	\$ 56,304	\$ 60,258,156
2008	39,040,869	-	4,282,151	12,540,651	1,369,644	55,940	57,289,255
2009	36,685,924	-	3,832,424	11,908,808	1,336,986	56,288	53,820,430
2010	35,093,629	-	3,693,667	9,767,204	1,271,279	55,795	49,881,574
2011	34,791,821	-	3,890,338	9,429,873	1,283,545	49,433	49,445,010
2012	27,073,004	6,705,240	4,123,936	8,652,572	1,289,074	52,419	47,896,245
2013	28,188,611	7,343,575	4,394,070	8,959,809	1,285,882	48,407	50,220,354
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696
2015	35,512,381	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,738
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,491,230	85,980	61,288,292

CITY OF DEERFIELD BEACH, FLORIDA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,785,062	\$ 1,512,466	\$ 1,236,143	\$ 1,603,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	18,447,814	21,960,612	18,727,759	11,681,260	-	-	-	-	-	-
Non-spendable	-	-	-	-	824,089	705,590	696,001	663,995	211,331	245,932
Assigned	-	-	-	-	3,885,412	4,600,367	4,193,717	4,502,471	7,028,371	7,855,937
Unassigned	-	-	-	-	4,682,040	1,711,253	2,823,003	8,781,650	11,631,572	16,512,401
Total general fund	20,232,876	23,473,078	19,963,902	13,284,805	9,391,541	7,017,210	7,712,721	13,948,116	18,871,274	24,614,270
All Other Governmental Funds										
Reserved	2,935,906	3,551,684	3,678,313	3,853,103	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	7,484,980	9,535,257	11,371,568	12,241,644	-	-	-	-	-	-
Debt service funds	242,033	282,601	285,989	288,157	-	-	-	-	-	-
Capital project funds	9,340,550	9,340,550	2,960,291	1,580,263	-	-	-	-	-	-
Non-spendable	-	-	-	-	2,190,989	1,217,499	1,229,499	1,240,498	1,251,701	1,066,318
Restricted	-	-	-	-	16,846,273	12,280,648	22,844,054	17,303,614	11,323,253	12,263,149
Unassigned	-	-	-	-	(908,678)	(245,058)	101,767	(181,733)	(231,284)	(284,862)
Total all other governmental funds	\$ 20,003,469	\$ 22,710,092	\$ 18,296,161	\$ 17,963,167	\$ 18,128,584	\$ 13,253,089	\$ 24,175,320	\$ 18,362,379	\$ 12,343,670	\$ 13,044,605

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

CITY OF DEERFIELD BEACH, FLORIDA
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property taxes	\$ 35,641,797	\$ 41,675,355	\$ 38,915,090	\$ 36,649,353	\$ 35,102,671	\$ 34,252,646	\$ 27,771,349	\$ 28,291,130	\$ 35,512,396	\$ 37,603,317
Sales and use taxes	4,777,520	4,555,929	4,713,093	3,832,424	5,036,695	5,165,731	5,432,787	5,565,280	6,221,255	6,790,747
Fire assessment fees	3,662,090	3,767,989	6,081,708	6,142,612	5,998,886	8,090,526	8,371,764	8,491,262	11,007,913	11,068,185
Franchise fees	10,779,607	12,477,400	11,645,505	12,011,964	9,921,939	9,584,608	8,704,150	8,959,809	8,447,210	7,795,465
Utility taxes	-	-	-	-	-	-	6,705,240	7,343,575	7,976,554	8,074,781
Local option gas tax	1,417,779	1,384,787	1,369,644	1,336,986	1,271,279	1,283,545	1,289,074	1,285,882	1,353,883	1,491,230
Local business taxes/permits	2,595,719	2,394,634	2,116,220	1,638,823	1,673,573	2,567,037	2,906,324	3,006,077	4,674,337	4,202,871
Intergovernmental	17,663,255	10,906,891	5,861,670	7,969,279	6,813,940	6,779,390	7,380,901	8,753,280	5,058,080	9,184,180
Charges for services	6,591,097	6,436,229	6,911,507	7,515,348	7,859,433	8,098,203	7,476,283	8,236,329	9,785,012	9,674,471
Fines and forfeitures	1,398,343	1,348,088	1,851,372	1,161,701	1,508,597	1,246,585	1,031,508	911,536	1,726,615	1,830,841
Impact fees	-	-	-	-	-	-	-	-	-	176,954
Investment earnings	2,107,992	2,422,453	1,531,661	724,805	160,673	78,154	39,677	64,333	85,191	207,695
Miscellaneous	5,718,596	5,950,033	6,728,838	4,902,049	5,439,834	5,918,709	7,651,004	6,870,128	17,030,831	9,085,943
Total revenues	92,353,795	93,319,788	87,726,308	83,885,344	80,787,520	83,065,134	84,760,061	87,778,621	108,879,277	107,186,680
Expenditures										
General government	19,284,351	19,855,801	20,081,498	20,312,385	19,943,800	16,674,774	15,483,228	15,510,007	21,977,441	(18,083,088)
Economic environment	2,748,198	2,095,672	1,964,001	910,203	778,651	1,250,183	2,113,478	2,964,052	1,821,340	(2,770,158)
Public safety	38,650,648	39,162,132	41,341,005	43,407,203	43,892,036	48,742,790	51,659,751	54,809,205	58,670,678	60,100,777
Human services	2,587,844	2,948,669	2,506,240	2,766,956	2,454,137	2,085,353	2,081,504	2,154,433	2,842,242	2,197,031
Physical environment	5,346,214	4,831,311	5,754,973	5,043,035	2,268,385	3,263,916	4,334,094	3,518,440	6,845,708	(4,843,967)
Transportation	1,837,419	2,100,056	2,221,345	1,999,906	1,670,907	1,574,080	1,850,040	2,292,118	2,737,514	(2,812,545)
Culture and recreation	5,340,932	5,282,485	5,717,699	5,609,960	6,533,568	4,600,545	3,504,151	2,997,052	3,658,693	3,975,250
Capital outlay	8,673,815	2,721,325	6,744,382	3,641,497	4,949,174	9,607,475	6,176,331	5,770,037	5,872,209	(4,717,906)
Debt service										
Principal retirement	2,427,913	2,560,050	2,622,732	2,532,394	2,340,272	2,285,825	9,798,940	2,606,667	2,504,085	(2,520,002)
Interest and fiscal charges	1,839,525	2,033,398	2,016,157	2,000,860	1,955,037	1,908,170	2,208,582	2,170,837	2,063,110	2,048,017
Fiscal agent fees and other fees	116,982	-	-	-	-	-	332,013	102,057	-	-
Total expenditures	88,853,841	83,590,899	90,970,032	88,224,399	86,785,967	91,993,111	99,542,112	94,894,905	108,993,020	104,068,739
Excess (deficiency) of revenue over (under) expenditures	3,499,954	9,728,889	(3,243,724)	(4,339,055)	(5,998,447)	(8,927,977)	(14,782,051)	(7,116,284)	(113,743)	3,117,939
Other Financing Sources (Uses)										
Transfers in	7,074,670	6,513,791	6,611,397	6,013,653	6,154,285	4,954,400	10,647,167	7,517,606	6,966,774	6,843,592
Transfers out	7,064,670	6,513,791	6,611,397	6,013,653	6,161,299	4,971,176	8,969,096	7,252,645	6,695,875	6,522,479
Bonds and notes issued	5,965,000	-	-	-	-	-	34,860,000	-	-	-
Premiums on bonds issued	32,679	-	-	-	-	-	1,125,416	-	-	-
Proceeds from refunded bonds	-	-	-	-	-	-	(14,282,254)	-	-	-
Bonds and notes issued	378,318	416,244	726,733	424,788	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	-	-	1,752,172
Total other financing sources (uses)	6,385,997	416,244	726,733	424,788	(7,014)	(16,776)	23,381,233	264,961	270,899	2,073,285
Net changes in fund balances	\$ 9,885,951	\$ 10,145,133	\$ (2,516,991)	\$ (3,914,267)	\$ (6,005,461)	\$ (8,944,753)	\$ 8,599,182	\$ (6,851,323)	\$ 157,156	\$ 5,191,224
Debt services as a percentage of non-capital expenditures	5.60 %	5.80 %	5.60 %	5.50 %	5.40 %	5.10 %	13.20 %	5.50 %	4.40 %	4.43 %

CITY OF DEERFIELD BEACH, FLORIDA
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Utility Taxes	Sales Taxes	Franchise Taxes	Local Option Gas Tax	Alcoholic Beverage/ Mobile Home License Taxes	Total
2007	\$ 41,675,355	\$ -	\$ 4,555,929	\$ 12,477,400	\$ 1,384,787	\$ 56,304	\$ 60,149,775
2008	38,915,090	-	4,713,093	11,645,505	1,369,644	55,940	56,699,272
2009	36,649,353	-	3,832,424	12,011,964	1,336,986	56,288	53,887,015
2010	35,102,671	-	5,036,695	9,921,939	1,271,279	55,795	51,388,379
2011	34,252,646	-	5,165,731	9,584,608	1,283,545	49,433	50,335,963
2012	27,771,349	6,705,240	5,432,787	8,704,150	1,289,074	52,419	49,955,019
2013	28,291,130	7,343,575	5,565,280	8,959,809	1,285,882	48,407	51,494,083
2014	33,750,761	7,907,567	5,934,513	8,867,645	1,318,433	55,777	57,834,696
2015	35,512,396	7,976,554	4,875,615	6,832,413	1,353,883	96,892	56,647,753
2016	37,603,317	8,074,781	6,393,307	7,639,677	1,377,907	85,980	61,174,969

CITY OF DEERFIELD BEACH, FLORIDA
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (1)	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Taxable Assessed Value as a Percentage of Actual Taxable Value
2007	\$ 8,903,496,041	\$ 468,575,927	\$ 2,762,178,022	\$ 6,609,893,946	6.2500	\$ 10,969,565,368	60.257%
2008	9,816,224,848	496,970,279	2,992,634,043	7,320,561,084	5.3500	12,058,383,289	60.709%
2009	9,221,922,520	453,847,937	2,863,212,036	6,812,558,421	5.3000	11,304,635,476	60.263%
2010	7,933,546,387	450,375,114	2,293,568,030	6,090,353,471	5.7900	9,834,257,465	61.930%
2011	6,413,168,923	411,439,128	1,684,098,356	5,140,509,695	6.7688	8,035,763,100	63.970%
2012	6,085,548,562	392,877,631	1,636,113,175	4,842,313,018	5.7688	7,629,719,059	63.466%
2013	6,068,817,518	389,788,094	1,614,924,968	4,843,680,644	5.7688	7,605,089,169	63.690%
2014	6,282,449,796	398,719,587	1,673,533,699	5,007,635,684	6.7688	7,864,092,199	63.677%
2015	6,965,511,494	402,157,090	2,064,034,621	5,303,633,963	6.7688	8,646,548,680	61.338%
2016	7,575,534,000	428,708,115	2,347,582,606	5,656,659,509	6.6688	9,388,030,664	60.254%

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

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

Source: Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA
Property Tax Rates – Direct and Overlapping Government

Fiscal Year	Overlapping Rates													
	City of Deerfield Beach			County			School District				North Broward Hospital District	South Florida Water Management District	Florida Inland Navigation District	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating millage	Debt Service Millage	Total School Millage	Children's Services				
2007	5.8250	0.4250	6.2500	5.6433	0.4228	6.0661	7.6790	0.1897	7.8687	0.4073	1.8317	0.6970	0.0385	23.1593
2008	4.9537	0.3963	5.3500	4.8889	0.3979	5.2868	7.4770	0.1714	7.6484	0.3572	1.6255	0.6240	0.0345	20.9264
2009	4.9072	0.3928	5.3000	4.8889	0.4256	5.3145	7.4170	-	7.4170	0.3754	1.7059	0.6240	0.0345	20.7713
2010	5.3499	0.4401	5.7900	4.8889	0.5000	5.3889	7.4310	-	7.4310	0.4243	1.7059	0.6240	0.0345	21.3986
2011	6.2482	0.5206	6.7688	5.1021	0.4509	5.5530	7.6310	-	7.6310	0.4696	1.8750	0.6240	0.0345	22.9559
2012	5.1856	0.5832	5.7688	5.1860	0.3670	5.5530	7.4180	-	7.4180	0.4759	7.8750	0.4363	0.0345	27.5615
2013	5.1856	0.5832	5.7688	5.2576	0.2954	5.5530	7.4560	-	7.4560	0.4902	1.8564	0.4289	0.0345	21.5878
2014	6.2317	0.5371	6.7688	5.4400	0.2830	5.7230	7.4800	-	7.4800	0.4882	1.7554	0.4110	0.0345	22.6609
2015	6.2745	0.4943	6.7688	5.4584	0.2646	5.7230	7.4380	-	7.4380	0.4882	1.5939	0.3842	0.0345	22.4306
2016	6.1949	0.4739	6.6688	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740	0.4882	1.4425	0.3551	0.0320	21.9836

Source: Broward County, Florida Property Appraiser.

CITY OF DEERFIELD BEACH, FLORIDA
Principal Property Taxpayers
Current Year and Nine Years Ago

Tax Payer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
1. City National Bank of FL, Trustee	\$ 71,070,072	1	\$ 1.26	\$ 69,922,300	1	\$ 1.06
2. Publix Supermarket	70,239,910	2	1.24	63,373,260	2	0.96
3. Florida Power & Light Co.	65,367,098	3	1.16	-	*	-
4. Deerfield Beach Hotel LLC	52,354,340	4	0.93	-	*	-
5. CP Deerfield LLC	42,601,810	5	0.75	36,632,230	4	0.55
6. Quiet Waters Business Park LLC	38,628,550	6	0.68	22,905,740	8	0.35
7. Land TR City National Bank of FL, Trustee	37,405,254	7	0.66	-	*	-
8. Florida Land Holdings LLC TR	34,003,240	8	0.60	-	*	-
9. City National Bank of Florida	33,971,626	9	0.60	-	*	-
10. Crown Diversified Ind Corp	32,511,866	10	0.57	-	*	-
11. Sun Sentinel	-	-	-	21,139,260	9	0.32
12. Felcor/CSS Holdings LP	-	-	-	45,714,030	3	0.69
13. SPTMRT Properties Trust	-	-	-	28,233,070	6	0.43
14. CMD Realty Investors LLC	-	-	-	24,106,720	7	0.36
15. Security Capital Atlantic FGI Financing I	-	-	-	30,816,640	5	0.47
	-	-	-	21,135,460	10	0.32
Total	\$ 478,153,766		\$ 8.45	\$ 363,978,710		\$ 5.51

* Taxpayers were not included in the ranking for fiscal year 2007.

Source: Broward County Records, Taxes and Treasury Division

Broward County, Florida Property Appraiser

CITY OF DEERFIELD BEACH, FLORIDA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Tax Roll Year	Collected within the Fiscal Year of the Levy			Delinquent Tax Collections*	Total Collections to Date	
		Taxes Levied	Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	\$ 39,462,009	\$ 38,057,717	96.4	\$ 167,194	\$ 38,224,911	96.9
2008	2007	37,493,335	37,132,068	99.0	(142,889) *	36,989,179	98.7
2009	2008	34,627,856	34,532,754	99.7	95,102	34,627,856	100.0
2010	2009	35,371,075	34,804,296	98.4	207,086	35,011,382	99.0
2011	2010	34,882,909	34,086,591	97.7	166,055	34,252,646	98.2
2012	2011	27,996,499	27,771,349	99.2	36,493	27,807,842	99.3
2013	2012	28,007,125	26,185,412	93.5	362,795	26,548,207	94.8
2014	2013	31,263,431	29,869,364	95.5	(113,030) *	29,756,334	95.2
2015	2014	33,333,975	32,924,554	98.8	(121,127)	32,803,427	98.4
2016	2015	35,102,340	34,887,089	99.4	47,214	34,934,303	99.5

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

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

Source: Broward County, Florida Revenue Collector

CITY OF DEERFIELD BEACH, FLORIDA
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Residential - Single Family	\$ 1,009,215.00	853,997.00	869,554.00	828,961.00	838,122.00	747,798.00	772,444.00	745,569.00	784,548.00	790,967.00
Residential - Multi-Family	1,248,119.00	1,079,640.00	1,056,023.00	1,119,125.00	1,095,698.00	1,063,976.00	1,123,024.00	1,063,107.00	1,084,878.00	1,006,073.00
Commercial	637,803.00	595,610.00	557,264.00	518,014.00	515,713.00	513,810.00	557,271.00	532,985.00	554,552.00	592,708.00
Irrigation	500,496.00	386,885.00	466,396.00	532,637.00	489,519.00	505,949.00	551,942.00	556,219.00	548,671.00	520,962.00
Hydrants	5,194.00	1,343.00	368.00	777.00	1,764.00	44.00	98.00	345.00	9,795.00	793.00
Total	3,400,827.00	2,917,475.00	2,949,605.00	2,999,514.00	2,940,816.00	2,831,577.00	3,004,779.00	2,898,225.00	2,982,444.00	2,911,503.00
Total direct rate per 1,000 gallons	\$ 1.80	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65

Source: City of Deerfield Beach, Department of Financial Services

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

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2007	\$ 12.57	\$ 1.80	\$ 8.96	\$ 1.77
2008	15.00	2.65	10.98	2.71
2009	15.00	2.65	10.98	2.71
2010	15.00	2.65	10.98	2.71
2011	15.00	2.65	10.98	2.71
2012	15.00	2.65	10.98	2.71
2013	15.00	2.65	10.98	2.71
2014	15.00	2.65	10.98	2.71
2015	15.00	2.65	10.98	2.71
2016	15.00	2.65	10.98	2.71

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

Source: Broward County, Customer Service

CITY OF DEERFIELD BEACH, FLORIDA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita	Population	Personal Income
	General Obligation Bonds	Improvement Revenue Bonds	Covenant Bonds	Capital Leases	Loans and Notes	Water and Sewer Bonds	Capital Leases	Loans and Notes					
2007	\$ 29,427,756	\$ -	\$ 14,725,000	\$ 2,140,057	\$ -	\$ -	\$ 2,042,346	\$ 21,070,548	\$ 69,405,707	\$ 3.15	\$ 883	78,575	\$2,205,600,000
2008	28,013,411	-	14,375,000	1,760,596	-	17,028,786	2,231,955	22,739,773	86,149,521	3.57	1,102	78,187	2,416,487,000
2009	26,608,199	-	13,980,000	1,664,810	-	17,028,786	2,711,733	21,761,712	83,755,240	4.20	1,081	77,465	1,992,090,000
2010	25,209,669	-	13,560,000	1,375,734	-	16,623,792	2,472,783	20,499,422	79,741,400	4.59	1,089	73,216	1,736,610,000
2011	23,797,434	-	13,125,000	882,697	-	16,019,116	1,649,043	19,167,958	74,641,248	4.00	995	75,018	1,863,871,000
2012	22,369,937	-	12,670,000	479,369	-	15,426,772	2,607,256	17,798,020	71,351,354	4.02	934	76,389	1,776,923,000
2013	21,128,368	-	25,265,000	231,996	-	14,827,383	1,760,609	16,388,471	79,601,827	4.33	1,041	76,473	1,836,793,000
2014	19,797,105	-	24,140,000	80,981	-	14,938,143	1,087,825	14,196,426	74,240,480	4.06	960	77,361	1,829,286,000
2015	18,533,690	-	22,980,000	-	-	14,042,421	639,800	14,196,426	70,392,337	3.96	918	76,662	1,779,325,000
2016	17,295,290	-	21,785,000	1,665,571	-	12,839,802	3,042,143	12,498,150	69,125,956	3.77	890	77,659	1,834,539,000

CITY OF DEERFIELD BEACH, FLORIDA
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	General Obligations Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value	Per Capita
2007	\$ 29,427,756	\$ 242,033	\$ 29,185,723	0.27	\$ 371
2008	28,013,411	282,601	27,730,810	0.23	355
2009	26,608,199	285,989	26,322,210	0.23	340
2010	25,209,669	288,157	24,921,512	0.25	340
2011	23,797,434	290,794	23,506,640	0.29	313
2012	22,369,937	290,782	22,079,155	0.29	289
2013	2,112,836	2,539,617	(426,781)	0.24	243
2014	19,797,105	2,513,964	17,283,141	0.22	223
2015	18,533,690	2,534,573	15,999,117	0.19	209
2016	17,295,290	2,400,835	14,894,455	0.18	223

Source: City of Deerfield Beach, Financial Services Department

City of Deerfield Beach, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2016

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:			
General obligation bonds			\$ 17,295,290
Covenant bonds (1)			21,785,000
Total direct debt			39,080,290
Overlapping Debt:			
School Board of Broward County, Florida:			
Certificates of participation	\$ 1,676,373,000 (3)	3.76 %-	62,953,255
Capital leases	40,619,000 (3)	3.76 %-	1,525,375
Broward County, Florida (2)	256,420,000 (3)	3.76 %-	9,629,404
Subtotal, overlapping debt			74,108,034
Total direct debt and overlapping debt			\$ 113,188,324

- (1) \$4,550,000 of covenant bonds are secured by and payable from the Florida Power and Light Company electric franchise fees. The remaining balance of covenant bonds are payable from all governmental activities revenue sources of the City, Except for ad valorem taxes.
- (2) Overlapping debt includes only general obligation debt secured by ad valorem taxes as of September 30, 2016.
- (3) Debt outstanding data provided by each government unit.

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

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

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

CITY OF DEERFIELD BEACH, FLORIDA
Water and Sewer Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (A)	Expenses (B)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Escrow or Principal	Interest	Total (C)	
2007	\$ 19,642,599	\$ 14,454,880	\$ 5,187,719	\$ 1,243,340	\$ 683,308	\$ 1,926,648	2.69
2008	23,036,497	14,453,677	8,582,820	1,311,105	706,552	2,017,657	4.25
2009	25,315,345	17,566,467	7,748,878	1,133,359	1,183,419	2,316,778	3.34
2010	24,685,434	15,503,529	9,181,905	1,667,284	1,452,922	3,120,206	2.94
2011	24,839,275	14,564,201	10,275,074	1,936,139	1,359,143	3,295,282	3.12
2012	24,277,472	13,681,310	10,596,162	1,962,273	1,293,540	3,255,813	3.25
2013	24,696,419	14,235,267	10,461,152	1,968,105	1,278,885	3,246,990	3.22
2014	24,810,180	17,417,474	7,392,706	2,081,285	1,152,032	3,233,317	2.29
2015	25,356,689	15,350,588	10,006,101	1,498,498	1,065,191	2,563,689	3.90
2016	25,077,553	15,838,252	9,239,301	2,238,878	877,272	3,116,150	2.97

- A) Gross revenue for the purpose of determining debt service coverage, is equal to the sum of the operating revenues of the Water and Sewer Fund and total interest earnings.
- B) Expenses, for the purpose of determining debt service coverage, are equal to the total operating expenses of the Water and Sewer Fund less depreciation and less the general administrative charge.
*** Effective 2014 general administrative charges will be taken into account in the calculation of Net Revenue.*
- C) The debt service requirement for the Florida Municipal Loan Council Revenue bonds, Series 2008A is set forth in the tri-partite loan agreement between the City ("the Borrower"); Banc of America Public Capital Corporation ("the Purchaser"); and the Florida Municipal Loan Council ("the Issuer").

The debt service requirements for the State of Florida Drinking Water Revolving Loan, as well as the State's Water Pollution Control Financing Corporation revolving loans are set forth in the 'Clean Water State Revolving Fund Agreement' between the City and the State of Florida, Department of Environmental Protection.

CITY OF DEERFIELD BEACH, FLORIDA
Florida Municipal Council Revenue Bonds, Series 2006
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Gross Revenues		Expenses (B)	Net Revenue Available for Debt Service		Debt Service Requirements		Coverage
	(A)					Escrow or Principal	Interest	
2007	\$ 6,983,852	\$ -	\$ -	\$ 6,983,852	\$ -	\$ 59,192	\$ 59,192	117.99
2008	5,877,311	-	-	5,877,311	100,000	257,869	357,869	16.42
2009	5,686,502	-	-	5,686,502	140,000	253,069	393,069	14.47
2010	5,100,276	-	-	5,100,276	150,000	242,269	392,269	13.00
2011	5,049,066	-	-	5,049,066	155,000	238,069	393,069	13.00
2012	4,865,482	-	-	4,865,482	165,000	233,069	398,069	12.00
2013	4,717,719	-	-	4,717,719	175,000	225,069	400,069	12.00
2014	5,094,647	-	-	5,094,647	180,000	218,069	398,069	13.00
2015	5,120,791	-	-	5,120,791	190,000	209,069	399,069	13.00
2016	4,961,669	-	-	4,961,669	200,000	149,569	349,569	13.00

- A) Gross revenue represent franchise fees collected from Florida Power and Light Company ("FPL"). The loan repayment obligations of the City are payable from and secured by a pledge of and lien upon the City's electric franchise fees. In consideration of the grant of the privilege to operate within the City, FPL has agreed to pay the City an amount equal to 5.9% of FPL's billed revenues, less write-offs, from the sale of electric energy within the incorporated limits of the City.
- B) No applicable operating expenses are directly chargeable to the City's franchise fees.
- C) The debt service requirements for the Series 2006 revenue bonds are set forth in the loan agreement between the City and the Florida Municipal Loan Council, dated December 1, 2006.
- D) The pledge revenue coverage for fiscal years prior to fiscal 2007 are not applicable, since the Series 2006 revenue bonds were issued during fiscal year 2007.

CITY OF DEERFIELD BEACH, FLORIDA
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	Personal Income**	(2) Per Capita Personal Income	(1) Median Age	(3) School Enrollment	(2) Unemployment Rate
2007	78,575	\$ 2,205,600	\$ 28,070	43.6	7,524	4.0 %
2008	78,187	2,416,487	30,907	44.8	7,741	5.8 %
2009	77,465	1,992,090	25,716	44.6	7,931	8.9 %
2010	73,216	1,736,610	23,719	42.2	8,169	11.5 %
2011	75,018	1,850,526	24,668	43.3	8,278	9.0 %
2012	76,389	1,776,923	23,262	44.2	8,422	6.5 %
2013	76,473	1,836,793	24,019	43.3	7,496	5.8 %
2014	77,361	1,829,286	23,646	43.2	7,442	4.6 %
2015	76,662	1,779,325	26,210	42.1	7,961	4.6 %
2016	77,659	1,834,539	23,623	42.9	7,397	4.7 %

Sources:

- (1) Bureau of Economic and Business Research (BEBR)
- (2) American Factfinder & Quickfacts Census.gov
- (3) School Board of Broward County, Florida
- (4) Florida Jobs Local Area Unemployment Statistics

** Personal income data expressed in thousands

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

Employer	2016			2007
	Employees	Rank	Percentage of Total Employment	Rank*
Publix Corporation	1,751	1	4.58 %	1
JM Family Enterprises	1,274	2	3.33 %	3
Broward Health North	1,162	3	3.04 %	2
UPS	511	4	1.34 %	6
City of Deerfield Beach	461	5	1.21 %	4
Sun-Sentinel	397	6	1.04 %	5
Target	356	7	0.93 %	
Republic National Distribution	342	8	0.89 %	
Peoples Trust	325	9	0.85 %	
Broward Sheriff Office	291	10	0.76 %	
	<u>6,870</u>		<u>17.97 %</u>	N/A*

*Note: Information for fiscal year 2007 is unavailable

Sources: *Employer's Human Resource Department*

Florida Department of Economic Opportunity

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	67	66	66	58	62	66	64	63	73	66
Public safety										
Police										
Uniformed	129	129	129	123	126	126	126	126	127	127
Civilians	53	53	53	43	43	43	46	45	45	42
Fire/Rescue										
Firefighters and Officers	151	150	149	140	140	154	143	147	138	139
Bldg. inspection services	22	21	21	20	17	18	19	16	-	-
Civilians	17	20	20	20	20	2	2	6	5	5
Economic environment	1	-	1	1	1	1	1	1	1	1
Culture and recreation	75	84	94	86	65	64	70	66	72	75
Human services	40	41	37	40	37	38	39	40	39	40
Public works administration	4	4	4	3	1	-	-	-	-	-
Grounds maintenance	40	39	39	21	42	38	31	37	36	39
Parks	39	41	44	11	11	7	7	10	10	7
Water & sewer	74	75	74	68	65	60	58	58	60	56
Solid waste	65	67	67	60	49	53	55	54	64	75
Transportation										
Street maintenance	14	15	15	13	11	10	10	11	12	11

Source: City of Deerfield Beach, Financial Services Department

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police:										
Physical arrests	4,768	4,815	4,775	4,195	2,926	2,432	2,435	2,729	2,563	2,616
Parking violations	21,758	15,281	19,654	19,638	17,446	16,603	15,248	15,315	20,084	19,980
Traffic violations	15,435	22,329	21,403	17,068	15,023	17,357	11,214	17,382	17,631	17,220
Fire/Rescue:										
Number of emergency responses	18,739	19,664	-	20,395	20,473	229,146	21,005	14,606	15,217	15,458
Inspections	4,298	4,147	7,839	6,099	6,147	7,033	5,400	5,332	7,653	3,916
Fire extinguished	245	289	146	147	156	115	162	152	139	162
Transportation										
Street maintenance:										
Streets resurfacing (miles)	1	-	-	3	2	-	13	28	22	-
Potholes repaired	1,998	2,209	2,313	2,212	2,212	1,800	800	556	204	200
Sidewalk repaired (feet)	-	-	1,800	2,700	3,200	13,900	12,000	5,705	8,555	3,920
Transit services										
Total route miles	113,879	116,379	126,638	92,167	83,458	99,846	64,570	142,690	106,942	140,124
Number of trips	13,909	10,188	29,506	27,672	23,329	25,368	87,205	97,743	91,902	86,048
Physical environment										
Number of burials	123	128	209	118	130	84	113	122	110	112
Culture and recreation										
Athletic field permits issued	75	11	32	73	70	99	65	246	493	1,344
Number of participants in arts & education classes	25,000	27,500	32,000	11,922	12,000	3,500	13,625	5,498	5,684	6,144
Number of special event permits issued	180	112	97	59	70	129	121	192	88	76
Attendance at special events	400,000	400,000	350,000	244,750	240,000	224,000	231,995	298,530	285,500	292,000
Water										
New connections	59	358	27	15	32	12	8	10	10	5
Water main breaks	107	120	65	63	65	39	53	12	13	40
Average daily consumption (millions of gallons)	11	9	10	9	9	9	9	9	9	9
Permitted raw water withdrawal	13	13	14	14	14	14	14	14	14	12
Sewer										
Average daily sewage treatment (Thousands of gallons)	6,500	6,500	7,400	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Solid waste										
Refuse collected (tons/day)	366	247	189	248	196	246	251	247	276	402
Recyclables collected (tons/day)	32	33	23	27	37	25	29	33	27	49

City of Deerfield Beach, Florida

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Human services										
Childcare:										
Average daily attendance	30	28	19	16	13	13	15	15	10	12
Number of meals served	31,250	29,500	24,648	27,997	18,956	15,639	20,491	15,785	18,381	18,467
Adult daycare:										
Average daily attendance	10	10	10	7	6	7	8	7	7	5
Alzheimer's daycare:										
Average daily attendance	30	25	24	27	23	18	25	27	24	28

Source: Various City departments

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

**The number of trips are higher than the previous years since they include both paratransit and local service. program transportation services. Transportation-Community Bus Shuttles (DBE I & II)*

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	162	162	162	129	126	126	126	126	130	130
Fire/Rescue:										
Stations	4	4	4	5	6	6	6	6	6	6
Rescue ambulances	8	8	8	8	8	8	6	6	6	6
Fire engines	6	6	6	6	6	6	4	4	4	4
Ladder/heavy squad trucks	2	2	2	2	2	1	1	1	1	1
Transportation										
Streets (miles)	146	146	146	146	146	146	146	146	146	146
Sidewalks (miles)	135	135	135	135	135	135	136	136	136	136
Streetlights (poles)	4,400	4,400	5,200	5,200	7,000	7,000	7,000	7,000	7,000	7,000
Traffic signals	68	68	68	68	68	68	68	68	68	70
Culture and recreation										
Parks acreage	125	125	140	140	324	324	317	338	345	398
Parks	29	29	31	33	33	33	34	35	44	52
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	12	12	12	12	12	12	12	12
Community centers	3	3	2	3	2	2	2	2	3	3
Water										
Water main (miles)	230	230	232	232	232	232	232	232	232	234
Maximum daily capacity (millions of gallons)	35	35	35	35	35	35	35	24	24	24
Sewer										
Sanitary sewers (miles)	135	135	136	136	137	137	137	137	137	136
Storm sewers (miles)	37	37	48	48	48	48	48	48	48	48
Average daily treatment capacity (thousands of gallons)	7,000	7,000	7,000	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Solid waste										
Collection trucks	41	41	40	41	38	32	32	28	23	23

Source: Various City departments

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