



*Village by the Sea!*

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended

**SEPTEMBER 30, 2024**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**CITY OF DELRAY BEACH, FLORIDA**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

**Prepared by the**

**Finance Department**

**Henry M. Dachowitz, Chief Financial Officer**  
**Carmen Aleman, Deputy Chief Financial Officer**  
**John Mainville, Accounting Manager**  
**Jose Perez, Senior Accountant**

# CITY OF DELRAY BEACH, FLORIDA

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## **INTRODUCTORY SECTION**

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May 29, 2025

Honorable Mayor  
City Commission  
City Manager  
City Staff  
Citizens and Friends of Delray Beach, Florida

Ladies and Gentlemen:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Delray Beach, Florida (the City), for the fiscal year ended September 30, 2024. State law requires that every local government entity publish a complete set of audited financial statements within nine months of the close of each fiscal year. This document is published to fulfill that requirement, as well as to provide transparency and accountability to our community, customers, and business partners.

Based upon a comprehensive framework of internal controls, management assumes full responsibility for the completeness and reliability of the information contained in this report. Comparable to any other investment of resources, the cost of an internal control structure should not exceed the anticipated benefits. For this reason, the City's internal control structure is designed to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.

CBIZ CPAs P.C., have issued unmodified opinions on the financial statements of the City of Delray Beach for the fiscal year ended September 30, 2024. The independent auditors' report is located at the front of the financial section of this document. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## THE CITY OF DELRAY BEACH

**Profile** The City of Delray Beach is a political subdivision of the State of Florida and is located in the southeastern part of the State in Palm Beach County on the Atlantic shoreline. Delray Beach was settled as an agricultural community in 1895 and first incorporated in 1911. Subsequent incorporation as the City of Delray Beach took place on May 11, 1927. The City's current estimated population is that of 70,644 residents.

The City of Delray Beach is a full-service city with a Commission-Manager form of local government. The citizens elect a Mayor at large on a non-partisan basis every three (3) years along with four (4) Commissioners who are elected at large on a non-partisan basis for three (3) year terms in alternating years. The City Commission sets policy, approves legislation, adopts the Annual Budget, and sets rates and fees for City services.



The City Commission appoints the City Manager, who is the chief administrative officer of the City, the City Attorney, who acts on all legal matters pertaining to the City, and the Internal Auditor. The City Manager is charged with overseeing the daily business of the City and is responsible for the supervision of the City departments and employees. Department Heads serve at the pleasure of the City Manager and other employees are covered by union agreements.

Renewal and redevelopment efforts in Delray Beach have resulted in numerous accolades, including the prestigious All-America City Award (1993, 2001 & 2017), and USA Today/Rand McNally's Best of the Road Most Fun Small Town in America (2012).

The City was recently recognized by *Government Technology* as one of four Florida cities for their innovative efforts and technology projects impacting residents communitywide. Delray Beach was among last year's list of winners, following recent efforts to increase digital citizen engagement and access to information about city services and programs. The City has also been granted the prestigious Blue Flag Award for the third consecutive year. Our City is one of the three beaches in the continental United States to win this award. The Blue Flag international jury awarded the Delray Beach Municipal Beach between Casuarina Road and Lang Street the coveted international designation for meeting a series of stringent environmental, educational, safety and accessibility standards. The international award program has existed for 36 years and is headquartered in Copenhagen, Denmark. Delray Beach is also host to exceptional special events. Throughout the year, people from around the world visit the City to enjoy championship tennis, fabulous 4th of July celebrations, and festive holiday events.

The City of Delray Beach is a truly unique city. From its award-winning public beaches and vibrant downtown nightlife to its excellent neighborhoods, bustling economy, and abundance of cultural activities; Delray Beach offers an unparalleled quality of life.

**Services Provided** The City of Delray Beach provides a full range of community services including police, fire protection, fire inspection, emergency medical services, rescue, parks, recreation centers, community activities, beaches, pools, a marina, boat ramps, public works, traffic maintenance, street maintenance, parking facilities, golf courses, tennis courts and a world-class tennis stadium.

The City also provides utility, development and business services including water, sewer, stormwater, engineering, construction services, building permits, building inspections, code enforcement, garbage, community development, general administrative and financial support services.

In addition to the services provided to Delray's residents, the City provides water, fire protection, emergency medical, police dispatch, building permits, building inspections, and limited sewer services to the Town of Gulfstream. Limited water services are also provided to the Town of Highland Beach. The City serves the residents of both towns based on contractual arrangements with each governmental entity.

**Reporting Entity** This report includes all funds of the primary government (the City of Delray Beach) and all organizations and component units for which the City is financially accountable, including the Delray Beach Community Redevelopment Agency (CRA) and the Delray Beach Downtown Development Authority (DDA). The South Central Regional Wastewater Treatment and Disposal Board (SCRWTDB) is also included in this report. The SCRWTDB was established as a joint venture with equity interests between the cities of Delray Beach and Boynton Beach.



**Budgetary Control** The City maintains a system of budgetary controls within its accounting and financial management systems. The objective of these budgetary controls is to monitor compliance with legal provisions as well as funding limitations embodied in the annual budget appropriated by the City Commission. In accordance with state laws, the final adopted budget is posted on the City's website within thirty (30) days after adoption. The amount available from taxation and other sources, including balances brought forward from prior fiscal years, must equal the total appropriations for expenditures and reserves. Budgetary control, or the level at which expenditures may not exceed appropriations, is established at the departmental and fund levels.

As part of the City's budgetary control system, encumbrances in the form of purchase requisitions are utilized. An encumbrance is a reservation of funds to pay for goods or services which have been approved for purchase. For operating purposes, outstanding encumbrances lapse at fiscal year-end. Blanket requisitions are closed at fiscal year-end and are not reappropriated.

**Economic Conditions and Outlook** The City of Delray Beach continues to be in healthy financial condition with a diverse and growing population, increasing property values, positive trends in economic activity, sound fiscal controls and appropriate balances maintained in the City's reserve fund. For fiscal year 2024, taxable values increased to \$16.3 billion, representing a 13.4% increase over the 2023 taxable values of \$14.4 billion. The City's total property tax rate for fiscal year 2023 decreased from 6.665 mills to 6.4982 mills. S&P Global Ratings recently assigned its 'AAA' long-term rating to the City's issued \$20 million Series 2024 general obligation bonds (parks projects). The City also received a credit upgrade of its issuer rating from Aa2 to Aa1 from Moody's Investors Service.

## MAJOR INITIATIVES

As in years past, the City has allocated significant resources to major capital projects. The City has undertaken or substantially completed the following major capital projects during fiscal year 2023-24:

- TPA - Lowson Boulevard/SW 10th Street Pedestrian Bridge, Roadway & Bicycle Improvements
- Reclaimed Water Expansion - Area 10
- Delray Beach Seaboard Air Line Railway Station Reconstruction
- SW 22nd Avenue / SW 29th Street Sidewalks
- Old School Square Crest Theater Renovations
- Atlantic Dunes Parking Lots
- Catherine Drive & Linton Blvd Intersection Improvements

**Economic Development** During fiscal year 2024, the City continued its robust pace of office, hotel and commercial redevelopment. Some of the dynamic projects taking shape in the downtown area, include: Sundry Village, a mixed-use development totaling approximately 129,000 gross square feet of office, retail, and restaurant in a historic campus, with 267 subterranean parking spaces; Phase II of Atlantic Crossing, a 9.22 acre mixed-use project that contains 37,642 square feet of retail space, 39,434 square feet of dining, 83,462 square feet of office space and 343 dwelling units; Parks of Delray, a residential community located along South Congress Avenue consisting of 693 apartments in garden-style four-and five-story buildings and 54 townhomes for a total of 747 multifamily units; the Alexan, just north of Parks of Delray on Congress Avenue, will feature approximately 267 multi-family residential units on a 6.74-acre site consisting of one-bedroom to three-bedroom units. In addition, smaller new townhome projects are densifying the eastern areas of the City.



## LONG-TERM STRATEGIC PLANNING

During fiscal year 2024, the City Commission and the City's Executive Leadership Team convened in a goal-setting session and the following key focus areas were identified as integral to the City's continued vitality:

- Mobility
- Public Spaces
- Economic Affordability
- Downtown
- The SET ("West Settlers' District")
- Community Engagement and Civility
- Staff Development and Retention
- Sustainability and Resiliency
- Education
- City Facilities
- Arts & Culture

## FINANCIAL INFORMATION

**Internal Accounting Controls** In the development and evaluation of the City's accounting and financial reporting systems, consideration is given to the adequacy and accuracy of the internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance that the assets of the City are safeguarded against loss from unauthorized use or disposition and that there are reliable financial records for the preparation of financial statements and for the accountability of those assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations, including the City's, utilize these criteria.

**Single Audit** As a recipient of Federal, State and County financial assistance, the City is also responsible for ensuring that an adequate system of internal controls is in place to maintain compliance with applicable laws, regulations and guidelines related to those programs. This internal control system is subject to periodic evaluation by management. As a part of the single audit process, tests are made to determine the adequacy of the internal control structure, including the portion related to federal and state financial assistance programs, and to determine compliance with applicable laws and regulations. The results of the City's single audit for the fiscal year ended September 30, 2024 disclosed no instances of material weaknesses in the internal control structure and disclosed no significant violation of applicable laws and regulations.

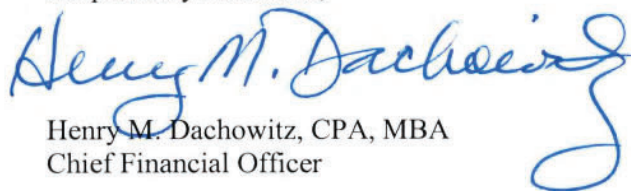
## AWARDS AND ACKNOWLEDGMENTS

**Financial Statement Award** The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Delray Beach, Florida, for its ACFR for the fiscal year ended September 30, 2023. This was the 41<sup>st</sup> consecutive year the City received this prestigious award. To be awarded a Certificate of Achievement, a government must publish a comprehensive annual financial report which meets or exceeds current requirements and best practices. The report is reviewed by a team of industry experts to ensure that generally accepted accounting principles, best practices and applicable legal requirements are satisfied. We believe our current report meets the Certificate of Achievement Program requirements and we are submitting it for GFOA evaluation and potential award of a 42<sup>nd</sup> certificate.

**Budget Award** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Distinguished Budget Presentation Award to the City of Delray Beach, Florida, for its Annual Budget for the fiscal year ended September 30, 2024. To receive this award, a government must publish a budget document that meets or exceeds industry standards and best practices as a policy document, a financial plan, an operations guide, and a communications tool. The award represents the 29<sup>th</sup> time that the City has received this honor recognizing excellence in governmental budgeting practices.

**Acknowledgments** An Annual Comprehensive Financial Report of this quality and complexity illustrating the entity-wide results of operations would not have been achieved without the dedication and commitment of the entire Delray Beach team. A special “Thank You” is extended to Ms. Carmen Aleman, Deputy Chief Financial Officer; and Mr. John Mainville, Accounting Manager, as well as the entire Finance Team. This team’s technical expertise and commitment to a high-quality work product resulted in a report which provides a comprehensive view of the City’s financial and economic position. This report clearly illustrates that the City of Delray Beach is in a strong financial position and is poised for continued growth and prosperity. We wish to thank the Mayor, City Commission, City Manager, Department Heads, and the citizens for their continued support and unwavering commitment to fiscal responsibility.

Respectfully submitted,

A handwritten signature in blue ink, reading "Henry M. Dachowitz". The signature is stylized with a large, looping "H" and a long, sweeping "Z" at the end.

Henry M. Dachowitz, CPA, MBA  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Delray Beach  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2023

*Christopher P. Morill*

Executive Director/CEO



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Delray Beach  
Florida**

For the Fiscal Year Beginning

**October 01, 2023**

*Christopher P. Morill*

Executive Director



**CITY OF DELRAY BEACH  
LIST OF PRINCIPAL OFFICIALS  
September 30, 2024**

**CITY COMMISSION**

Mayor – Thomas F. Carney, Jr

Vice-Mayor – Juli Casale

Deputy Vice-Mayor – Robert Long

Commissioner – Angela Burns

Commissioner – Tom Markert

**CITY STAFF**

City Manager – Terrence R. Moore

Assistant City Manager - Jeff Oris

City Attorney – Lynn Gelin

Interim City Clerk – Alexis Givings

Communications Director – Gina Carter

Development Services Director – Anthea Gianniotis

Interim Chief Financial Officer – Laura Thezine

Interim Fire Chief – Kevin Green

Human Resources Director – Duane D’Andrea

Chief Technology Officer – Jay Stacy

Neighborhood & Community Services Director – Sammie Walthour

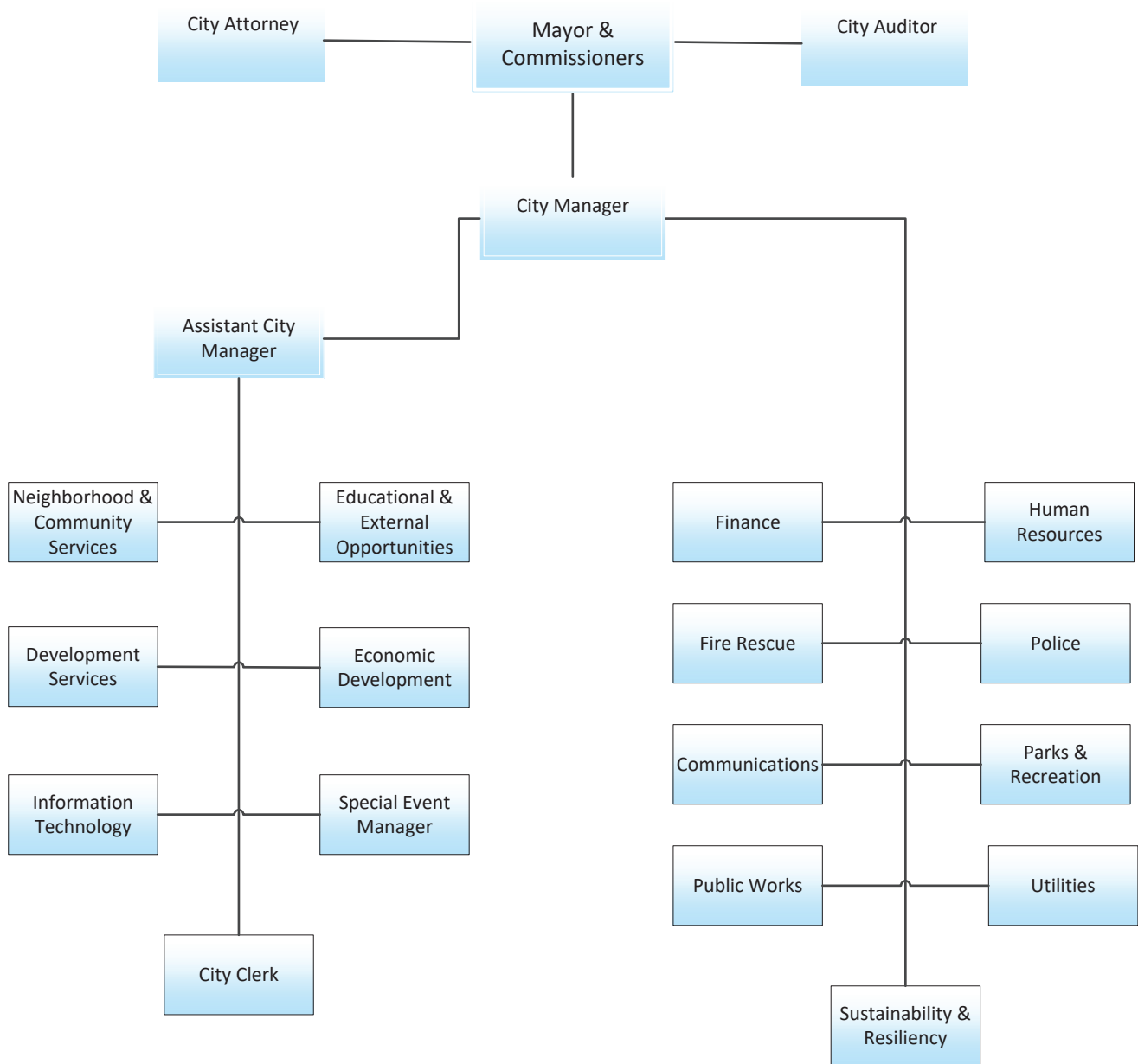
Parks & Recreation Director – Samuel Metott

Police Chief – Russ Mager

Public Works Director – Missie Barletto

Utilities Director – Hassan Hadjimiry

# City of Delray Beach Organizational Chart



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# **INDEPENDENT AUDITORS' REPORT**

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Delray Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 17, the budgetary comparison information on pages 112 to 117, the pension information on pages 118 to 127 and the other postemployment benefits information on pages 128 to 130 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, the other supplementary information, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***CBIZ CPAs P.C.***

West Palm Beach, FL  
May 29, 2025



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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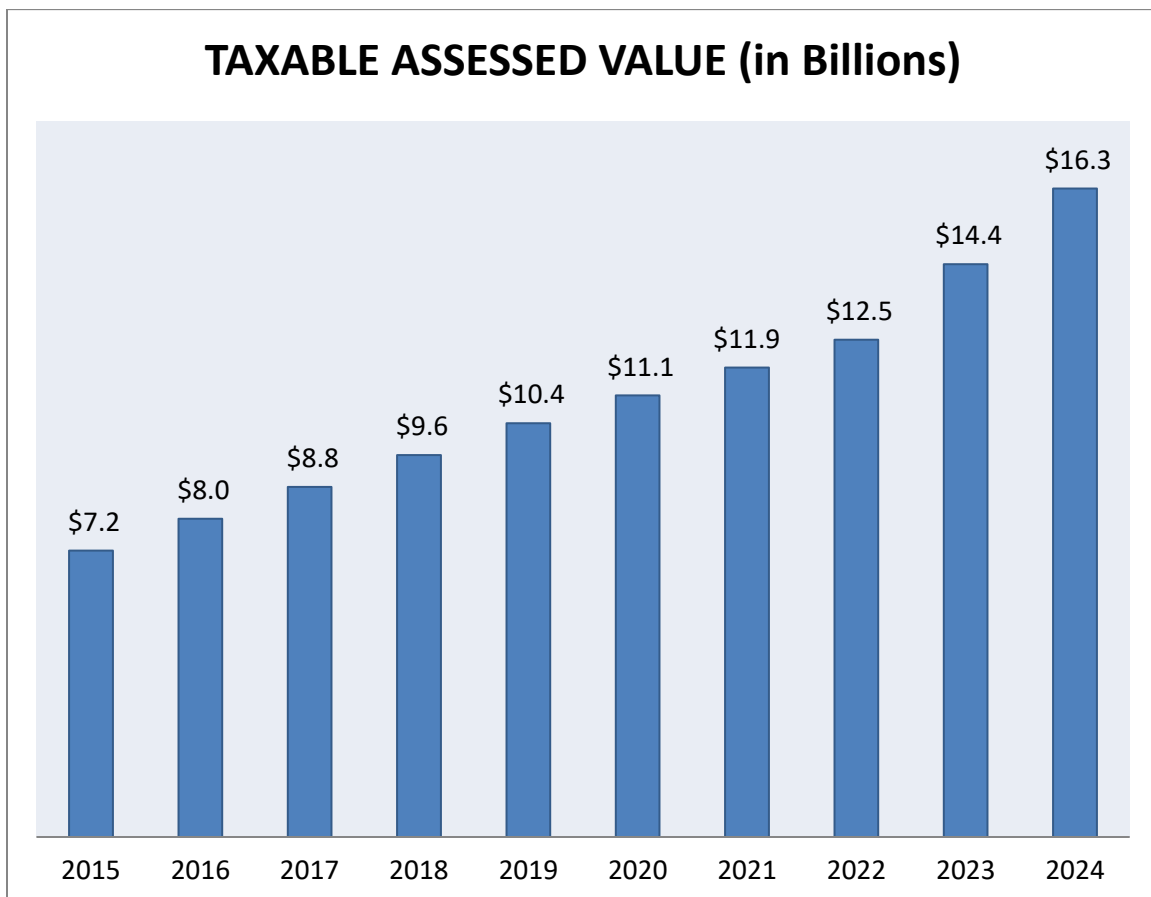
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## Management’s Discussion and Analysis

This section of the annual comprehensive financial report provides a narrative overview and analysis of the financial activities of the City of Delray Beach, Florida (“City”) for the fiscal year ended September 30, 2024. This information is to be considered alongside that in the letter of transmittal and the City’s basic financial statements and notes to the financial statements. The financial analysis within the Management’s Discussion and Analysis includes the City’s primary government operations, the City’s blended component unit – the Delray Beach Community Redevelopment Agency (CRA) and the City’s joint venture for the South Central Regional Wastewater Treatment and Disposal Board. The operations of the City’s discretely presented component unit, the Downtown Development Authority (DDA), are excluded. The joint venture, the DDA, and the CRA issue separate audit reports that are available from each entity.

### FINANCIAL HIGHLIGHTS

- The City’s single largest source of revenue is from property taxes derived from the taxable assessed value of properties within the City, as summarized below.



- The overall financial condition of the City’s General Fund operations is influenced by the real estate market, the current state of the economy and State tax reform legislation. Taxable assessed value increased from \$14.4 billion for 2023 to \$16.3 billion for 2024, or 13.4%.

- The assets and deferred outflows of the City (Primary Government) exceeded its liabilities and deferred inflows (Total Net Position) at September 30, 2024, by \$459.7 million. Of this amount, \$86.4 million (Unrestricted Net Position) may be used to meet the City's ongoing obligations to citizens and creditors.
- In 2024, the net position of governmental activities increased by \$54.6 million. The increase in the governmental activities is approximately \$19.6 million or 56.2% greater than the prior year increase in net position attributable to operations.
- In 2024, the net position of the business-type activities increased by \$4.5 million. The increase in the business-type activities is approximately \$2.85 million or 177.1% more than the prior year decrease in net position attributable to operations.
- The unrestricted net position of the governmental activities reflects a balance of \$21.5 million at September 30, 2024 as compared to \$11.6 million for the prior year.
- At September 30, 2024, the City's governmental funds reported combined ending fund balances of \$191.6 million, which increased \$23.0 million from the prior year. The increase is primarily attributable to an increase in tax increment revenues in the CRA Fund of \$20.4 million. A total of \$68.0 million (Unassigned Fund Balance and Assigned Fund Balance) or 35% of the combined ending fund balance is available for spending. Of this amount, \$52.5 million is in the General Fund and \$15.3 million is in the Capital Improvement Funds.
- At September 30, 2024, Unassigned Fund Balance for the General Fund was \$50.8 million or 29.1% of total General Fund expenditures of \$174.4 million. This is an increase of \$2.1 million or 4.3% from the prior year. General Fund revenues increased by 5.2% and expenditures increased by \$13.7 million or 8.5% over the prior year. The City has a Fund Balance/Net Position Policy effective October 17, 2024. "The General Fund's Unassigned Fund Balance shall have a reserve balance of 21 % to 25% of the current fiscal year's budgeted operating expenditures." FY2025 approved budget for the General Fund is \$186,979,989. FY2024's year-end General Fund Unassigned Fund balance of \$50,784,442 represents 27.2% of budgeted expenditures.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This management discussion and analysis report is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information that explains in more detail some of the information in the financial statements.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances and to report information about the City in a manner similar to those reports issued and used by private sector companies.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the differences presented as *net position*. Over time, increases or decreases in net position may help to serve as a useful indicator of whether the overall financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include such areas as General Government, Public Safety, Physical Environment, Parks and Recreation and Economic Development. The business-type activities of the City that rely on user fees and charges include areas such as Water and Sewer, Stormwater, Sanitation, Municipal Golf Course, Lakeview Golf Course, City Marina and Cemetery operations.

Both of the government-wide financial statements include not only the City itself (known as the Primary Government), but also the legally separate CRA (a blended component unit) and the DDA for which the City is financially accountable (a discretely presented component unit). The CRA is considered a blended component unit because the City Commission serves as the majority of the CRA's Governing Board and has the ability to control the CRA's operations. Financial information for the CRA is combined with that of the City, while the DDA is reported separately from the financial information presented for the City itself. The government-wide financial statements can be found on pages 18 and 19 of this report.

## **Fund Financial Statements**

### ***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. As a result of this difference in focus, reconciliations are provided between the fund financial statements and government-wide financial statements to understand the long-term impact of short-term financing decisions.

The City maintained 16 individual governmental funds during 2024. Information is presented separately for the General Fund, Neighborhood Services Fund, Community Redevelopment Agency Fund, Capital Improvement Fund and the One-Cent Sales Tax Fund, which are the City's major governmental funds. Data for the other non-major governmental funds are aggregated into a single presentation. Individual fund data for each of the non-major governmental funds is provided in *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 20 through 23 of this report.

### ***Proprietary Funds***

The City utilizes two different types of proprietary funds, enterprise and internal service funds.

Enterprise funds are used to report business-type activities that charge fees to customers for the use of specific goods or services. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. The City uses enterprise funds to account for its water and sewer utility, stormwater utility, sanitation, municipal golf course, Lakeview golf course, marina and cemetery operations.

Internal service funds are used to account for the insurance services and central garage services provided to other departments of the City on a cost-reimbursement basis. Because these services predominantly support governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Stormwater Fund, and the Sanitation Fund, which are the major enterprise funds of the City, and five non-major funds which are combined into a single, aggregated presentation in the proprietary fund financial statements. Conversely, the two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the individual internal service funds are provided in the form of *combining statements* in the Combining and Individual Fund Statements and Schedules section of this report. The City's proprietary fund financial statements can be found on pages 24 to 26 of this report.

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held in trust 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's operations. The accounting methods used for fiduciary funds are similar to that used for proprietary funds. Individual fund data for each of the fiduciary funds is provided in the form of *combining statements* elsewhere in this report. The City's fiduciary fund financial statements can be found on pages 27 to 28 of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information and clarification that are essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 29 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Additionally, the City adopts an annual appropriated budget for its General Fund, Neighborhood Services Fund, and Community Redevelopment Agency Fund. Budgetary comparison schedules have been provided as required supplementary information for these funds to demonstrate compliance with their budget. Required supplementary information can be found on pages 112 through 130 of this report.

The *combining statements* for non-major governmental, non-major proprietary, internal service and the fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 131 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position of the City is presented in detail on page 18 and summarized in Table A-1 below.

**Table A-1**  
**Condensed Statements of Net Position (\$ in millions)**

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and other	\$ 236.0	\$ 207.2	\$ 82.9	\$ 79.2	\$ 318.9	\$ 286.4
Capital assets	253.6	239.2	108.7	107.0	362.3	346.2
Net pension asset	<u>18.2</u>	<u>0.5</u>	<u>6.2</u>	<u>0.1</u>	<u>24.4</u>	<u>0.6</u>
<b>Total Assets</b>	507.8	446.9	197.8	186.3	705.6	633.2
<b>Deferred Outflows</b>	<u>19.5</u>	<u>27.0</u>	<u>1.5</u>	<u>1.3</u>	<u>21.0</u>	<u>28.3</u>
<b>Liabilities</b>						
Current liabilities	23.5	23.2	7.3	5.1	30.8	28.3
Noncurrent liabilities	<u>172.1</u>	<u>209.4</u>	<u>3.4</u>	<u>2.9</u>	<u>175.5</u>	<u>212.3</u>
<b>Total Liabilities</b>	<u>195.6</u>	<u>232.6</u>	<u>10.7</u>	<u>8.0</u>	<u>206.3</u>	<u>240.6</u>
<b>Deferred Inflows</b>	<u>51.7</u>	<u>15.9</u>	<u>8.9</u>	<u>4.3</u>	<u>60.6</u>	<u>20.2</u>
<b>Net Position</b>						
Net investment in capital assets	220.5	202.4	108.6	106.9	329.1	309.3
Restricted	38.0	11.4	6.2	0.2	44.2	11.6
Unrestricted	<u>21.5</u>	<u>11.6</u>	<u>64.9</u>	<u>68.2</u>	<u>86.4</u>	<u>79.8</u>
<b>Total Net Position</b>	<u>\$ 280.0</u>	<u>\$ 225.4</u>	<u>\$ 179.7</u>	<u>\$ 175.3</u>	<u>\$ 459.7</u>	<u>\$ 400.7</u>

Net position over time may serve as a useful indicator of the City's financial position. During the current year, the total net position of the City increased by \$59.0 million or approximately 14.7% from \$400.7 million to \$459.6 million. The increase in net position was a result of an increase from operations in the governmental activities (\$54.6 million) and an increase in the business-type activities (\$4.4 million).

A significant portion of the City's net position at September 30, 2024 (\$329.0 million or 72% of the Total Net Position) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), net of the related debt and any related deferred inflow/outflow that is still outstanding. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



An additional portion of the City's net position (10%) represents resources that are subject to restrictions on how they may be used. The balance in restricted net position reflects an increase of \$32.7 million from the prior year.

The unrestricted portion of net position represents resources that may be used to meet the City's ongoing obligations to its citizens and creditors. The 2024 governmental activities unrestricted net position balance increased approximately \$9.9 million. This is primarily due to increases in property tax revenues attributable to increasing property values.

The changes in net position of the City are reported in the Statement of Activities on page 19 and are summarized in Table A-2 below.

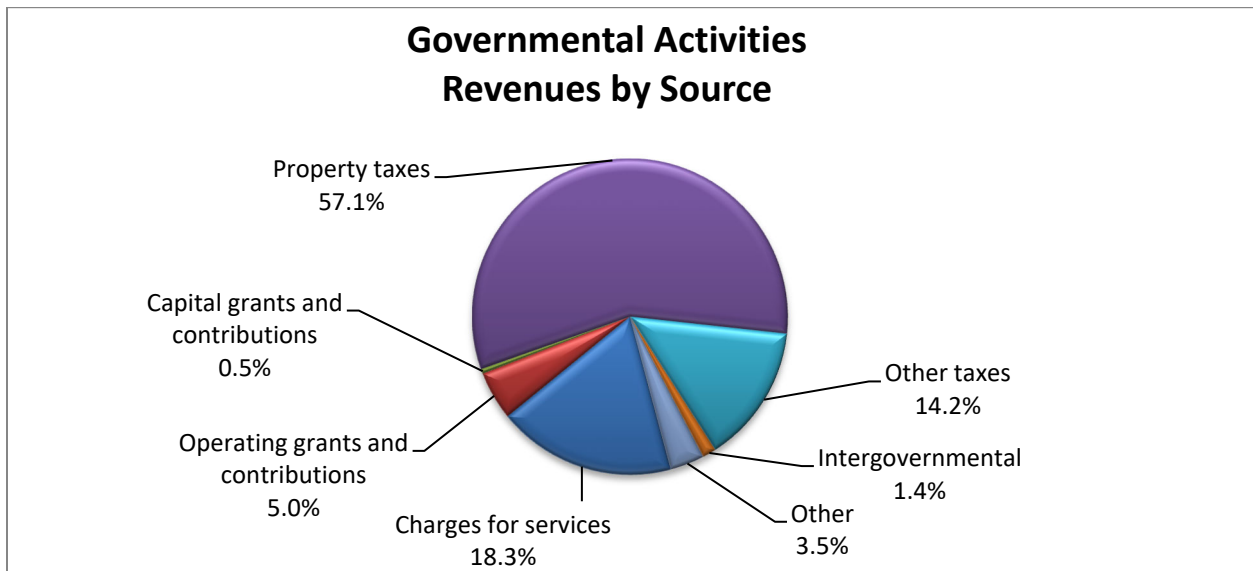
**Table A-2**  
**Changes in Net Position**  
**Condensed Statement of Activities (\$ in millions)**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 44.5	\$ 43.4	\$ 59.4	\$ 51.9	\$ 103.9	\$ 95.3
Operating grants, contributions	12.1	27.7	-	0.3	12.1	28.0
Capital grants, contributions	1.2	2.8	0.4	1.9	1.6	4.7
General revenues:						
Property taxes	138.8	122.5	-	-	138.8	122.5
Other taxes	34.5	23.3	-	-	34.5	23.3
Intergovernmental	3.4	10.0	-	-	3.4	10.0
Other	8.6	3.0	3.7	1.5	12.3	4.5
<b>Total Revenues</b>	<b>243.1</b>	<b>232.7</b>	<b>63.5</b>	<b>55.6</b>	<b>306.6</b>	<b>288.3</b>
<b>Expenses</b>						
General government	48.6	49.3	-	-	48.6	49.3
Public safety	97.7	99.1	-	-	97.7	99.1
Physical environment	16.7	17.0	-	-	16.7	17.0
Parks and recreation	20.4	22.6	-	-	20.4	22.6
Economic development	9.1	12.8	-	-	9.1	12.8
Interest on long-term debt	1.6	1.4	-	-	1.6	1.4
Water and sewer	-	-	38.1	36.8	38.1	36.8
Stormwater	-	-	2.5	2.0	2.5	2.0
Sanitation	-	-	8.4	6.7	8.4	6.7
Municipal golf course	-	-	3.3	3.1	3.3	3.1
Lakeview golf course	-	-	1.1	0.8	1.1	0.8
City marina	-	-	0.1	0.1	0.1	0.1
Cemetery	-	-	-	-	-	-
<b>Total Expenses</b>	<b>194.1</b>	<b>202.2</b>	<b>53.5</b>	<b>49.5</b>	<b>247.6</b>	<b>251.7</b>
Change in net position before transfers	49.0	30.5	10.0	6.1	59.0	36.6
Transfers	5.6	4.5	(5.6)	(4.5)	-	-
<b>Change in Net Position</b>	<b>54.6</b>	<b>35.0</b>	<b>4.4</b>	<b>1.6</b>	<b>59.0</b>	<b>36.6</b>
<b>Net Position - Beginning</b>	<b>225.4</b>	<b>190.4</b>	<b>175.3</b>	<b>173.7</b>	<b>400.7</b>	<b>364.1</b>
<b>Net Position - Ending</b>	<b>\$ 280.0</b>	<b>\$ 225.4</b>	<b>\$ 179.7</b>	<b>\$ 175.3</b>	<b>\$ 459.7</b>	<b>\$ 400.7</b>

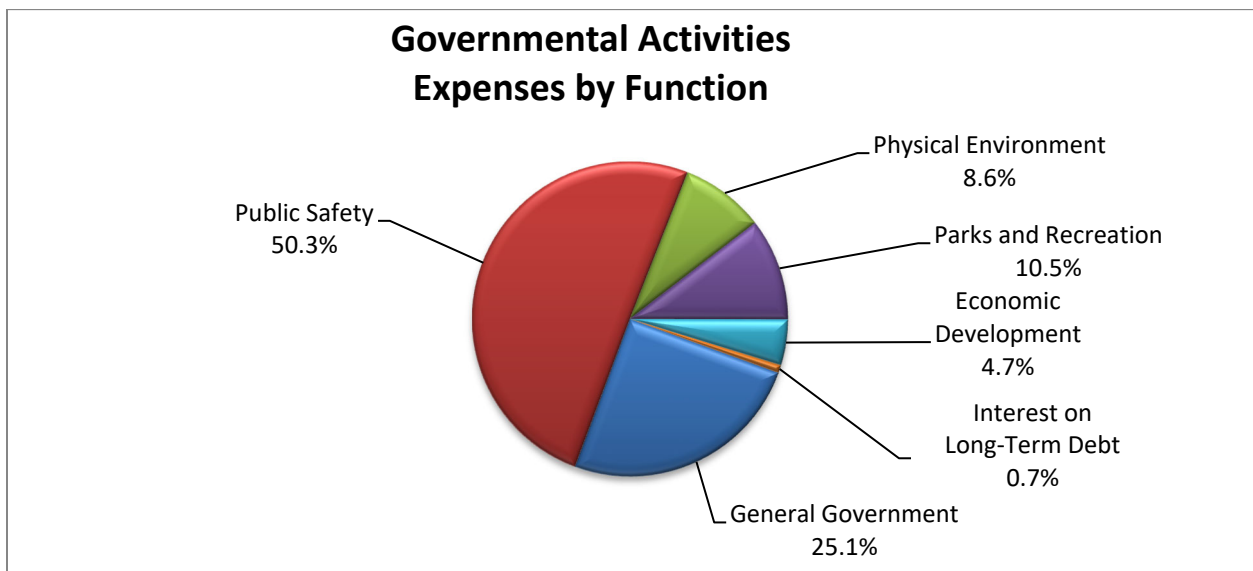
Governmental activities increased the City's net position by \$54.6 million, which was primarily due to an increase in property taxes attributable to higher property values. Expenses decreased by \$8.1 million, primarily due to decreases in General Government, Public Safety, Parks and Recreation and Economic Development.

Business-type activities net position increased \$4.5 million, which was primarily attributable to water and sewer and sanitation operations. Charges for Services increased approximately \$7.5 million attributable to increase in rates for water and sanitation services and the reopening of many of the businesses that had been closed during the pandemic, while Operating grants and contributions remained constant and capital grants and contributions decreased \$1.9 million.

Governmental Activities revenues by source for 2024 are summarized as follows:



Expenses by function for 2024 are summarized as follows:



## FINANCIAL ANALYSIS OF THE CITY OF DELRAY BEACH MAJOR FUNDS

### Governmental Funds

The fund financial statements for the governmental funds are provided on pages 20-23. The operating activities of the major governmental funds are summarized as follows:

**Major Fund Information**  
(\$ in Millions)

	General Fund		Neighborhood Services Fund		Community Redevelopment Agency Fund		Capital Improvement Fund		One-Cent Sales Tax Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues	\$ 175.7	\$ 167.0	\$ 1.3	\$ 1.1	\$ 37.4	\$ 33.1	\$ 5.2	\$ 6.3	\$ 7.6	\$ 7.6
Expenditures	(174.4)	(160.8)	(2.1)	(2.0)	(17.0)	(18.6)	(10.4)	(13.3)	(14.0)	(8.6)
Other financing sources (uses)	(6.6)	0.2	0.3	0.1	-	-	8.3	5.3	0.2	-
<b>Change in Fund Balance</b>	<b>\$ (5.3)</b>	<b>\$ 6.4</b>	<b>\$ (0.5)</b>	<b>\$ (0.8)</b>	<b>\$ 20.4</b>	<b>\$ 14.5</b>	<b>\$ 3.1</b>	<b>\$ (1.7)</b>	<b>\$ (6.2)</b>	<b>\$ (1.0)</b>

### *General Fund*

The General Fund, which is the primary operating fund of the City and is not supported by user fees, recognized \$175.7 million in total revenues offset with \$174.4 million in expenditures and \$6.6 million in net other financing sources. This resulted in a decrease in fund balance of \$5.3 million. Total Fund Balance decreased from \$58.8 million in 2023 to \$53.4 million in 2024. Of that amount, \$50.8 million is Unassigned Fund Balance which represents 29.1% of the 2024 expenditure levels as compared to 30.2% of the 2023 expenditure levels. The City has a Fund Balance/Net Position Policy effective October 17, 2024. "The General Fund's Unassigned Fund Balance shall have a reserve balance of 21 % to 25% of the current fiscal year's budgeted operating expenditures." FY2025 approved budget for the General Fund is \$186,979,989. FY2024's year-end General Fund Unassigned Fund balance of \$50,784,442 represents 27.2% of budgeted expenditures.

### *Neighborhood Services Fund*

The Neighborhood Services Fund is used to account for revenue received from federal, state and local governments under numerous grant programs which are used for various community development and improvement projects within the City. The Neighborhood Services Fund recognized \$1.3 million in total revenues, \$2.1 million in total expenditures and \$0.3 million in net other financing sources. This resulted in a decrease of \$0.5 million change in fund balance. Total Fund Balance decreased from \$4.5 million in 2023 to \$3.9 million in 2024, all of which is restricted for community development projects.

### ***Community Redevelopment Agency Fund***

The CRA is accounted for as a blended component unit of the City and is presented as a major fund in the governmental fund financial statements for 2024. The Community Redevelopment Agency Fund is used to account for the economic development activities within the CRA boundaries covering the City's downtown and surrounding area. The Community Redevelopment Agency Fund recognized \$37.4 million in total revenues offset by \$17.0 million in expenditures. This resulted in an increase in fund balance of \$20.4 million. Total Fund Balance increased from \$54.1 million in 2023 to \$74.5 million in 2024 primarily due to an increase in tax increment revenues attributable to higher property valuations.

### ***Capital Improvement Fund***

The Capital Improvement Fund is used to account for the construction of capital facilities financed by the 2015 Utilities Tax Bond and projects not accounted for in the City's other capital projects funds. The Capital Improvement Fund recognized \$5.2 million in total revenues offset by \$10.4 million in expenditures. There was an increase in the fund balance of \$3.0 million, primarily attributable to transfers from the General Fund.

### ***One-Cent Sales Tax Fund***

The One-Cent Sales Tax Fund was established in 2017 to account for construction of major infrastructure capital facilities financed by the one-cent local option sales tax approved by County voters in 2016. The One-Cent Sales Tax Fund recognized \$7.6 million in total revenues offset by \$14.0 million in expenditures. This resulted in a decrease in the fund balance of \$6.2 million, primarily attributable to the continued expenditures for capital projects originally financed by long-term debt issued in 2017 and secured by the sales tax. The entire fund balance of \$13.8 million is restricted for capital improvement projects at September 30, 2024.

### **Proprietary Funds**

	(\$ in Millions)			
	Operating Income (Loss)		Change in Net Position	
	2024	2023	2024	2023
<b>Enterprise Funds</b>				
Water and Sewer	\$ 3.9	\$ 2.8	\$ 2.3	\$ 1.3
Stormwater	1.3	-	1.2	0.3
Sanitation	0.2	(0.1)	0.5	-
Municipal Golf Course	(0.5)	-	(0.5)	-
Lakeview Golf Course	(0.2)	0.2	(0.2)	0.1
City Marina	0.2	0.2	0.2	0.2
Cemetery	0.1	0.1	0.2	0.1
<b>Internal Service Funds</b>				
Insurance	3.6	(0.3)	5.9	0.1
Central Garage	(0.4)	(1.7)	0.8	(0.6)

### ***Water and Sewer Fund***

Operating revenues were approximately \$ 3.8 million higher than 2023 and operating expenses were approximately \$ 2.7 million higher than 2023. Higher nonoperating revenues of \$1.8 million, lower capital contribution of \$1.5 million, and higher net transfers out of approximately \$0.3 million resulted in an increase of approximately \$2.3 million in net position in 2024.

### ***Stormwater Fund***

The Stormwater Fund had an operating income this year of approximately \$1.3 million compared to an operating loss of \$18,000 last year.

### ***Sanitation Fund***

The Sanitation Fund had an operating income this year of approximately \$222,000 compared to an operating loss of \$130,000 last year.

### ***Other Enterprise Funds***

The City has five (4) non-major enterprise funds consisting of Municipal Golf Course, Lakeview Golf Course, City Marina, and Cemetery.

The **Municipal Golf Course** had an operating loss this year of approximately \$538,000 compared to an operating income of approximately \$22,000 last year.

The **Lakeview Golf Course** had operating loss of approximately \$174,000 versus an operating income of \$178,000 last fiscal year. This is an executive golf course, which is not as sensitive to the economy as the municipal golf course.

The **City Marina Fund** had operating income this year of approximately \$151,000 compared to \$188,000 last year.

The **City Cemetery Fund** had operating income this year of approximately \$125,000 versus \$114,000 last year.

### **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis. The City has two internal service funds; the Insurance Fund is used to account for all personnel insurances (health, life, disability) and property and casualty insurance, and the Central Garage Fund handles all the fueling, maintenance and replacement of city vehicles.

The **Insurance Fund** claims liabilities for property, health and workers' compensation claims were approximately \$7.2 million for 2024, a decrease of approximately \$1.5 million from the prior year. All required reserves are determined by outside actuaries. The Insurance Fund has \$6.5 million in Unrestricted Net Position.

The **Central Garage Fund** had an operating loss of approximately \$376,000 for 2024 compared to \$1.7 million for 2023. This was primarily due to an increase in operating revenues of approximately \$1.6 million while operating expenses increased by only \$275,000 approximately.

## BUDGETARY HIGHLIGHTS

**General Fund:** The difference between the original and final amended budgeted revenues and other financing sources and expenditures, encumbrances, and other financing uses in 2024 was an increase of approximately \$6.5 million. Final amended budget total revenue and other financing sources of \$191,385,185 included budgeted \$11,705,030 of prior year surplus. Excluding the prior year surplus, the final amended budget total (\$179,680,155) was exceeded by actual revenues of \$180,098,363 by \$418,208. Actual total expenditures and encumbrances and other financing uses were less than the final budget by approximately \$6.0 million. The shortfall of current year revenues compared to budget was primarily attributable to unfavorable variances of approximately \$1.8 million in charges for services, \$0.5 million in fine and forfeitures, \$0.3 million in fees and permits and special assessments; The largest portion of the favorable budget variances for expenditures related to Police Dept. (\$1.2 millions), Information Technology (\$0.9 million); Fire Dept. (\$0.7 millions), Neighborhood and Community Services Dept (\$0.4 million); Parks & Recreation (\$1.0 million); and (Public Works Dept. which includes Parking and Engineering (\$1.1million).

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2024, the City had \$362.3 million invested in a variety of capital assets, as reflected in Table A-3 below, which represents a net increase of \$16.1 million from the previous fiscal year. Additional information can be found in Note 8 - Capital Assets beginning on page 64.

Capital asset activity for 2024 is summarized below:

	Beginning Balance 10/1/2023	Increases	Decreases	Transfers	Ending Balance 9/30/2024
<b>Governmental Activities</b>					
Land	\$ 74.1	\$ 1.3	\$ -	\$ -	\$ 75.4
Construction in progress	26.6	20.4	-	(3.6)	43.4
<b>Non-Depreciable Assets</b>	100.7	21.7	-	(3.6)	118.8
Buildings	52.9	2.9	-	2.7	58.5
Improvements other	197.8	0.5	-	0.7	199.0
Equipment	61.2	3.9	(4.0)	0.2	61.3
Leases (right to use assets)	0.3	-	(0.1)	-	0.2
Subscription based (right to use assets)	5.6	1.4	-	-	7.0
Less: accumulated depreciation and amortization	(179.3)	(15.1)	3.2	-	(191.2)
<b>Depreciable Assets, Net</b>	138.5	(6.4)	(0.9)	3.6	134.8
<b>Governmental Capital Assets</b>	\$ 239.2	\$ 15.3	\$ (0.9)	\$ -	\$ 253.6



	Beginning Balance 10/1/2023	Increases	Decreases	Transfers	Ending Balance 9/30/2024
<b>Business-type Activities</b>					
Land	\$ 5.7	\$ -	\$ -	\$ -	\$ 5.7
Construction in progress	8.6	6.6	-	(3.9)	11.3
<b>Non-Depreciable Assets</b>	<u>14.3</u>	<u>6.6</u>	<u>-</u>	<u>(3.9)</u>	<u>17.0</u>
Buildings	13.8	-	-	-	13.8
Improvements other	196.7	0.3	-	3.9	200.9
Equipment	21.8	0.3	-	-	22.1
Leases (right to use assets)	0.2	-	-	-	0.2
Less: accumulated depreciation	<u>(139.8)</u>	<u>(5.5)</u>	<u>-</u>	<u>-</u>	<u>(145.3)</u>
<b>Depreciable Assets, Net</b>	<u>92.7</u>	<u>(4.9)</u>	<u>-</u>	<u>3.9</u>	<u>91.7</u>
<b>Business-type Capital Assets</b>	<u>\$ 107.0</u>	<u>\$ 1.7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108.7</u>

Infrastructure assets have been included in the category “Improvements Other”.

Major capital asset changes during the fiscal year 2024 were primarily in the Capital improvement Fund and One-Cent Sales Tax Fund for the improvements to roads, neighborhood improvements, as well as other beautification projects. In addition, there were Improvements in the Water and Sewer Fund primarily for the reclaimed water system project and force main replacement.

### **Debt Administration**

As of September 30, 2024, the City had total debt and long-term liabilities outstanding of \$70.6 million compared to \$71.0 million as of September 30, 2023. Of this \$70.6 million amount, and gross of any related unamortized premium or discounts:

- \$36.2 million is Governmental Activities revenue bond debt which is secured by other specified revenue sources or the promise to budget and appropriate sufficient revenues to pay for the debt service,
- \$9.5 million is general obligation bond debt which is debt backed by the full faith and credit of the City,
- \$11.4 million is for compensated absences,
- \$7.2 million is for insurance claims liabilities,
- \$0.1 million is for leases and \$3.2 million relates to subscription liability.

Noncurrent liabilities activity for 2024 is summarized as follows:

**Table A-4**  
**Noncurrent Liabilities (\$ in Millions)**

	Beginning			Ending	
	Balance			Balance	
	10/1/2023	Increases	Decreases	9/30/2024	
<b>Governmental Activities</b>					
Revenue bonds	\$ 42.5	\$ -	\$ (6.3)	\$ 36.2	
General Obligation bonds	2.1	9.5	(2.1)	9.5	
Unamortized Premium	1.6	0.5	(0.2)	1.9	
<b>Total Bonds Payable</b>	<u>46.2</u>	<u>10.0</u>	<u>(8.6)</u>	<u>47.6</u>	
Installment Agreements	0.4	-	(0.4)	-	
Capital lease for equipment	0.1	-	-	0.1	
Subscription liability	3.8	1.2	(1.8)	3.2	
Compensated absences	10.6	0.8	-	11.4	
Insurance claims payable	<u>8.7</u>	<u>13.3</u>	<u>(14.8)</u>	<u>7.2</u>	
<b>Governmental Activities</b>	<u>69.9</u>	<u>25.3</u>	<u>(25.6)</u>	<u>69.5</u>	
<b>Business-type Activities</b>					
Capital lease for equipment	0.1	-	-	0.1	
Compensated absences	<u>1.0</u>	<u>0.1</u>	<u>-</u>	<u>1.1</u>	
<b>Business-type Activities</b>	<u>1.1</u>	<u>0.1</u>	<u>-</u>	<u>1.2</u>	
<b>Total Debt Outstanding</b>	\$ 71.0	\$ 25.4	\$ (25.6)	\$ 70.7	

S&P Global Ratings assigned its 'AAA' long-term rating to the City's \$20 million Series 2024 general obligation bonds (parks projects). The City also received a credit upgrade of its issuer rating from Aa2 to Aa1 from Moody's Investors Service. For more detailed information regarding the City's debt and debt financing activity, refer to Note 11 - Noncurrent Liabilities beginning on page 69.

## **ECONOMIC FACTORS AND FY 2024-2025 BUDGET AND RATES**

- The Florida legislature is considering various proposals which could have a significant impact on local government's revenue and expenditures, as well as the government's ability to maintain or improve services to the residents. The City is monitoring these initiatives and their future impact to the City.
- The City's adopted General Fund budget for 2024-2025 totals \$186,979,989 as compared to the prior year's final amended budget of \$191,385,185.
- While the City's budget has decreased in FY2025, the current total millage rate decreased 8.6% from 6.4982 mills for 2024 to 5.9400 mills for 2025. The operations portion decreased from 6.3611 mills in 2024 to 5.9063 mills in 2025 and the debt service portion decreased from 0.1371 mills to 0.0337 mills.
- The City's water rates increased by 6.11% starting in fiscal year 2024. This will help fund the new water plant and upgrades to existing infrastructure.

## **REQUESTS FOR INFORMATION**

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

Finance Department  
100 N. W. 1<sup>st</sup> Avenue  
Delray Beach, FL 33444

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF DELRAY BEACH, FLORIDA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<b>Assets</b>				
Cash and cash equivalents	\$ 114,366,869	\$ 15,137,102	\$ 129,503,971	\$ 821,045
Investments	85,796,514	47,185,504	132,982,018	--
Receivables:				
Accounts, net	3,561,361	4,684,365	8,245,726	14,714
Unbilled accounts	--	1,492,878	1,492,878	--
Notes receivable	11,939,972	--	11,939,972	--
Leases receivable	4,459,552	2,335,214	6,794,766	--
Interest receivable	553,543	453,890	1,007,433	--
Due from other governments	2,741,644	159,148	2,900,792	--
Internal balances	9,028,854	(9,028,854)	--	--
Inventories	171,597	282,833	454,430	--
Prepaid expenses	3,351,424	323,652	3,675,076	17,603
Other assets	4,941	--	4,941	--
Deposits	--	--	--	12,390
Restricted investments	--	3,991,166	3,991,166	--
Investment in regional plant (joint venture)	--	15,928,758	15,928,758	--
Capital assets:				
Non-depreciable capital assets	118,848,259	17,046,130	135,894,389	--
Depreciable capital assets, net	134,742,928	91,623,476	226,366,404	69,721
Other asset:				
Net pension asset	18,224,527	6,221,520	24,446,047	--
<b>Total Assets</b>	<b>507,791,985</b>	<b>197,836,782</b>	<b>705,628,767</b>	<b>935,473</b>
<b>Deferred Outflows of Resources</b>				
Deferred charges on refundings	748,046	--	748,046	--
Deferred amount related to OPEB	4,115,635	789,821	4,905,456	23,186
Deferred amount related to pensions	14,647,779	730,060	15,377,839	--
<b>Total Deferred Outflows of Resources</b>	<b>19,511,460</b>	<b>1,519,881</b>	<b>21,031,341</b>	<b>23,186</b>
<b>Liabilities</b>				
Accounts payable and accrued expenses	9,400,522	5,305,844	14,706,366	199,177
Contracts payable and retainages	--	--	--	--
Deposits payable	1,713,807	976,015	2,689,822	--
Unearned revenue	11,969,332	968,335	12,937,667	--
Accrued interest on long-term debt	477,414	--	477,414	--
Noncurrent liabilities:				
Due within one year:				
Bonds and notes payable	6,020,000	--	6,020,000	--
Lease liability	11,977	46,267	58,244	52,249
Subscription liability	1,508,609	--	1,508,609	--
Compensated absences	749,094	122,842	871,936	13,720
Insurance claims payable	3,177,902	--	3,177,902	--
Due in more than one year:				
Bonds and notes payable	41,651,020	--	41,651,020	--
Lease liability	--	35,915	35,915	--
Subscription liability	1,689,290	--	1,689,290	--
Compensated absences	10,638,379	993,872	11,632,251	--
Insurance claims payable	3,985,000	--	3,985,000	--
Total OPEB liability	17,658,932	2,238,796	19,897,728	32,479
Net pension liability	85,030,890	--	85,030,890	--
<b>Total Liabilities</b>	<b>195,682,168</b>	<b>10,687,886</b>	<b>206,370,054</b>	<b>297,625</b>
<b>Deferred Inflows of Resources</b>				
Deferred amount related to OPEB	10,448,130	1,801,197	12,249,327	--
Deferred amount related to pensions	36,795,618	4,827,118	41,622,736	--
Deferred amount related to leases	4,430,155	2,312,576	6,742,731	--
<b>Total Deferred Inflows of Resources</b>	<b>51,673,903</b>	<b>8,940,891</b>	<b>60,614,794</b>	<b>--</b>
<b>Net Position</b>				
Net investment in capital assets	220,455,944	108,587,424	329,043,368	17,472
Restricted for:				
Net pension asset	18,224,527	6,221,520	24,446,047	--
Debt service	11,272,247	--	11,272,247	--
Law enforcement	759,537	--	759,537	--
Capital improvements	7,780,617	--	7,780,617	--
Unrestricted	21,454,502	64,918,942	86,373,444	643,562
<b>Total Net Position</b>	<b>\$ 279,947,374</b>	<b>\$ 179,727,886</b>	<b>\$ 459,675,260</b>	<b>\$ 661,034</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF DELRAY BEACH, FLORIDA**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit  Downtown Development Authority (DDA)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 48,618,645	\$ 17,332,001	\$ 4,722,581	\$ 1,164,172	\$ (25,399,891)	\$ --	\$ (25,399,891)	\$ --
Public safety	97,687,891	8,392,270	2,909,918	--	(86,385,703)	--	(86,385,703)	--
Physical environment	16,653,352	14,070,812	4,179,145	--	1,596,605	--	1,596,605	--
Parks and recreation	20,448,433	3,059,966	262,612	--	(17,125,855)	--	(17,125,855)	--
Economic development	9,058,721	1,616,779	--	--	(7,441,942)	--	(7,441,942)	--
Interest on long-term debt	1,590,010	--	--	--	(1,590,010)	--	(1,590,010)	--
<b>Total Governmental Activities</b>	194,057,052	44,471,828	12,074,256	1,164,172	(136,346,796)	--	(136,346,796)	--
<b>Business-type Activities</b>								
Water and sewer	38,146,275	42,848,243	5,707	365,282	--	5,072,957	5,072,957	--
Stormwater	2,514,723	3,848,618	990	--	--	1,334,885	1,334,885	--
Sanitation	8,371,522	8,704,389	--	--	--	332,867	332,867	--
Municipal golf course	3,256,195	2,743,427	14,565	--	--	(498,203)	(498,203)	--
Lakeview golf course	1,092,431	917,679	12,958	--	--	(161,794)	(161,794)	--
City marina	110,057	262,354	314	--	--	152,611	152,611	--
Cemetery	792	126,200	--	--	--	125,408	125,408	--
<b>Total Business-type Activities</b>	53,491,995	59,450,910	34,534	365,282	--	6,358,731	6,358,731	--
<b>Total Primary Government</b>	\$ 247,549,047	\$ 103,922,738	\$ 12,108,790	\$ 1,529,454	(136,346,796)	6,358,731	(129,988,065)	--
<b>Component Unit</b>								
Downtown Development Authority (DDA)	\$ 2,974,528	\$ 1,009,000	\$ 309,870	\$ --	--	--	--	(1,655,658)
<b>General Revenues</b>								
Taxes:								
Property taxes					138,778,994	--	138,778,994	1,723,874
Franchise fees based on gross receipts					6,687,991	--	6,687,991	--
Utility service taxes					12,198,897	--	12,198,897	--
Sales taxes					14,809,192	--	14,809,192	--
Local business tax					827,834	--	827,834	--
Intergovernmental not restricted to specific programs					3,456,832	--	3,456,832	--
Investment earnings					8,589,922	3,467,544	12,057,466	2,673
Gain on disposal of capital assets					--	23,297	23,297	--
Miscellaneous					--	196,557	196,557	--
Transfers					5,586,852	(5,586,852)	--	--
Total general revenues and transfers					190,936,514	(1,899,454)	189,037,060	1,726,547
Change in net position					54,589,718	4,459,277	59,048,995	70,889
Net position - October 1, 2023					225,357,656	175,268,609	400,626,265	590,145
Net position - September 30, 2024					\$ 279,947,374	\$ 179,727,886	\$ 459,675,260	\$ 661,034

*The accompanying notes are an integral part of these financial statements.*

# CITY OF DELRAY BEACH, FLORIDA

## BALANCE SHEET GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Major Funds					Non-Major	Total
	General	Neighborhood	Community	Capital	One-Cent	Governmental	Governmental
	Fund	Services	Redevelopment	Improvement	Sales Tax	Funds	Funds
		Fund	Agency Fund	Fund	Fund		
<b>Assets</b>							
Cash and cash equivalents	\$ 512,150	\$ 4,354,863	\$ 72,064,006	\$ 10,588,292	\$ 16,759,249	\$ 7,774,958	\$ 112,053,518
Investments	41,665,923	--	8,133	7,380,691	--	17,801,440	66,856,187
Accounts receivable, net	3,354,716	77	4,187	--	--	184,313	3,543,293
Notes receivable	--	6,886,189	5,053,783	--	--	--	11,939,972
Leases receivable	564,934	--	3,894,618	--	--	--	4,459,552
Interest receivable	268,317	--	--	60,727	--	68,522	397,566
Due from other governments	903,513	217,757	--	880,598	739,776	--	2,741,644
Due from other funds	14,026,451	39,960	--	483,244	1,609,407	8,020,315	24,179,377
Inventories	29,352	--	--	--	--	--	29,352
Prepaid items	430,530	--	155,473	--	--	--	586,003
Other assets	--	--	4,941	--	--	--	4,941
<b>Total Assets</b>	<b>\$ 61,755,886</b>	<b>\$ 11,498,846</b>	<b>\$ 81,185,141</b>	<b>\$ 19,393,552</b>	<b>\$ 19,108,432</b>	<b>\$ 33,849,548</b>	<b>\$ 226,791,405</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued liabilities	\$ 3,175,303	\$ 138,352	\$ 1,034,804	\$ 1,994,609	\$ 2,193,904	\$ 333,148	\$ 8,870,120
Deposits payable	1,677,671	--	19,716	--	--	16,420	1,713,807
Due to other funds	1,609,407	--	1,737,591	--	3,077,699	1,354,216	7,778,913
<b>Total Liabilities</b>	<b>6,462,381</b>	<b>138,352</b>	<b>2,792,111</b>	<b>1,994,609</b>	<b>5,271,603</b>	<b>1,703,784</b>	<b>18,362,840</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue	1,301,517	7,483,285	--	2,105,306	--	1,519,098	12,409,206
Leases	535,537	--	3,894,618	--	--	--	4,430,155
<b>Total Deferred Inflows of Resources</b>	<b>1,837,054</b>	<b>7,483,285</b>	<b>3,894,618</b>	<b>2,105,306</b>	<b>--</b>	<b>1,519,098</b>	<b>16,839,361</b>
<b>Fund Balances</b>							
Nonspendable:							
Inventories	29,352	--	--	--	--	--	29,352
Prepaid items	430,530	--	155,473	--	--	--	586,003
Restricted for:							
Debt service	--	--	--	--	--	11,272,247	11,272,247
Law enforcement	--	--	--	--	--	759,537	759,537
Capital improvements	5,985	--	--	--	13,836,829	1,975,813	15,818,627
Community development	--	3,877,209	74,342,939	--	--	3,199,415	81,419,563
Building improvements	--	--	--	--	--	11,783,228	11,783,228
Parks and recreation	--	--	--	--	--	803,229	803,229
Public safety	--	--	--	--	--	603,723	603,723
Committed for:							
Economic development	500,000	--	--	--	--	--	500,000
Assigned to:							
General government	229,666	--	--	--	--	--	229,666
Public safety	764,368	--	--	--	--	--	764,368
Physical environment	427,435	--	--	--	--	--	427,435
Parks and recreation	284,673	--	--	--	--	--	284,673
Capital improvements	--	--	--	15,293,637	--	229,474	15,523,111
Unassigned	50,784,442	--	--	--	--	--	50,784,442
<b>Total Fund Balances</b>	<b>53,456,451</b>	<b>3,877,209</b>	<b>74,498,412</b>	<b>15,293,637</b>	<b>13,836,829</b>	<b>30,626,666</b>	<b>191,589,204</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 61,755,886</b>	<b>\$ 11,498,846</b>	<b>\$ 81,185,141</b>	<b>\$ 19,393,552</b>	<b>\$ 19,108,432</b>	<b>\$ 33,849,548</b>	<b>\$ 226,791,405</b>

*The accompanying notes are an integral part of these financial statements.*

**CITY OF DELRAY BEACH, FLORIDA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2024**

<b>Total Fund Balances - Governmental Funds</b>		\$ 191,589,204
Amounts reported for <i>governmental activities</i> 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.		
Capital assets	\$ 406,182,031	
Less accumulated depreciation	<u>(162,455,052)</u>	243,726,979
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Long-term receivables	439,874	439,874
Deferred outflows and inflows of resources related to defined benefit pension plans and other postemployment benefits are reported in the statement of net position, but are not reported in the governmental funds.		
Deferred outflows related to other postemployment benefits	4,009,033	
Deferred outflows related to pensions	14,544,510	
Deferred inflows related to other postemployment benefits	(10,205,024)	
Deferred inflows related to pensions	<u>(36,112,803)</u>	(27,764,284)
Premiums, discounts and gains and losses on refundings are reported as "Other Financing Sources and Uses" in the governmental funds. These items, however, are deferred and amortized over the life of the bonds in the government-wide statements.		
Deferred charges on refundings	748,046	
Bond premium	<u>(1,891,020)</u>	(1,142,974)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Accrued interest payable	(477,414)	
Bonds, notes, leases and installment agreements payable	(45,791,977)	
Subscription liability	(3,158,861)	
Compensated absences	(11,207,078)	
Total OPEB liability	(17,356,763)	
Net pension liability	<u>(67,686,421)</u>	(145,678,514)
Internal service funds are used by management to charge the costs of fleet management and insurance to individual funds. The net position of the internal service funds is included in governmental activities in the statement of net position.		
Net position	17,817,066	
Less amount allocated to business-type activities	<u>960,023</u>	18,777,089
<b>Total Net Position - Governmental Activities</b>		<u><u>\$ 279,947,374</u></u>

*The accompanying notes are an integral part of these financial statements.*



**CITY OF DELRAY BEACH, FLORIDA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Major Funds					Non-Major	Total
	General	Neighborhood	Community	Capital	One-Cent	Governmental	Governmental
	Fund	Services	Redevelopment	Improvement	Sales Tax	Funds	Funds
		Fund	Agency Fund	Fund	Fund		
<b>Revenues</b>							
Taxes	\$ 113,380,868	\$ --	\$ 36,261,304	\$ --	\$ --	\$ 3,621,837	\$ 153,264,009
Licenses and permits	9,717,704	--	--	--	--	--	9,717,704
Intergovernmental	17,458,832	1,085,033	--	3,802,987	6,674,439	--	29,021,291
Charges for services	16,303,129	--	219,934	--	--	9,724,608	26,247,671
Fines and forfeitures	1,057,424	--	--	--	--	80,968	1,138,392
Miscellaneous	17,815,901	208,921	913,601	1,372,581	907,517	803,666	22,022,187
<b>Total Revenues</b>	<b>175,733,858</b>	<b>1,293,954</b>	<b>37,394,839</b>	<b>5,175,568</b>	<b>7,581,956</b>	<b>14,231,079</b>	<b>241,411,254</b>
<b>Expenditures</b>							
Current:							
General government	37,877,784	2,147,940	1,660,456	86,338	63,288	6,794,933	48,630,739
Public safety	102,398,183	--	--	--	--	101,597	102,499,780
Physical environment	11,542,958	--	--	--	--	1,436,516	12,979,474
Parks and recreation	20,013,680	--	--	--	--	826,673	20,840,353
Economic development	--	--	9,178,416	--	--	--	9,178,416
Capital outlay	1,336,458	--	5,091,156	9,609,850	10,359,747	378,812	26,776,023
Debt service:							
Principal retirement	1,210,016	--	981,981	678,478	3,326,800	4,586,491	10,783,766
Interest and fiscal charges	45,968	--	66,193	60,803	234,850	1,078,108	1,485,922
Bond issuance costs	--	--	--	--	--	237,650	237,650
<b>Total Expenditures</b>	<b>174,425,047</b>	<b>2,147,940</b>	<b>16,978,202</b>	<b>10,435,469</b>	<b>13,984,685</b>	<b>15,440,780</b>	<b>233,412,123</b>
<b>Excess of Revenues Over (Under)</b>							
<b>Expenditures</b>	1,308,811	(853,986)	20,416,637	(5,259,901)	(6,402,729)	(1,209,701)	7,999,131
<b>Other Financing Sources (Uses)</b>							
Issuance of general obligation bonds	--	--	--	--	--	9,545,000	9,545,000
Premium on bond issued						450,381	450,381
Subscriptions based financing arrangements	70,967	--	--	984,897	180,851	--	1,236,715
Transfers in	7,274,423	273,870	--	7,281,492	--	4,950,090	19,779,875
Transfers out	(14,000,262)	--	--	--	--	(1,990,368)	(15,990,630)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,654,872)</b>	<b>273,870</b>	<b>--</b>	<b>8,266,389</b>	<b>180,851</b>	<b>12,955,103</b>	<b>15,021,341</b>
<b>Net Change in Fund Balances</b>	<b>(5,346,061)</b>	<b>(580,116)</b>	<b>20,416,637</b>	<b>3,006,488</b>	<b>(6,221,878)</b>	<b>11,745,402</b>	<b>23,020,472</b>
<b>Fund Balances - October 1, 2023</b>	<b>58,802,512</b>	<b>4,457,325</b>	<b>54,081,775</b>	<b>12,287,149</b>	<b>20,058,707</b>	<b>18,881,264</b>	<b>168,568,732</b>
<b>Fund Balances - September 30, 2024</b>	<b>\$ 53,456,451</b>	<b>\$ 3,877,209</b>	<b>\$ 74,498,412</b>	<b>\$ 15,293,637</b>	<b>\$ 13,836,829</b>	<b>\$ 30,626,666</b>	<b>\$ 191,589,204</b>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF DELRAY BEACH, FLORIDA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

**Net Change in Fund Balances - Total Governmental Funds** \$ 23,020,472

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation expense and capital outlay in the current period were as follows.

Capital outlay	\$ 26,776,023	
Depreciation/amortization expense	<u>(11,449,875)</u>	
		15,326,148

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds the proceeds from the sale increases financial resources. The change in net position differs from the change in fund balance by the net book value of the assets retired.		(1,198,945)
--	--	-------------

Some revenues reported in the statement of activities do not generate current financial resources and are therefore not reported as revenue by the funds.

Donations of capital assets	1,164,172	
		1,164,172

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

Accrued interest on noncurrent liabilities	43,650	
Compensated absences expense	(748,150)	
Pension expense	10,676,963	
Change in other postemployment benefits	<u>639,681</u>	
		10,612,144

Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Governmental funds report the effect of premium, discount and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of debt	(9,545,000)	
Premium on bond issued	(450,381)	
Issuance of subscriptions	(1,236,715)	
Debt Retirement		
Principal paid	10,783,766	
Amortization of debt premiums and deferred charges on refundings	<u>92,347</u>	
		(355,983)

Internal service funds are used by management to charge the costs of fleet maintenance and insurance to individual funds. The net revenue of internal service funds is reported with governmental activities.

Net income	6,728,026	
Allocation to business type activities	<u>(706,316)</u>	
		6,021,710

**Change in Net Position of Governmental Activities** \$ 54,589,718

*The accompanying notes are an integral part of these financial statements.*

**CITY OF DELRAY BEACH, FLORIDA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2024**

	Business-Type Activities					Governmental Activities
	Major Funds			Non-Major	Total	Internal
	Water and Sewer Fund	Stormwater Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
<b>Assets</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 13,295,887	\$ 46,162	\$ --	\$ 1,795,053	\$ 15,137,102	\$ 2,313,351
Investments	27,985,396	10,580,133	4,924,013	3,695,962	47,185,504	18,940,327
Accounts receivable, net	3,478,940	4,287	1,188,870	12,268	4,684,365	18,068
Unbilled accounts receivable	1,492,878	--	--	--	1,492,878	--
Leases receivable	--	--	2,191,042	144,172	2,335,214	--
Interest receivable	263,117	87,058	73,163	30,552	453,890	155,977
Due from other governments	159,148	--	--	--	159,148	--
Inventories	192,372	--	--	90,461	282,833	142,245
Prepaid expenses	--	--	--	323,652	323,652	2,765,421
Restricted assets:						
Investments	3,991,166	--	--	--	3,991,166	--
<b>Total Current Assets</b>	<b>50,858,904</b>	<b>10,717,640</b>	<b>8,377,088</b>	<b>6,092,120</b>	<b>76,045,752</b>	<b>24,335,389</b>
<b>Noncurrent Assets</b>						
Property, land and equipment:						
Land	974,755	1,271,853	--	3,422,217	5,668,825	--
Buildings	9,419,364	1,904,722	--	2,440,398	13,764,484	88,185
Improvements other than buildings	178,886,454	18,610,434	11,958	3,328,218	200,837,064	--
Equipment	18,876,620	1,265,160	13,163	2,072,334	22,227,277	38,360,477
Construction in progress	9,505,489	1,412,578	--	459,238	11,377,305	--
Subscription based IT arrangements	--	--	--	--	--	154,342
Accumulated depreciation and amortization	(126,883,754)	(11,668,054)	(25,121)	(6,628,420)	(145,205,349)	(28,738,796)
Other assets:						
Investment in regional plant joint venture	15,928,758	--	--	--	15,928,758	--
Net pension asset	5,739,932	281,130	200,458	--	6,221,520	880,058
Total Noncurrent Assets	112,447,618	13,077,823	200,458	5,093,985	130,819,884	10,744,266
<b>Total Assets</b>	<b>163,306,522</b>	<b>23,795,463</b>	<b>8,577,546</b>	<b>11,186,105</b>	<b>206,865,636</b>	<b>35,079,655</b>
<b>Deferred Outflows of Resources</b>						
Deferred amount related to OPEB	697,756	48,455	43,610	--	789,821	106,602
Deferred amount related to pensions	673,548	32,989	23,523	--	730,060	103,269
<b>Total Deferred Outflows of Resources</b>	<b>1,371,304</b>	<b>81,444</b>	<b>67,133</b>	<b>--</b>	<b>1,519,881</b>	<b>209,871</b>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts payable and accrued expenses	3,692,972	138,705	1,195,982	278,185	5,305,844	530,402
Unearned revenue	9,435	956,323	--	2,577	968,335	--
Current lease liability	--	--	--	46,267	46,267	--
Current portion of subscription liability	--	--	--	--	--	6,992
Current portion of compensated absences	119,651	2,543	648	--	122,842	25,440
Current portion of insurance claims payable	--	--	--	--	--	3,177,902
Due to other funds	--	6,735,703	647,787	685,341	8,068,831	8,331,633
Refundable deposits payable	937,046	--	--	38,969	976,015	--
<b>Total Current Liabilities</b>	<b>4,759,104</b>	<b>7,833,274</b>	<b>1,844,417</b>	<b>1,051,339</b>	<b>15,488,134</b>	<b>12,072,369</b>
<b>Noncurrent Liabilities</b>						
Lease liability	--	--	--	35,915	35,915	--
Compensated absences payable	815,067	76,727	102,078	--	993,872	154,955
Subscription liability, net of current portion	--	--	--	--	--	32,046
Insurance claims payable	--	--	--	--	--	3,985,000
Total OPEB liability	1,977,832	137,349	123,615	--	2,238,796	302,169
<b>Total Noncurrent Liabilities</b>	<b>2,792,899</b>	<b>214,076</b>	<b>225,693</b>	<b>35,915</b>	<b>3,268,583</b>	<b>4,474,170</b>
<b>Total Liabilities</b>	<b>7,552,003</b>	<b>8,047,350</b>	<b>2,070,110</b>	<b>1,087,254</b>	<b>18,756,717</b>	<b>16,546,539</b>
<b>Deferred Inflows of Resources</b>						
Deferred amount related to OPEB	1,591,241	110,503	99,453	--	1,801,197	243,106
Deferred amount related to pensions	4,453,467	218,121	155,530	--	4,827,118	682,815
Deferred amount related to leases	--	--	2,176,979	135,597	2,312,576	--
<b>Total Deferred Inflows of Resources</b>	<b>6,044,708</b>	<b>328,624</b>	<b>2,431,962</b>	<b>135,597</b>	<b>8,940,891</b>	<b>925,921</b>
<b>Net Position</b>						
Net investment in capital assets	90,778,928	12,796,693	--	5,011,803	108,587,424	9,864,208
Restricted for:						
Net pension asset	5,739,932	281,130	200,458	--	6,221,520	880,058
Unrestricted	54,562,255	2,423,110	3,942,149	4,951,451	65,878,965	7,072,800
<b>Total Net Position</b>	<b>\$ 151,081,115</b>	<b>\$ 15,500,933</b>	<b>\$ 4,142,607</b>	<b>\$ 9,963,254</b>	<b>180,687,909</b>	<b>\$ 17,817,066</b>
Adjustment for the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds.			-			
Cumulative prior year adjustments					(1,666,339)	
Current year adjustment					706,316	
<b>Net Position of Business-Type Activities, Statement of Net Position</b>					<b>\$ 179,727,886</b>	

*The accompanying notes are an integral part of these financial statements.*

**CITY OF DELRAY BEACH, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Business-Type Activities					Governmental
	Major Funds			Non-Major	Total	Activities
	Water and Sewer Fund	Stormwater Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Internal Service Funds
<b>Operating Revenues</b>						
Charges for services						
Water sales	\$ 22,523,552	\$ --	\$ --	\$ --	\$ 22,523,552	\$ --
Sewer and stormwater fees	20,324,691	3,848,618	--	--	24,173,309	--
Golf fees	--	--	--	3,661,106	3,661,106	--
Marina fees	--	--	--	262,354	262,354	--
Sanitation fees	--	--	8,704,389	--	8,704,389	--
Cemetery fees	--	--	--	126,200	126,200	--
Risk management	--	--	--	--	--	23,593,884
Fleet management	--	--	--	--	--	3,011,913
Other operating revenue	5,707	990	--	27,837	34,534	6,065,370
<b>Total Operating Revenues</b>	<b>42,853,950</b>	<b>3,849,608</b>	<b>8,704,389</b>	<b>4,077,497</b>	<b>59,485,444</b>	<b>32,671,167</b>
<b>Operating Expenses</b>						
Personal services	10,856,127	884,545	648,548	--	12,389,220	2,054,531
Other operating expenses	23,481,577	1,052,730	7,833,589	4,213,199	36,581,095	23,751,963
Depreciation and amortization	4,633,132	610,676	--	301,009	5,544,817	3,615,254
<b>Total Operating Expenses</b>	<b>38,970,836</b>	<b>2,547,951</b>	<b>8,482,137</b>	<b>4,514,208</b>	<b>54,515,132</b>	<b>29,421,748</b>
<b>Operating Income (Loss)</b>	<b>3,883,114</b>	<b>1,301,657</b>	<b>222,252</b>	<b>(436,711)</b>	<b>4,970,312</b>	<b>3,249,419</b>
<b>Nonoperating Revenues (Expenses)</b>						
Investment earnings	2,142,611	712,929	362,582	249,422	3,467,544	1,269,108
Rent revenue	--	--	162,311	34,246	196,557	--
Share of regional plant joint venture net loss	372,877	--	--	--	372,877	--
Interest expense	--	--	--	(4,191)	(4,191)	(2,435)
Gain (loss) on disposal of equipment	(36,700)	--	--	23,297	(13,403)	(128,285)
Investment expense	(15,165)	--	--	--	(15,165)	--
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,463,623</b>	<b>712,929</b>	<b>524,893</b>	<b>302,774</b>	<b>4,004,219</b>	<b>1,138,388</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>6,346,737</b>	<b>2,014,586</b>	<b>747,145</b>	<b>(133,937)</b>	<b>8,974,531</b>	<b>4,387,807</b>
Capital contributions	365,282	--	--	--	365,282	542,612
Transfers in	134,344	--	--	--	134,344	1,797,607
Transfers out	(4,497,767)	(836,403)	(258,128)	(128,898)	(5,721,196)	--
<b>Change In Net Position</b>	<b>2,348,596</b>	<b>1,178,183</b>	<b>489,017</b>	<b>(262,835)</b>	<b>3,752,961</b>	<b>6,728,026</b>
<b>Net Position - October 1, 2023</b>	<b>148,732,519</b>	<b>14,322,750</b>	<b>3,653,590</b>	<b>10,226,089</b>		<b>11,089,040</b>
<b>Net Position - September 30, 2024</b>	<b>\$ 151,081,115</b>	<b>\$ 15,500,933</b>	<b>\$ 4,142,607</b>	<b>\$ 9,963,254</b>		<b>\$ 17,817,066</b>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					706,316	
Change In Net Position as reported on the Statement of Activities for Business-type Activities					<u>\$ 4,459,277</u>	

*The accompanying notes are an integral part of these financial statements.*

**CITY OF DELRAY BEACH, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Business-Type Activities					Governmental
	Major Funds			Non-Major	Total	Internal
	Water and Sewer Fund	Stormwater Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
<b>Cash Flows from Operating Activities</b>						
Receipts from customers and users	\$ 42,309,668	\$ 2,461,435	\$ 8,313,154	\$ 4,079,325	\$ 57,163,582	\$ 32,598,843
Receipts from others	--	--	162,311	130,940	293,251	--
Payments to suppliers	(21,475,301)	(1,024,330)	(7,838,443)	(4,437,099)	(34,775,173)	(28,152,766)
Payments to employees	(11,862,428)	(855,553)	(621,835)	--	(13,339,816)	(2,154,158)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>8,971,939</b>	<b>581,552</b>	<b>15,187</b>	<b>(226,834)</b>	<b>9,341,844</b>	<b>2,291,919</b>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	134,344	--	--	--	134,344	1,797,607
Transfers to other funds	(4,497,767)	(836,403)	(258,128)	(128,898)	(5,721,196)	--
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<b>(4,522,571)</b>	<b>(995,551)</b>	<b>(258,128)</b>	<b>(128,898)</b>	<b>(5,905,148)</b>	<b>1,797,607</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Acquisition and construction of capital assets	(6,158,553)	(197,149)	--	(521,431)	(6,877,133)	(2,420,725)
Proceeds from the sale of capital assets	--	--	--	--	--	76,156
Principal paid on installment agreements	--	--	--	(44,483)	(44,483)	(224,278)
Principal paid on subscription liability	--	--	--	--	--	(6,993)
Interest paid on installment agreements	--	--	--	(4,191)	(4,191)	(2,435)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(6,158,553)</b>	<b>(197,149)</b>	<b>--</b>	<b>(570,105)</b>	<b>(6,925,807)</b>	<b>(2,578,275)</b>
<b>Cash Flows from Investing Activities</b>						
Purchase of investments	171,859	220,011	26,464	(85,745)	332,589	(439,411)
Interest on investments	1,166,976	391,137	216,477	244,034	2,018,624	1,241,411
<b>Net Cash Provided by Investing Activities</b>	<b>1,338,835</b>	<b>611,148</b>	<b>242,941</b>	<b>158,289</b>	<b>2,351,213</b>	<b>802,000</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(370,350)</b>	<b>--</b>	<b>--</b>	<b>(767,548)</b>	<b>(1,137,898)</b>	<b>2,313,251</b>
<b>Cash and Cash Equivalents - Beginning</b>	<b>13,666,237</b>	<b>46,162</b>	<b>--</b>	<b>2,562,601</b>	<b>16,275,000</b>	<b>100</b>
<b>Cash and Cash Equivalents - Ending</b>	<b>\$ 13,295,887</b>	<b>\$ 46,162</b>	<b>\$ --</b>	<b>\$ 1,795,053</b>	<b>\$ 15,137,102</b>	<b>\$ 2,313,351</b>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position:</b>						
Unrestricted cash and cash equivalents	\$ 13,295,887	\$ 46,162	\$ --	\$ 1,795,053	\$ 15,137,102	\$ 2,313,351
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 13,295,887</b>	<b>\$ 46,162</b>	<b>\$ --</b>	<b>\$ 1,795,053</b>	<b>\$ 15,137,102</b>	<b>\$ 2,313,351</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>						
Operating income (loss)	\$ 3,883,114	\$ 1,301,657	\$ 222,252	\$ (436,711)	\$ 4,970,312	\$ 3,249,419
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization expense	4,633,132	610,676	--	301,009	5,544,817	3,615,254
Provision for doubtful accounts	355,439	--	--	--	355,439	--
Rent revenue	--	--	162,311	34,246	196,557	--
Change in assets, deferred outflows/inflows and liabilities:						
Accounts receivable	(881,731)	10,287	(125,363)	2,117	(994,690)	(1,654)
Lease receivable	--	--	120,482	16,754	137,236	--
Inventories	(93,984)	--	--	(5,730)	(99,714)	(18,271)
Prepaid expenses	--	--	--	(71,252)	(71,252)	(2,765,421)
Deferred amount related to OPEB	(225,105)	15,001	(938)	--	(211,042)	(13,561)
Deferred amount related to pensions	4,372,637	214,162	152,706	--	4,739,505	670,423
Deferred amount related to leases	--	--	(136,061)	(19,684)	(155,745)	--
Accounts payable and accrued expenses	2,100,260	28,400	10,725	8,674	2,148,059	(103,878)
Due to other funds	--	(1,398,460)	(265,872)	(61,698)	(1,726,030)	(70,670)
Refundable deposits payable	(17,990)	--	--	5,441	(12,549)	--
Compensated absences payable	79,825	4,461	28,872	--	113,158	15,930
Insurance claims payable	--	--	--	--	--	(1,513,233)
Total OPEB liability	355,656	69,121	41,271	--	466,048	84,546
Net pension asset	(5,589,314)	(273,753)	(195,198)	--	(6,058,265)	(856,965)
Total adjustments	5,088,825	(720,105)	(207,065)	209,877	4,371,532	(957,500)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 8,971,939</b>	<b>\$ 581,552</b>	<b>\$ 15,187</b>	<b>\$ (226,834)</b>	<b>\$ 9,341,844</b>	<b>\$ 2,291,919</b>
<b>Non-Cash Capital and Related Financing and Investing Activities</b>						
Contributions of capital assets	\$ 365,282	\$ --	\$ --	\$ --	\$ 365,282	\$ 542,612
Change in fair value of investments	\$ 913,709	306,320	140,700	\$ 105,609	\$ 1,466,338	\$ 541,206

*The accompanying notes are an integral part of these financial statements.*

# CITY OF DELRAY BEACH, FLORIDA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS

SEPTEMBER 30, 2024

	Pension Trust Funds
<b>Assets</b>	
Cash	\$ 462,426
Investments:	
Money market mutual funds	6,121,499
U.S. Government securities	12,929,925
Fixed income	90,887,353
Equity securities	258,146,542
Pooled domestic equity index funds	120,719,109
Real estate investment funds	19,880,150
Fixed income alternative investment fund	12,054,430
Total Investments	<u>520,739,008</u>
Interest and dividends receivable	238,577
Pending trades receivable	521,384
City contributions receivable	100,752
Due from City	<u>277,170</u>
<b>Total Assets</b>	<u>522,339,317</u>
<b>Liabilities</b>	
Accounts payable	353,316
Pending trades payable	2,348,007
Refunds due to members	11,740
Due to City	<u>277,175</u>
<b>Total Liabilities</b>	<u>2,990,238</u>
<b>Net Position</b>	
Restricted for pension benefits	<u><u>\$ 519,349,079</u></u>

*The accompanying notes are an integral part of these financial statements.*

# CITY OF DELRAY BEACH, FLORIDA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Pension Trust Funds
<b>Additions</b>	
Contributions	
Employer	\$ 19,252,931
State	2,909,918
Plan members	4,767,493
Total contributions	<u>26,930,342</u>
Investment earnings	
Net appreciation in fair value of investments	82,199,394
Interest, dividends and investment fund income	15,452,278
Other investment income	30,279
	<u>97,681,951</u>
Less investment expenses	<u>(1,856,142)</u>
Net investment earnings	<u>95,825,809</u>
<b>Total Additions</b>	122,756,151
<b>Deductions</b>	
Benefits	29,764,292
Refunds of contributions	550,359
Administrative expenses	517,761
<b>Total Deductions</b>	<u>30,832,412</u>
<b>Change In Plan Net Position</b>	91,923,739
<b>Net Position Restricted for Pension Benefits - October 1, 2023</b>	<u>427,425,340</u>
<b>Net Position Restricted for Pension Benefits - September 30, 2024</b>	<u><u>\$ 519,349,079</u></u>

*The accompanying notes are an integral part of these financial statements.*

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## **NOTES TO FINANCIAL STATEMENTS**

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# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 1 – FINANCIAL REPORTING ENTITY

In conformance with the pronouncements of the Governmental Accounting Standards Board (“GASB”), the financial reporting entity of the City of Delray Beach, Florida (the “City”), includes the primary government and all organizations for which the primary government is financially accountable. The City was established in 1927 pursuant to Section 12677, Laws of Florida, and is governed by an elected Mayor and four City Commissioners who appoint a City Manager to administer the operations of the City. The City provides a full range of community services including police, fire, emergency medical rescue, parks and recreation facilities, water, wastewater, garbage and trash collection, building and code inspections/enforcement, and general administration functions. Financial accountability was determined based on the City’s ability to impose its will on an organization or the potential of the organization to provide specific financial benefits to or impose specific financial burdens on the City.

#### *COMPONENT UNITS*

As defined by U.S. generally accepted accounting principles, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Two dependent special districts of the City, created pursuant to Florida Statutes, have been included in the reporting entity as component units.

The *Delray Beach Community Redevelopment Agency* (the “CRA”) is a dependent special district established by the City under authority granted by Florida Statute 163, Section III. The CRA is a legally separate entity established by Ordinance number 46-85 of the Delray Beach City Commission on June 18, 1985. The purpose of the CRA is to promote and guide the physical and economic redevelopment of approximately 1,900 acres in the center of the City. The CRA is governed by a seven member Board of Commissioners. On April 3, 2018, the City Commission adopted Resolution No. 53-18 declaring the City Commission as the governing Board of the Delray Beach Community Redevelopment Agency pursuant to Florida Statutes Section 163.357. The Mayor and Vice-Mayor of the City serve as the Chair and Vice-Chair, respectively, of the CRA Governing Board. In addition to the five members of the City Commission, two additional members of the CRA governing Board are appointed by the City Commission. The City Commission also approves the CRA’s annual budget and all debt obligations of the CRA. Accordingly, the CRA is reported as a blended component unit of the City.

# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 1 – FINANCIAL REPORTING ENTITY (CONTINUED)**

#### ***COMPONENT UNITS (CONTINUED)***

The *Delray Beach Downtown Development Authority* (the “DDA”) was created after the City petitioned the State of Florida for its creation and a Special Act of the State Legislature establishing the DDA became law on March 22, 1971. The original boundary of the DDA was established in 1971 by Section 3, Chapter 71-604 Laws of Florida. The expanded boundary was established by Chapter 94-476 Laws of Florida effective May 13, 1994. The purpose of the DDA is to promote and guide the economic development and improvement of the downtown area of the City. The governing body of the DDA is appointed by the Delray Beach City Commission, which may remove board members at will. In addition, the City Commission approves the DDA’s annual budget. The DDA is considered a discretely presented component unit of the City.

Separate audited financial statements of the CRA and the DDA can be obtained directly from the respective entities.

#### ***JOINT VENTURE***

The South Central Regional Wastewater Treatment and Disposal Board (the “Board”) is reported as a joint venture accounted for using the equity method as discussed in Note 9. The Board is an independent special district created by the Cities of Delray Beach and Boynton Beach, whose City Commissions comprise the Board’s governing body. Control and oversight are exercised equally by both cities represented on the Board. The separate audited financial statements of the Board can be obtained directly from the finance department of the Board.

### **NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

The City maintains its accounting records in accordance with U.S. generally accepted accounting principles (“GAAP”) applicable to governmental units as set forth by the Government Accounting Standards Board (“GASB”).

#### ***GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS***

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. 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.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)***

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *General revenues*. The City does not allocate indirect costs; however, an administrative service fee is charged by the General Fund to other operating funds that is eliminated like a reimbursement (reducing revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (such as finance, legal, human resources, information systems, etc.).

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 and enterprise funds are reported as separate columns in the fund financial statements.

#### ***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 and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all time and purpose restrictions imposed by the provider have been met. The proprietary fund financial statements distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering services. The principal operating revenues are charges to customers for sales and services. Operating expenses include the cost of sales and services, administration, and depreciation. Other revenues and expenses are considered nonoperating revenues and expenses. Proprietary fund revenues are recognized as earned when the services are provided. For purposes of measuring the net pension asset/liability, deferred inflows/outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's defined benefit pension plans and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the City's defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)***

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Ad valorem taxes and charges for services are susceptible to accrual when collected in the current year or within 60 days subsequent to year end. Intergovernmental revenue and utility service taxes are recorded in accordance with their legal or contractual requirements if collected in the current period or within 60 days after year end, except for grant revenue, which is recorded when the related expenditures/expenses are incurred and the time and purpose restrictions have been met. Interest is recorded when earned. Other material revenues which are susceptible to accrual include franchise fees, utility service taxes and state shared revenues. Revenues which are not both available and measurable and are thus not susceptible to accrual include licenses and permits, fines and forfeitures, emergency medical transport services and miscellaneous revenue which are recorded as revenue when received in cash, because they are generally not measurable until actually received. Business taxes collected in advance of periods to which they relate are recorded as unavailable revenues, a deferred inflow of resources. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except that principal and interest on long-term obligations are reported only when due in conformity with GAAP. 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.

The City reports the following major governmental funds:

*General Fund* – This fund is the general operating fund of the City. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

*Neighborhood Services Fund* – This special revenue fund accounts for restricted revenue received from federal, state and local governments under numerous grant programs which are used for various community development and improvement projects within the City.

*Community Redevelopment Agency Fund* – This special revenue fund accounts for the restricted revenues received and operations and economic development activities of the Delray Beach Community Redevelopment Agency, a blended component unit of the City.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### ***MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)***

*Capital Improvement Fund* – This capital projects fund is used to account for the construction of capital facilities financed by the 2015 Utilities Tax Bond and projects not accounted for in the City's other capital project funds.

*One-Cent Sales Tax Fund* – This capital projects fund accounts for the City's allocation of the One-Cent Local Infrastructure Sales Surtax to be used for infrastructure capital improvement projects and debt service on the City's 2017 Capital Improvement Revenue Bonds issued for infrastructure projects. The sales surtax was approved by Palm Beach County voters in 2016 for a period of 10 years beginning January 1, 2017.

The City reports the following major proprietary funds:

*Water and Sewer Fund* - This fund is used to account for water and sewer services provided by the City to residents and other users.

*Stormwater Fund* – This fund is used to account for the stormwater drainage charges to residents and other users for maintenance and construction of stormwater drainage projects.

*Sanitation Fund* - This fund is used to account for solid waste removal services provided by City to residents and others.

Additionally, the City reports the following fund types:

*Internal Service Funds* - These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis, including insurance services and operations of the central garage.

*Pension Trust Funds* - These funds account for the accumulation of resources to be used for the retirement benefits for the City's general employees, police officers and firefighters.

# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### ***CASH, CASH EQUIVALENTS AND INVESTMENTS***

Cash, cash equivalents and investments consist of restricted and unrestricted cash, deposits with financial institutions, investments in money market mutual funds, Florida intergovernmental investment pools and legally authorized securities and investment funds. Investment securities and funds are reported at fair value. Money market mutual funds and Florida intergovernmental investment pools are reported at amortized cost, which approximates fair value. Investment purchases and sales are recorded on the trade date.

Realized and unrealized gains and losses on investments are reflected in current operating results as investment earnings. Cash balances from all funds are combined, and the requirements of all funds are considered in determining the amount to be invested. Earnings are allocated to each fund based on respective month-end balances. The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

#### ***ACCOUNTS RECEIVABLE***

Accounts receivable represent amounts due for various City services and utilities, provided primarily to local businesses and residents. Accounts receivable are reported net of an allowance for doubtful accounts determined based on the age of the individual receivable and historical collection trends. Accounts receivable are written off on an individual basis in the fiscal year the City deems them uncollectible. An allowance for doubtful accounts has been provided for those accounts where collectability appears to be doubtful. The City does not require collateral from its customers, except for the Water and Sewer Fund, which requires deposits for services. The City maintains an allowance for doubtful accounts at a level which management believes is sufficient to cover potential credit losses.

#### ***LEASES RECEIVABLE***

The City has ground leases and leases on real property. The City recognizes leases receivable and a deferred inflow of resources under these lease agreements. At the commencement of the lease, the City initially measured the lease receivables and the deferred inflow of resources at the present value of payments expected to be received during the lease term under these lease agreements. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. Key estimates related to the lease include the discount rate used to discount the expected lease payments to present value, lease term and renewals and lease payments. The City estimated the incremental borrowing rate as the discount rate. The City monitors changes in circumstances that would require a remeasurement of the leases and will remeasure the lease receivables and deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease receivables.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *UNBILLED SERVICE RECEIVABLES*

Within the enterprise funds, the Water and Sewer Fund recognizes revenue on the basis of monthly cycle billings to customers for services provided. As a result of this cycle billing method, there are unbilled receivables at the end of each fiscal year with respect to services provided, but not billed at such date. It is the policy of the City to accrue these amounts at year-end. The other enterprise funds do not have unbilled receivables at year-end.

#### *INVENTORIES*

Inventories consist of materials, supplies and goods held for sale or use by the City and are carried at cost on the average cost basis. General Fund inventories are accounted for using the consumption method whereby inventories are recorded as expenditures/expenses in the period when used.

#### *PREPAID ITEMS/EXPENSES*

Payments for insurance premiums and other administrative expenditures/expenses extending over more than one accounting period are accounted for as prepaid items/expenses and allocated between accounting periods when consumed rather than when purchased.

#### *INTRA-ENTITY TRANSACTIONS*

Intra-entity transactions consist of transactions and balances among City funds and between the City and its discretely presented component unit, the DDA. Balances due between the City and the DDA are reported separately from interfund transactions as due to and due from the primary government and component unit. There were no interfund balances between the City and the DDA at September 30, 2024. Transactions between the City and the DDA are recorded as revenues or expenditures/expenses as if they were conducted with external organizations. Transactions between the City and the CRA are reported as *Interfund Transactions*.

*Interfund Transactions* include balances and transactions among the funds during the year reported as follows:

*Internal balances* - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for the residual amounts, which are presented as internal balances.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *INTRA-ENTITY TRANSACTIONS (CONTINUED)*

*Interfund services provided and used* - Transactions which are revenues to the recipient fund and expenditures/expenses to the disbursing fund. These are transactions which would otherwise be recorded as revenues or expenditures/expenses if they were conducted with organizations external to the City.

*Reimbursements* - These transactions are reimbursements of a fund for the disbursement of monies initially made from it, which are properly applicable to another fund. Such reimbursements are recorded as an expenditure or expense in the reimbursing fund and as reductions of the interfund receivable in the fund that is reimbursed.

*Transfers* - Transfers which, because of budgetary or legal restrictions, must be expended by funds other than the fund initially receiving the revenue. These transfers are recorded as transfers in (out).

#### *CAPITAL ASSETS*

Capital asset acquisitions are recorded as expenditures in the governmental fund financial statements and capitalized at historical cost in the proprietary fund financial statements. Such assets are capitalized at historical cost in the government-wide financial statements for both governmental activities and business-type activities. In the case of gifts or contributions, such assets are recorded at the date of receipt at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the date of acquisition. Capital costs which materially extend the useful life of existing properties are capitalized. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 (\$50,000 for software) and an estimated useful life in excess of one year. Infrastructure assets (such as roads, bridges, curbs and gutters, streets and sidewalks, lighting and drainage systems and similar assets that are immovable and of value only to the City) are capitalized and reported in the Improvements Other Than Buildings category.

The City reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than carrying value, an impairment loss would be recognized to reduce the carrying value. There was no impairment loss recorded during the current fiscal year.



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *CAPITAL ASSETS (CONTINUED)*

Depreciation of capital assets is provided on the straight-line basis over the assets' estimated useful lives. Amortization of assets recorded under capital leases (installment agreements) is recorded with depreciation expense. Estimated useful lives assigned to various categories of assets are as follows:

Buildings	20 – 40 years
Improvements other than buildings	10 – 30 years
Machinery and equipment	4 – 15 years
Automotive equipment	4 – 8 years
Office equipment	5 years
Water meters	30 years
Pumping equipment	15 – 20 years
Wells and springs	10 years
Sewer system	60 years
Water distribution system	50 years

#### *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS*

The City has entered into contracts that convey control of the right to use information technology software and has recorded subscription-based information technology arrangements ("SBITA") assets and liabilities. The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

The cost of normal maintenance and repairs that do not add to the value of the assets or material extend the asset lives are not capitalized and are expense as incurred. The City monitors changes in circumstances that would require a remeasurement of its SBITA's and will do so if certain changes occur that would be expected to significantly affect the amount of the lease liability.

SBITA assets are reported with capital assets and SBITA lease liabilities are reported with long-term debt on the statement of net position of the government-wide financial statements and in the proprietary fund financial statements.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *UNAVAILABLE / UNEARNED REVENUE*

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

#### *COMPENSATED ABSENCES*

The City accrues compensated absences in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, and has elected the termination payment method of accounting for sick leave. Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements. The City's policy regarding the accumulation of compensated absences is summarized as follows:

*Vacation Leave* - Employees become eligible to use accrued vacation after one year of continuous service and may then use vacation as it is earned. The maximum vacation days allowed to be accumulated is 18, 24-hour days for fire department personnel and 36, 8-hour days for all other full-time personnel. Upon termination in good standing, employees are compensated for all accrued vacation leave at their pay rate on the date of termination.

*Sick Leave* - Employees earn hours of sick leave per month based on their scheduled work hours; 8 hours per month for 40-hour work week employees and 9.6 hours per month for 48-hour work week employees. If an employee retires with 20 years or more of service, sick leave is paid up to a maximum of 1,120 hours for general employees and police officers or 1,344 hours for 48-hour work week firefighter employees. Upon retirement with less than 20 years of service or resignation, employees are compensated for unused sick leave at their pay rate on the date of termination, up to 560 hours (70 days) for general employees and police officers and 672 hours (84 days) for firefighters according to the following vesting schedule:

<b>Years of Continuous Service</b>	<b>Percent Vested</b>
0 – 5 years	0%
5 – 10 years	25
10 – 15 years	50
15 – 20 years	75

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NONCURRENT OBLIGATIONS*

In the government-wide financial statements and proprietary funds financial statements, long-term debt and other noncurrent obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt discounts, premiums and deferred charges on refunding, are deferred and amortized over the term of the related financing using a method that approximates the effective interest method. Long-term debt is reported net of applicable premium or discount. Issuance costs are reported as a period expense.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt 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 on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

#### *DEFERRED OUTFLOWS / INFLOWS OF RESOURCES*

In addition to assets and liabilities, the government-wide and proprietary funds statements of net position and the governmental funds balance sheet report a separate section for deferred outflows and/or deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

The City's deferred outflows of resources in the government-wide and proprietary funds statements of net position consist of deferred charges on refundings, deferred amounts related to other postemployment benefits ("OPEB") and deferred amounts related to pensions. The deferred charges on refundings are losses resulting from the difference in the carrying value of refunded debt and its reacquisition price. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflow of resources related to OPEB and pensions results from differences between expected and actual experience, or changes in assumptions or other inputs. These amounts are deferred and included in OPEB and pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB and pension plans (active employees and inactive employees).

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *DEFERRED OUTFLOWS / INFLOWS OF RESOURCES (CONTINUED)*

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

#### *FUND BALANCE/NET POSITION*

##### *Fund Balance*

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

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

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

*Committed* - Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by the City Commission through an ordinance and remains in place until action is taken by the City Commission to remove or revise the limitation.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FUND BALANCE/NET POSITION (CONTINUED)*

##### *Fund Balance (continued)*

*Assigned* - Assigned fund balances include amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Commission assigns fund balance by adopting a resolution giving direction to the City Manager or through the City's annual budget. Assignments are generally temporary and do not require action by the City Commission for removal.

*Unassigned* - Unassigned fund balances include amounts that are not assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the General Fund.

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

*Minimum Fund Balance Policy* - The City Commission has a Fund Balance/Net Position Policy effective October 17, 2024. The General Fund's Unassigned Fund Balance shall have a reserve balance of 21% to 25% of the current fiscal year's budgeted operating expenditures.

##### *Net Position*

The government-wide and proprietary funds financial statements utilize a net position presentation. Net position is categorized as follows:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balance of any bonds, notes or other borrowings and deferred inflows/outflow that are attributable to the acquisition, construction, or improvement of those assets. This amount is offset by any unspent debt proceeds that are outstanding at fiscal year-end.

*Restricted* – This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component of net position consists of net position that does not meet the definition of *Net Investment in Capital Assets* or *Restricted Net Position*.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *PROPERTY TAXES*

Ad valorem property taxes are assessed on property valuations as of January 1 and levied the following October. Property taxes are due March 31 and become delinquent April 1. Ad valorem property taxes are collected by Palm Beach County and remitted to the City. Revenue is recognized at the time monies are received from Palm Beach County when the amount is both measurable and available and, accordingly, unpaid delinquent taxes are not recorded by the City as receivable. Delinquent property taxes must be advertised within 45 days after delinquency, and after May 1, delinquent tax certificates are sold by the County Tax Collector and become a lien on the property on June 1. State Statutes permit municipalities to levy property taxes at a maximum rate of 10 mills (\$10.00 for each \$1,000 of assessed valuation).

During 2007, the Florida Legislature passed property tax reform legislation limiting the property tax levies of local governments in the State of Florida. Local governments that adopt a property tax levy in excess of the limit under State law will lose their Half-Cent Sales Tax distribution from the State for the succeeding twelve months. The maximum tax levy allowed by a majority vote of the governing body is generally based on a percentage change applied to the prior year (2022/2023) property tax revenue.

The percentage change is calculated based on the compound annual growth rate in the per capita property taxes levied for five preceding fiscal years. State law allows local governments to adopt a higher millage rate based on the following approval of the governing body: 1) a majority vote to adopt a rate equal to the adjusted current year rolled-back millage rate plus an adjustment for growth in per capita Florida personal income; 2) a two-thirds vote to adopt a rate equal to the adjusted current year roll back millage rate plus 10%; or, 3) any millage rate approved by unanimous vote or voter referendum. For the fiscal year ended September 30, 2024, the City adopted an operating millage rate of 6.3611 and a debt service millage of 0.1371, resulting in a net tax levy of \$106,412,524 for 2024. Property tax growth is generally limited to the annual growth rate of per capita personal income plus the value of new construction.

# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### ***ENCUMBRANCES***

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund. Encumbrances outstanding at year-end, if any, are reported as assigned fund balance in the General Fund. For budgetary purposes, current year encumbrances are treated as expenditures and any unencumbered balances lapse at year-end.

#### ***ON-BEHALF PAYMENTS***

The City receives on-behalf payments from the State of Florida to be used for Police Officer and Firefighter pension benefits. The on-behalf payments are recorded as intergovernmental revenue and public safety expenditures in the GAAP basis government-wide and General Fund financial statements, but are not budgeted and therefore are not included in the General Fund budgetary basis financial statements. On-behalf payments to the City totaled \$2,909,918 for the fiscal year ended September 30, 2024.

#### ***IMPLEMENTATION OF NEW GASB STATEMENTS***

The City considered the new accounting standards which effective dates are applicable for the fiscal year ended September 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections* did not have a significant impact on the City's financial statements.

#### ***USE OF ESTIMATES***

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

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments of the City and its pension trust funds at September 30, 2024, including unrestricted and restricted assets, are summarized as follows:

	City Primary Government	Fiduciary Funds Pension Trust	Total
Deposits with financial institutions and cash on hand	\$ 70,482,459	\$ 462,426	\$ 70,944,885
Cash equivalents and investments	<u>195,994,696</u>	<u>520,739,008</u>	<u>716,733,704</u>
<b>Total Cash, Cash Equivalents and Investments</b>	<b><u>\$ 266,477,155</u></b>	<b><u>\$ 521,201,434</u></b>	<b><u>\$ 787,678,589</u></b>
<b>Reported in the Financial Statements</b>			
Cash and cash equivalents	\$ 129,503,971	\$ 462,426	\$ 129,966,397
Investments	<u>136,973,184</u>	<u>520,739,008</u>	<u>657,712,192</u>
<b>Total Cash, Cash Equivalents and Investments</b>	<b><u>\$ 266,477,155</u></b>	<b><u>\$ 521,201,434</u></b>	<b><u>\$ 787,678,589</u></b>

### ***DEPOSITS WITH FINANCIAL INSTITUTIONS***

At September 30, 2024, the City's cash included deposits with financial institutions of \$70,455,611 and petty cash of \$26,848 and the pension trust funds had deposits in brokerage accounts of \$462,426. Deposits with financial institutions were entirely covered by federal deposit insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as *qualified public depositories* by the State Treasurer of Florida. Qualified public depositories are required to pledge collateral to the State Treasurer with a market value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories participating in the collateral pool.



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)*

Discretely Presented Component Unit: The DDA's cash balance at September 30, 2024, includes deposits with financial institutions with a bank balance of \$843,858 and a book balance of \$821,045. The DDA's deposits were with financial institutions that were qualified public depositories under Florida law and are considered to be fully insured or collateralized.

#### *INVESTMENTS*

Florida Statutes and City policy authorize the City and its pension trust funds to invest in Florida PRIME (a State administered investment pool) and other approved Florida governmental investment pools; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under Federal or Florida laws; money market mutual funds limited to U.S. Government securities; obligations of the Federal Farm Credit Banks, Fannie Mae, Freddie Mac, the Federal Home Loan Bank or its district banks; obligations guaranteed by the Government National Mortgage Association; and any additional investments authorized by the City's Investment Policy or the Board of each pension plan. The City's investment policy also authorizes the City to invest, with certain limitations, in repurchase agreements, commercial paper, bankers acceptances, corporate notes and obligations, mortgage and asset-backed securities, supranationals, state and local government tax exempt debt and registered investment companies.

The City's pension trust funds may also invest in tax sale certificates of the State of Florida or any of its political subdivisions, preferred and common stocks of certain domestic and international corporations, debt securities of certain domestic and international corporations, mutual funds (including exchange traded funds), and alternative investments, including private investment funds consisting of equity and fixed income investments, real estate, timberlands, and similar investments that are not publicly traded.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

The following summarizes the cash equivalents and investments of the City and its pension trust funds reported on the statement of net position and statement of fiduciary net position at September 30, 2024:

	City Primary Government	Fiduciary Funds Pension Trust	Total
<b>Cash Equivalents</b>			
Florida governmental investment pools	\$ 33,127,060	\$ --	\$ 33,127,060
<b>Investments</b>			
Money market mutual funds	44,858,538	6,121,499	50,980,037
U.S. Government securities	58,958,970	12,929,925	71,888,895
Collateralized mortgage obligations	--	5,866,530	5,866,530
Domestic and international corporate bonds & notes	59,050,129	1,572,150	60,622,279
Fixed income mutual funds	--	83,448,673	83,448,673
Equity securities and foreign stocks	--	258,146,542	258,146,542
Pooled domestic equity index funds	--	120,719,109	120,719,109
Real estate investment funds	--	19,880,150	19,880,150
Fixed income alternative investment funds	--	12,054,430	12,054,430
<b>Total Investments</b>	<u>162,867,637</u>	<u>520,739,008</u>	<u>683,606,645</u>
<b>Total Cash Equivalents and Investments</b>	<u>\$ 195,994,696</u>	<u>\$ 520,739,008</u>	<u>\$ 716,733,704</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

The Florida governmental investment pools consist of Florida Cooperative Liquid Assets Securities System (“FL CLASS”) and Florida Public Assets for Liquidity Management (“FL PALM”). The investment pools are organized by Florida public agencies under Florida Statutes Section 163, the Florida Interlocal Cooperation Act, for the purpose of operating an independent investment pool for local governments in Florida and are administered by a Board of Trustees elected by the participants in the investment pool. FL CLASS and FL PALM are operated in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC registered mutual funds to use amortized cost, rather than fair value, to report net position used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount. The fair value of the position in the investment pools is considered to be the same as the City’s account balance (amortized cost) in the pool.

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

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

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

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

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

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

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

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

*Valuation Methodologies*: The following valuation methods and assumptions were used by the City and Pension Plans to estimate the fair value of financial instruments measured at fair value on a recurring basis under GASB Statement No. 72:

*U.S. Government securities (which includes U.S. Government and Agency securities, Supranational Agency securities, mortgage and asset-backed securities, collateralized mortgage obligations, and domestic and international corporate bonds and notes)*: Valued at the closing price reported on the active exchange on which the individual securities are actively traded. Securities that are not actively traded are valued by the investment manager or broker using a matrix pricing technique based on the securities' relationship to quoted benchmark prices.

*Equity securities and foreign stocks*: Valued at the closing price reported on the active exchange on which the individual securities are actively traded.

*Fixed income mutual funds, equity mutual funds and equity index funds*: Valued at the closing net asset value reported on the active exchange on which the individual investment funds are actively traded.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

*Investments measured at net asset value (NAV):* Pooled domestic equity index funds and alternative investment funds investing in timber, real estate and fixed income are valued at the unadjusted NAV per share at September 30, 2024, calculated in a manner consistent with the practical expedient method under U.S. GAAP using the fair value of the fund's underlying investments, as determined by the fund manager, if available, or by valuations of a fund's underlying assets provided by the investment manager. Timber and real estate values are based upon periodic independent appraisals performed for assets held by the funds. The fair value of timber and real estate is the price that would be received if the asset was sold to a market participant assuming the highest and best use of each asset at the measurement date. The fixed income investment fund and pooled domestic equity index funds are not publicly traded and invest in various types of fixed income and equity securities. These investment funds may hold certain investments valued by a single market maker and while the fund managers use their best judgment in estimating the fair value of the underlying assets, there are inherent limitations in any estimation technique. Accordingly, the fair value of these investment funds has been estimated by the management of the pension funds and their investment advisors in the absence of readily ascertainable or quoted fair values.

The methods and assumptions described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the City and Pension Plans believe its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the methods and assumptions used for the fiscal year ended September 30, 2024.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### INVESTMENTS (CONTINUED)

*Fair Value of Investments:* The financial assets measured at fair value on a recurring basis include the City's and Pension Plans' investments. There were no liabilities measured at fair value on a recurring basis at September 30, 2024. Investments in money market mutual funds are reported at amortized cost and included in the following fair value schedule for reconciliation purposes only. The fair value of investments at September 30, 2024 is summarized as follows:

	Fair Value at September 30, 2024			
	Level 1	Level 2	Level 3	Total
<b>Fixed Income Securities</b>				
U.S. Government securities	\$ 9,455,231	\$ 62,433,664	\$ --	\$ 71,888,895
Collateralized mortgage obligations	--	5,866,530	--	5,866,530
Domestic and international corporate bonds & notes	--	60,622,279	--	60,622,279
Fixed income mutual funds	83,448,673	--	--	83,448,673
<b>Total Fixed Income Securities</b>	<u>92,903,904</u>	<u>128,922,473</u>	<u>--</u>	<u>221,826,377</u>
<b>Equity Investments</b>				
Domestic and foreign equity securities	<u>257,533,975</u>	<u>612,567</u>	<u>--</u>	<u>258,146,542</u>
<b>Total Equity Securities</b>	<u>257,533,975</u>	<u>612,567</u>	<u>--</u>	<u>258,146,542</u>
<b>Total Investments at Fair Value</b>	<u>\$ 350,437,879</u>	<u>\$ 129,535,040</u>	<u>\$ --</u>	<u>479,972,919</u>
<b>Investment Measured at Amortized Cost</b>				
Money market mutual funds				<u>50,980,037</u>
<b>Investment Measured at NAV</b>				
Alternative investment funds:				
Pooled equity index funds				120,719,109
Real estate investment funds				19,880,150
Fixed income investment alternative funds				<u>12,054,430</u>
<b>Total Investments at NAV</b>				<u>152,653,689</u>
<b>Total Investments</b>				<u>\$ 683,606,645</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

At September 30, 2024, certain alternative investment funds had future funding commitments of approximately \$11,183,473. No withdrawals are permitted during the term of certain alternative investment funds which range from 2025 to 2026.

Custodial Credit Risk: Custodial credit risk is defined as the risk that the City and Pension Plans may not recover cash and investments held by another party in the event of financial failure. The City's investment policy requires cash and investment securities to be fully insured or collateralized, or held in independent custodial safekeeping accounts in the name of the City. At September 30, 2024, all direct investments in securities were held in independent custodial safekeeping accounts. Investments in money market mutual funds, mutual funds and alternative investments, were considered *unclassified* investments pursuant to GASB Standards.

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy requires diversification of investments to minimize potential losses on individual securities. In the City pension funds, securities of a single issuer are limited to no more than 5% of the plan's net position invested in common stocks and debt securities. Investments in mutual funds and investment pools are excluded from the concentration of credit risk disclosure requirement.

Credit Risk: Credit risk is the risk that a debt issuer will not fulfill its obligations. The City's investment policy addresses credit risk by limiting investments to the safest types of securities, which are generally those receiving the highest credit ratings from a Nationally Recognized Statistical Rating Organization ("NRSRO"). The City utilizes ratings from Standard & Poor's and Moody's Investor Services for its investments. At September 30, 2024, the ratings for the City's investment portfolio ranged from BBB to AAA. Pension investments in debt securities must be rated investment grade by a NRSRO at the date of purchase.

The NRSRO ratings for the fixed income investment securities and pools of the primary government and pension funds are summarized as follows at September 30, 2024.

	NRSRO Rating	Fair Value
<b>Primary Government</b>		
Florida governmental investment pools	AAAm	\$ 33,127,060
Money market mutual funds	Unrated	44,858,538
U.S. Government securities	AA	58,958,970
Domestic and international corporate notes and bonds	A-BBB+	59,050,129

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### INVESTMENTS (CONTINUED)

##### Pension Trust Funds

Money market mutual funds	AAAm	\$ 6,121,499
U.S. Government securities	AA	12,929,925
Domestic and international corporate bonds & notes	A-BBB+	1,572,150
Collateralized mortgage obligations	Unrated	5,866,530
Participant directed pooled investment funds (DROP)	Unrated	10,569,131
Fixed income mutual funds	Unrated	83,448,673
Fixed income alternative investment funds	Unrated	12,054,430

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. The City's investment policy requires the investment of operating funds in shorter term securities and structuring of the investment portfolio so that securities mature to meet cash requirements. The policy further limits investments to securities maturing in five years or less, except in certain limited situations requiring approval by the City Commission. The Pension Funds have no specific limits on investment maturities. The table below summarizes the average effective duration in years of the fixed income investments with maturities in excess of 90 days.

	Average Duration (in years)	Fair Value
<b>Primary Government</b>		
U.S. Government securities	4.3	\$ 58,958,970
Supranational Agency notes	4.4	2,001,111
Mortgage and asset backed securities	4.5	22,496,835
Collateralized mortgage obligations	3.8	6,778,016
Corporate obligations	4.8	27,774,167
<b>Pension Trust Funds</b>		
U.S. Government securities	2.4	\$ 12,929,925
Domestic and international corporate obligations	3.5	1,572,150
Fixed income mutual funds	6.4	83,448,673
Fixed income alternative investment funds	Not available	12,540,430



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

#### *INVESTMENTS (CONTINUED)*

Foreign Currency Risk: Foreign currency risk includes the risk of revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized and unrealized gains, and their price may be more volatile than those of comparable securities in U.S. companies. All investments were in U.S. Dollar denominated securities and funds at September 30, 2024.

Risks and Uncertainties: Due to the various risks associated with investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements. The value, liquidity, and related income of securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations, commercial mortgage backed securities and real estate funds or investment funds investing in these securities or entities, are particularly sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

### NOTE 4 – ACCOUNTS RECEIVABLE

Current accounts receivable and the related allowance for doubtful accounts were as follows at September 30, 2024:

	Governmental Activities	Business-type Activities
<b>Accounts Receivable</b>		
General Fund - Intergovernmental	\$ 5,641,620	\$ --
Neighborhood Services Fund	77	--
Community Redevelopment Agency Fund	4,187	--
Water and Sewer Fund	--	6,948,812
Stormwater Fund	--	20,258
Sanitation Fund	--	1,188,870
Non-Major Funds	184,313	12,268
Internal Services Funds	18,068	--
Allowance for doubtful accounts	(2,286,904)	(1,992,965)
<b>Total Accounts Receivable</b>	<u>\$ 3,561,361</u>	<u>\$ 6,177,243</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 5 – LEASES RECEIVABLE

The City was engaged in five (5) GASB 87 leases as the lessor within its governmental activities and two (2) leases within its business-type activities. The City leases include land and all access and utility easements (the “Premises”) for communication towers (cell phone towers), parks and property. The lease terms under these agreements ranged from 49 months to 39 years. In addition, certain leases have extension and/or termination options, for which the City has made determinations as to if those options are reasonably certain to be exercised, and those determinations are reflected in the calculations presented, in accordance with GASB Statement No. 87.

The following are leases in the governmental activities, excluding the CRA leases:

Cell Phone Tower – The City entered into a 49-month lease agreement as Lessor for the use of cell phone Tower. An initial lease receivable was recorded in the amount of \$124,886. As of September 30, 2024, the value of the lease receivable is \$34,039. The lessee is required to make monthly fixed payments of \$2,625. The lease has an interest rate of 0.4350%. The value of the deferred inflow of resources as of September 30, 2024 was \$33,195.

PCS Site – The City entered into a 57-month lease as Lessor for the use of PCS Site Delray Police. An initial lease receivable was recorded in the amount of \$216,844. As of September 30, 2024, the value of the lease receivable is \$84,099. The lessee is required to make monthly fixed payments of \$3,612. The lease has an interest rate of 0.5820%. The value of the deferred inflow of resources as of September 30, 2024 was \$79,890.

Barwick Park – The City entered into an 86-month lease as Lessor for the use of Barwick Park. An initial lease receivable was recorded in the amount of \$242,789. As of September 30, 2024, the value of the lease receivable is \$150,506. The lessee is required to make monthly fixed payments of \$2,566. The lease has an interest rate of 0.8720%. The value of the deferred inflow of resources as of September 30, 2024 was \$142,286. The lessee has one (1) extension option for an additional 60-month term.

Old School Square 2<sup>nd</sup> Avenue - The City entered into a 472-month lease as Lessor for the use of Old School Square 2nd Avenue property. An initial lease receivable was recorded in the amount of \$27,876. As of September 30, 2024, the value of the lease receivable is \$26,106. The lessee is required to make annual variable principal and interest payments of \$979, which increases annually based on a CPI index. The lease has an interest rate of 1.7220%. The value of the deferred inflow of resources as of September 30, 2024 was \$25,750.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 5 – LEASES RECEIVABLE (CONTINUED)

300 West Atlantic Avenue – The City entered into a 120-month lease as Lessor for the use of 300 West Atlantic Avenue property. An initial lease receivable was recorded in the amount of \$363,450. As of September 30, 2024, the value of the lease receivable is \$270,184. The lessee is required to make monthly fixed payments of \$2,798. The lease has an interest rate of 1.1640%. The value of the deferred inflow of resources as of September 30, 2024 was \$254,416. The lessee has one (1) extension option for an additional 60-month term.

During the fiscal year ended September 30, 2024, the City recognized the following related to these lease agreements:

Lease revenue	\$ 141,917
Interest Income	<u>6,129</u>
<b>Total</b>	<u><u>\$ 148,046</u></u>

Future principal and interest payment requirements related to the City's leases receivable at September 30, 2024 for governmental activities excluding the CRA leases are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal Receipt</u>	<u>Interest Income</u>	<u>Future Minimum Rent</u>
2025	\$ 146,468	\$ 5,045	\$ 151,513
2026	109,667	3,980	113,647
2027	73,355	3,154	76,509
2028	76,387	2,388	78,775
2029	50,174	1,675	51,849
2030 - 2034	88,502	2,960	91,462
2035 - 2039	3,250	1,645	4,895
2040 - 2044	3,540	1,355	4,895
2045 - 2049	3,856	1,040	4,896
2050 - 2054	4,199	696	4,895
2055 - 2059	4,573	322	4,895
2060 - 2061	<u>963</u>	<u>17</u>	<u>980</u>
<b>Total</b>	<u><u>\$ 564,934</u></u>	<u><u>\$ 24,277</u></u>	<u><u>\$ 589,211</u></u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 5 – LEASES RECEIVABLE (CONTINUED)

The following are leases in the business type activities:

Florida East Coast Railroad – The City entered into a 228-month lease as Lessor for the use of land for Florida East Coast Railroad property. An initial lease receivable was recorded in the amount of \$2,585,162. As of September 30, 2024, the value of the lease receivable is \$2,191,042. The lessee is required to make annual variable principal and interest payments of \$154,924 based on a CPI index. The lease has an interest rate of 1.4900%. The value of the deferred inflow of resources as of September 30, 2024 was \$2,176,979.

2200 Highland Avenue – The City entered into a 118-month lease as Lessor for the use of 2200 Highland Avenue property. An initial lease receivable was recorded in the amount of \$194,648. As of September 30, 2024, the value of the lease receivable is \$144,172. The lessee is required to make monthly fixed payments of \$1,512. The lease has an interest rate of 1.1640%. The value of the deferred inflow of resources as of September 30, 2024 was \$135,597. The lessee has one extension option for an additional 60-month term.

During the fiscal year ended September 30, 2024, the City recognized the following related to these lease agreements:

Lease revenue	\$ 137,998
Interest Income	<u>36,231</u>
<b>Total</b>	<b><u>\$ 174,229</u></b>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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#### NOTE 5 – LEASES RECEIVABLE (CONTINUED)

Future principal and interest payment requirements related to the City's leases receivable at September 30, 2024 for business-type activities are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal Receipt</u>	<u>Interest Income</u>	<u>Future Minimum Rent</u>
2025	\$ 140,581	\$ 34,228	\$ 174,809
2026	143,216	32,188	175,404
2027	145,907	30,112	176,019
2028	148,653	27,999	176,652
2029	151,457	25,847	177,304
2030 - 2034	722,467	96,915	819,382
2035 - 2039	730,283	44,338	774,621
2040 - 2044	<u>152,650</u>	<u>2,274</u>	<u>154,924</u>
<b>Total</b>	<u>\$ 2,335,214</u>	<u>\$ 293,901</u>	<u>\$ 2,629,115</u>

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY***

The CRA, as a Lessor, leases a real property and land pursuant to two ground leases and two property leases. The lease agreements commenced at various dates beginning February 2012 and ending September 30, 2061. The CRA had the following lease commitments as lessor at September 30, 2024 that meet the criteria of a lease receivable pursuant to GASB 87.

#### ***Prime Delray Hotel, LLC***

On April 2, 2012, the CRA entered into a Ground Lease Agreement with Prime Delray Hotel, LLC (the "Company") for a 40-year term. The Company developed, constructed and operates a 4-story business class hotel on the property. The lease agreement provides for the Company to pay the CRA an annual base rent of \$1 for years 1 through 5 and thereafter a contingent rental of 2% of gross room sales for years 6 through 10 and increasing by 1% for each five-year period thereafter until reaching 5% for years 21 to 40. The lease expires on April 1, 2052. For years 5 through 25, the Company has the right to purchase the property from the CRA at a price based on the average of two independent appraisals; one obtained by the CRA and the second by the Company. The carrying value of the leased property at September 30, 2024 was approximately \$2,418,000. The lease receivable is \$2,547,303 at September 30, 2024.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 5 – LEASES RECEIVABLE (CONTINUED)

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)***

##### ***Hatcher Construction & Development, Inc.***

On July 18, 2019, the CRA entered into a Ground Lease Agreement with Hatcher Construction & Development, Inc. (“Hatcher”) for a 40-year term. Hatcher intends to develop the property, occupy 2,000 square feet, and utilize the remaining 4,000 square feet as rental space. The lease agreement provides for an annual base rent of \$1 for years 1 through 5, \$26,000 per year for years 6-10, \$39,000 for year 11, with the base rent increasing annually by 2.5% for years 12 through 15, and \$52,000 for year 16, increasing annually by 2.5% through year 40. Hatcher may purchase the property for \$200,000 during the first seven years. On the eighth anniversary of the agreement, the purchase price increases to \$650,000. The first amendment to the agreement executed in November 2020 extends the site analysis period to July 18, 2021, during which time Hatcher may ascertain whether the property is acceptable and obtain all necessary approvals, permits and licenses for development of the property in substantial conformance with the conceptual plan. If the property is determined to be unacceptable, Hatcher can provide a written termination notice and neither party shall have any further rights or obligations. The lease is currently operating as a month-to-month agreement under the same terms while a new lease is being negotiated. The ground lease was recorded pursuant to GASB 87. The carrying value of the property at September 30, 2024 was approximately \$365,000. The lease receivable is \$1,168,629 at September 30, 2024.

##### ***Upper Cutz Barbershop and Salon, Inc.***

On August 24, 2017, the CRA entered into an agreement to lease the property located at 135 NW 5<sup>th</sup> Avenue, Unit C5, to Upper Cutz Barbershop and Salon, Inc. The lease term is for a three-year period, commencing on October 1, 2017 with a monthly base rent amount of \$1,000 with an increase of 6% to the monthly base rent on each anniversary. The lease was amended to extend the lease period until September 30, 2025. The carrying value of the leased property at September 30, 2024 was approximately \$98,000. The lease receivable is \$15,887 at September 30, 2024.

##### ***Jerk & Lime at Nicole’s House, LLC***

On December 9, 2021, the CRA entered into an agreement to lease the property located at 182 NW 5<sup>th</sup> Avenue, to Jerk & Lime at Nicole’s House, LLC. The lease term is for a four-year period, commencing on December 1, 2021 with a monthly base rent amount of \$1,933 with an increase of 6.25% to the monthly base rent on third year anniversary of the lease term through expiration on December 1, 2025. The carrying value of the leased property at September 30, 2024 was approximately \$382,000. The lease receivable is \$28,322 at September 30, 2024.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 5 – LEASES RECEIVABLE (CONTINUED)

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)***

##### ***Rabbit Hole Delray, LLC***

On March 10, 2024, the CRA entered into an agreement to lease the property located at 98 NW 5th Avenue Unit 101, to Rabbit Hole Delray, LLC. The lease term is for a four-year period, commencing on May 1, 2024 with a monthly base rent amount of \$100 during the ten month build out period, then \$1,272 per month through the first anniversary date with an increase of 6% to the monthly base rent thereafter through expiration on April 30, 2028. The carrying value of the leased property at September 30, 2024 was approximately \$2,677,000. The lease receivable is \$51,236 at September 30, 2024.

##### ***Touch of Posh Salon, LLC***

On May 23, 2024, the CRA entered into an agreement to lease the property located at 98 NW 5th Avenue Unit 102, to Touch of Post Salon, LLC. The lease term is for a four-year period, commencing on June 1, 2024 with a monthly base rent amount of \$100 during the three month build out period, then \$975 per month through the first anniversary date with an increase of 6% to the monthly base rent thereafter through expiration on May 30, 2028. The carrying value of the leased property at September 30, 2024 was approximately \$2,677,000. The lease receivable is \$40,295 at September 30, 2024.

##### ***The Atlantic Current, LLC***

On March 8, 2024, the CRA entered into an agreement to lease the property located at 98 NW 5th Avenue Unit 105, to The Atlantic Current, LLC. The lease term is for a four-year period, commencing on March 6, 2024 with a monthly base rent amount of \$100 during the two month build out period, then \$996 per month through the first anniversary date with an increase of 6% to the monthly base rent thereafter through expiration on March 6, 2028. The carrying value of the leased property at September 30, 2024 was approximately \$2,677,000. The lease receivable is \$42,946 at September 30, 2024.

During the fiscal year ended September 30, 2024, the CRA recognized the following related to these lease agreements:

Lease revenue	\$ 66,930
Interest Income	<u>7,073</u>
<b>Total</b>	<b><u>\$ 74,003</u></b>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 5 – LEASES RECEIVABLE (CONTINUED)

#### *BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)*

Future principal and interest payment requirements related to the CRA's leases receivable at September 30, 2024 are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Principal Receipt</u>	<u>Interest Income</u>	<u>Future Minimum Rent</u>
2025	\$ 121,089	\$ 83,450	\$ 204,539
2026	100,687	79,849	180,536
2027	96,001	109,332	205,333
2028	80,622	106,458	187,080
2029	56,805	104,399	161,204
2030-2034	358,237	492,863	851,100
2035-2039	498,821	428,648	927,469
2040-2044	633,296	343,527	976,823
2045-2049	777,256	238,243	1,015,499
2050-2054	623,862	119,324	743,186
2055-2059	369,925	56,161	426,086
2060-2061	178,017	5,073	183,090
<b>Total</b>	<u>\$ 3,894,618</u>	<u>\$2,167,327</u>	<u>\$ 6,061,945</u>

Notes receivable consist of the following at September 30, 2024:

#### **Governmental Activities**

Non-interest bearing notes receivable from individual property owners for rehabilitation, enhancement and preservation of affordable housing properties. Principal payments are amortized over 5-20 years. Repayment of the loans is contingent upon the sale of real estate prior to the required time frame or release date. Loan repayments are restricted under terms of federal and state grant programs to reinvestment in affordable housing properties.

\$ 6,886,189

CRA notes receivable

5,053,783

#### **Total Governmental Activities**

\$ 11,939,972



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 6 – NOTES RECEIVABLE

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY***

The CRA's outstanding notes receivable at September 30, 2024 consist of the following:

##### ***Notes Receivable from Delray Beach Community Land Trust***

The CRA provides advances to the Delray Beach Community Land Trust, Inc. (CLT) to finance the construction of affordable housing units by the CLT. The construction advances are to be repaid by the CLT from the proceeds of the sale of the homes. These advances are non-interest bearing mortgages on the property and have no fixed repayment date, although the advances are generally not expected to be repaid within one year. In the event that the proceeds from the sale of a home are not sufficient to repay the CRA's mortgage for the construction advance, the balance of the unpaid mortgage is forgiven by the CRA and the uncollectible amount is charged to expenses/expenditures. At September 30, 2024, the total advances receivable from the CLT were \$175,249 all of which is considered collectible by the CRA.

##### ***Note Receivable from Delray Beach Chamber of Commerce***

In February 2013, the CRA entered into an agreement with The Greater Delray Beach Chamber of Commerce, Inc. (the "Chamber") to provide funding for the relocation of the Chamber's offices to the Old School Square Parking Garage retail office space in order to facilitate redevelopment by the CRA of the property then occupied by the Chamber (the "Chamber Property"). The agreement provided that the CRA would fund up to \$459,675 of the cost to build out the Chamber's new office space, of which the Chamber agreed to repay \$250,000 to the CRA over 15 years. The Chamber executed a promissory note to the CRA for \$250,000 payable in 180 equal monthly installments of \$1,849, including interest at 4.0%, beginning April 1, 2014, through maturity. The Chamber also executed a release and termination of its existing lease on the Chamber Property, thereby allowing the CRA to redevelop the property. The agreement was amended in October 2020, and no payments of principal or interest are due for the months of June 2020 through December 2021, with payments resuming January 1, 2022, and with a revised maturity date that was extended to October 1, 2030. Interest was waived through November 30, 2021 and began accruing on December 1, 2021. At September 30, 2024, the balance of the note receivable from the Chamber was \$107,580.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 6 – NOTES RECEIVABLE

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)***

##### ***Note Receivable from Village Square Elderly, Ltd.***

On July 17, 2014, the CRA entered into a funding agreement with Village Square Elderly, Ltd. for \$2.7 million, with a 20-year term loan for the redevelopment of the former Carver Estates public housing project and construction of an 84-unit low income senior apartment complex, a 144-unit low income housing rental apartment complex, approximately 40 single family homes and a clubhouse (the “Property”). In accordance with the promissory note, the loan is non-interest bearing during the construction period and for the first ten years, and for years eleven through twenty, the loan will accrue interest at 3.0%. Payments of principal only commenced on the first anniversary date of the closing date of the loan (March 2020) and are due annually thereafter until the 10th anniversary of the loan. Commencing on the tenth anniversary date and annually thereafter, principal and interest will be payable annually on the outstanding principal. Payments due are equal to the remaining cash flow from the Property after the required payments on the Property's first mortgage and payment of the deferred developer fee, but not less than \$25,000 per year. The loan is collateralized by a second mortgage lien and security interest in the Property and all improvements, fixtures and appurtenances thereto. The loan matures 20 years from the closing date (July 16, 2034) at which time all outstanding principal and accrued interest will be due to the CRA. The total receivable at September 30, 2024 was \$2,575,000.

##### ***Note Receivable from Hatcher Construction & Development, Inc.***

On February 9, 2022, the CRA entered into a promissory note with Hatcher Construction & Development, Inc. (“borrower”) for \$1,400,000. Disbursements of the loan shall be made once the borrower has expended 20% of the total cost of the project. One May 24, 2022, an amended and restated promissory note was executed. Commencing May 1, 2022 and each consecutive month thereafter, the borrower shall make interest only payments of 3.0% on the total draw amounts received by the borrower until such time as the borrower receives a Certificate of Occupancy and provides a Final Release of Lien and Contractors Affidavit to the CRA. Commencing on the first day of each month subsequent to the borrower's receipt of the Certificate of Occupancy, and each consecutive month thereafter, the borrower shall make consecutive monthly for 83 months until the 84<sup>th</sup> month at which all outstanding principal and interest shall be due. Principal and interest is due the first day of each month. The note is collateralized by first leasehold mortgage and security agreement on the property. The outstanding draws on the note and the outstanding balance of the note receivable at September 30, 2024 was \$1,400,000.

# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 6 – NOTES RECEIVABLE**

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY (CONTINUED)***

##### ***Second Mortgage Loans Receivable***

The CRA provides home mortgage loan assistance to eligible low income individuals who qualify under the CLT or CRA home subsidy program for the purchase of a home or the rehabilitation of an existing home within the City. The home purchase or rehabilitation subsidy provided by the CRA is secured by a second mortgage on the property. The second mortgage is non-interest bearing and requires no principal payments to the CRA until the occurrence of a specified event, generally related to the sale of the property, a default on the first mortgage on the property or a default on the obligations of the second mortgage to maintain the property, provide insurance, pay all taxes and generally not permit any impairment or deterioration of the property. The CRA expects the full amount of the mortgage to be recoverable at some future, undetermined date when the property is sold or transferred to a new owner. At September 30, 2024, the amount of the individual second mortgages originated in 2008 through 2024, ranged from \$15,000 to \$85,000 and all borrowers were in compliance with the terms of the second mortgage. The loans receivable totaled \$795,954 as of September 30, 2024.

##### ***City Note Receivable from CRA***

##### ***US Highway One Improvements***

The CRA entered into an interlocal agreement with the City in October 2011 to provide a portion of the funding for the US Highway One improvements planned by the City. The note payable from the CRA was fully paid during the fiscal year and the balance at September 30, 2024 was \$0.

### **NOTE 7 – DUE FROM OTHER GOVERNMENTS**

The total amount due from other governments of \$2,741,644 at September 30, 2024, represents the amount due from federal, state and local sources for intergovernmental revenues and grant reimbursements in the Neighborhood Services Fund, One-Cent Sales Tax Fund, Beach Restoration Fund and the Capital Projects Fund for Governmental Activities. The amount due from other governments of \$159,148 at September 30, 2024, represents the amount due from state sources for intergovernmental revenues in the Water and Sewer Fund and for Business-Type Activities.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 8 – CAPITAL ASSETS

The major components of capital assets for the City are summarized as follows at September 30, 2024:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Governmental Activities</b>					
Capital Assets Not Being Depreciated					
Land	\$ 74,132,361	\$ 1,336,144	\$ --	\$ --	\$ 75,468,505
Construction in progress	26,556,302	20,411,348	--	(3,587,896)	43,379,754
Total capital assets not being depreciated	100,688,663	21,747,492	--	(3,587,896)	118,848,259
Capital assets being depreciated/amortized					
Buildings	52,888,970	2,871,490	--	2,676,746	58,437,206
Improvements other than buildings	197,842,018	483,801	--	669,992	198,995,811
Equipment	61,151,698	3,861,432	(3,985,922)	241,158	61,268,366
Leases (right-to-use assets)	245,958	--	(19,546)	--	226,412
Subscription based (right-to-use assets)	5,622,188	1,386,793	--	--	7,008,981
Total capital assets being depreciated/amortized	317,750,832	8,603,516	(4,005,468)	3,587,896	325,936,776
Less: accumulated depreciation for					
Buildings	(31,720,172)	(1,511,445)	--	--	(33,231,617)
Improvements other than buildings	(103,088,005)	(6,356,492)	--	--	(109,444,497)
Equipment	(43,300,701)	(5,263,183)	3,131,501	--	(45,432,383)
Less: accumulated amortization					--
Leases (right-to-use assets)	(159,986)	(74,059)	19,547	--	(214,498)
Subscription based (right-to-use assets)	(1,010,903)	(1,859,950)	--	--	(2,870,853)
Total accumulated depreciation and amortization	(179,279,767)	(15,065,129)	3,151,048	--	(191,193,848)
Capital assets, net of accumulated Depreciation and amortization	138,471,065	(6,461,613)	(854,420)	3,587,896	134,742,928
<b>Total Capital Assets, Net</b>	<b>\$ 239,159,728</b>	<b>\$ 15,285,879</b>	<b>\$ (854,420)</b>	<b>\$ --</b>	<b>\$ 253,591,187</b>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 8 – CAPITAL ASSETS (CONTINUED)

	Beginning Balances	Additions	Deletions	Transfers	Ending Balances
<b>Business-Type Activities</b>					
Capital assets not being depreciated					
Land	\$ 5,668,824	\$ --	\$ --	\$ --	\$ 5,668,824
Construction in progress	8,646,786	6,632,764	--	(3,902,244)	11,377,306
Total capital assets not being depreciated	14,315,610	6,632,764	--	(3,902,244)	17,046,130
Capital assets being depreciated					
Building	13,774,348	--	(9,863)	--	13,764,485
Improvements other than buildings	196,665,220	269,598	--	3,902,244	200,837,062
Machinery and equipment	21,779,156	316,409	(48,176)	--	22,047,389
Leases (right-to-use assets)	179,886	--	--	--	179,886
Total capital assets being depreciated	232,398,610	586,007	(58,039)	3,902,244	236,828,822
Less: accumulated depreciation for					
Buildings	(11,366,462)	(260,843)	9,320	--	(11,617,985)
Improvements other than buildings	(114,778,161)	(3,817,894)	--	--	(118,596,055)
Equipment	(13,524,784)	(1,421,059)	58,960	--	(14,886,883)
Less: accumulated amortization					--
Leases (right-to-use assets)	(59,402)	(45,021)	--	--	(104,423)
Total accumulated depreciation and amortization	(139,728,809)	(5,544,817)	68,280	--	(145,205,346)
Capital assets, net of accumulated Depreciation and amortization	92,669,801	(4,958,810)	10,241	3,902,244	91,623,476
<b>Total Capital Assets, Net</b>	<u>\$ 106,985,411</u>	<u>\$ 1,673,954</u>	<u>\$ 10,241</u>	<u>\$ --</u>	<u>\$ 108,669,606</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 8 – CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense for the fiscal year ended September 30, 2024, was charged to functions/programs of the primary government as follows:

#### **Governmental Activities**

General government	\$ 3,294,837
Public safety	795,694
Physical environment	5,467,719
Parks and recreation	1,891,625
Internal services funds	<u>3,615,254</u>

<b>Total Depreciation/Amortization Expense - Governmental Activities</b>	<b><u>\$ 15,065,129</u></b>
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#### **Business-type Activities**

Water and sewer	\$ 4,633,132
Stormwater	610,676
Municipal Golf Course	224,713
Lakeview Golf Course	72,577
City marina	<u>3,719</u>

<b>Total Depreciation/Amortization Expense - Business-type Activities</b>	<b><u>\$ 5,544,817</u></b>
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### NOTE 9 – INVESTMENT IN REGIONAL PLANT JOINT VENTURE

In 1974, the City of Delray Beach joined with the City of Boynton Beach (Boynton Beach) to form a separate legal entity, the South Central Regional Wastewater Treatment and Disposal Board, (the “Board”). The Board, which is governed by a body composed of the commission members from each city, oversees the operation of the regional wastewater treatment and disposal plant which services both cities and surrounding areas. The interlocal agreement between the City and Boynton Beach specifies that the Board has the authority to accept and disburse funds, transact business and enter into contracts for budgeted items. In addition, the Board has the authority, subject to approval by a majority vote of each city commission before becoming effective, to adopt an annual budget, establish rates and charges for operations, maintenance, expansions and construction, enter into contracts for non-budgeted items and authorize the return of any surplus funds or levy additional charges for deficits of the Board to the respective cities.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 9 – INVESTMENT IN REGIONAL PLANT JOINT VENTURE (CONTINUED)

Ownership of the regional wastewater treatment and disposal plant is vested proportionately with the cities in accordance with the capital investments of each city, which to date is approximately 50% each. The Board charges each city for its share of the Board's operating expenses based on the percentage of flow of wastewater from each city. At September 30, 2024, accounts payable of the Water and Sewer Fund and business-type activities included \$312,676 due to the Board. For the fiscal year ended September 30, 2024, the City paid \$3,109,465 to the Board for operating expenses, repair and replacement and capital charges. Each individual city is responsible for setting the rates and collecting charges for wastewater disposal from customers within its jurisdiction. The City accounts for its investment in the Board as a joint venture recorded on the equity method of accounting. At September 30, 2024, the City's 50% equity interest in the net position of the Board totaled \$15,928,758 and has been reported as "Investment in regional plant (joint venture)" in the City's financial statements.

The Board issues separate financial statements. Those financial statements may be obtained from the Board at 1801 N. Congress Avenue, Delray Beach, FL 33445. Summarized financial information (rounded) of the Board as of and for the fiscal year ended September 30, 2024, is as follows:

Net Position	
Current and other assets	\$ 7,787,000
Capital assets, net	<u>36,577,000</u>
<b>Total Assets</b>	<u>44,364,000</u>
Current liabilities	2,293,000
Noncurrent liabilities	<u>8,718,000</u>
<b>Total Liabilities</b>	<u>11,011,000</u>
Deferred inflows of resources	<u>1,495,000</u>
<b>Net Position</b>	<u><u>\$31,858,000</u></u>
Change in Net Position	
Charges for services	\$ 7,974,000
Operating grants and contributions	1,200,000
Capital grants and contributions	<u>2,974,000</u>
<b>Total Program Revenues</b>	12,148,000
Program expenses	<u>11,642,000</u>
<b>Net Program Expenses</b>	506,000
Investment income	52,000
Miscellaneous	<u>188,000</u>
<b>Change in Net Position</b>	<u><u>\$ 746,000</u></u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 10 – INTERFUND TRANSACTIONS AND BALANCES

Total interfund receivables/payables and transfers were as follows as of and for the fiscal year ended September 30, 2024:

	Due From Other Funds	Due To Other Funds	Transfers In	Transfers Out
<b>Major Governmental Funds</b>				
General fund	\$ 22,026,451	\$ 1,609,407	\$ 7,274,423	\$ 14,000,262
Neighborhood services	60,275	--	273,870	--
Community Redevelopment Agency	--	1,737,591	--	--
Capital improvement	483,244	--	7,281,492	--
One-cent sales tax	1,609,407	3,077,699	--	--
<b>Non-major Governmental Funds</b>				
Special Revenue Fund:				
Beautification	--	--	1,125,190	--
Special projects	--	1,192,033	--	--
Local option gas tax	--	--	--	1,200,000
Building permit	--	--	--	790,368
Debt Service Fund:				
Utilities tax	--	--	3,434,900	--
Capital Projects Fund:				
Beach restoration	--	--	390,000	--
2004 GO Bond	--	2,257	--	--
2024 GO Bond	--	159,926	--	--
<b>Total Governmental Funds</b>	<u>\$ 24,179,377</u>	<u>\$ 7,778,913</u>	<u>\$ 19,779,875</u>	<u>\$ 15,990,630</u>
<b>Major Proprietary Funds</b>				
Water and sewer	\$ --	\$ --	\$ 134,344	\$ 4,497,766
Stormwater	--	6,735,703	--	836,404
Sanitation	--	647,787	--	258,128
<b>Non-major Proprietary Funds</b>				
Municipal Golf Course	--	--	--	33,137
Lakeview Golf Course	--	--	--	20,028
City Marina	--	312,860	--	75,733
Cemetery	--	372,481	--	--
Internal Service Fund:				
Insurance	--	--	1,500,000	--
Central garage	--	8,331,633	297,607	--
<b>Total Proprietary Funds</b>	<u>--</u>	<u>16,400,464</u>	<u>1,931,951</u>	<u>5,721,196</u>
<b>Total Primary Government</b>	<u>\$ 24,179,377</u>	<u>\$ 24,179,377</u>	<u>\$ 21,711,826</u>	<u>\$ 21,711,826</u>



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 10 – INTERFUND TRANSACTIONS AND BALANCES (CONTINUED)

The outstanding balances among funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted General Fund revenues to finance various programs that the City must account for in another fund in accordance with budgetary authorizations, including amounts for capital projects and amounts provided as contributions or matching funds for beautification, community development and other grant programs.

### NOTE 11 – NONCURRENT LIABILITIES

The changes in noncurrent liabilities of the City for the fiscal year ended September 30, 2024 were as follows:

	Beginning			Ending	Due Within
	Balances	Additions	Reductions	Balances	One Year
<b>Governmental Activities</b>					
Revenue bonds	\$ 42,535,562	\$ --	\$ (6,300,562)	\$ 36,235,000	\$ 5,865,000
General obligation bonds	2,095,000	9,545,000	(2,095,000)	9,545,000	155,000
Unamortized bond premium	<u>1,632,725</u>	<u>450,381</u>	<u>(192,086)</u>	<u>1,891,020</u>	<u>--</u>
<b>Total Bonds Payable, Net</b>	46,263,287	9,995,381	(8,587,648)	47,671,020	6,020,000
Installment agreements	378,829	--	(378,829)	--	--
Lease liability	86,221	--	(74,244)	11,977	11,977
Subscription liability	3,766,167	1,236,715	(1,804,981)	3,197,901	1,508,609
Compensated absences	10,626,953	764,908	(4,388)	11,387,473	749,094
Insurance claims payable	<u>8,676,135</u>	<u>13,274,481</u>	<u>(14,787,714)</u>	<u>7,162,902</u>	<u>3,177,902</u>
<b>Total Governmental Activities</b>	<u>\$ 69,797,592</u>	<u>\$ 25,271,485</u>	<u>\$ (25,637,804)</u>	<u>\$ 69,431,273</u>	<u>\$ 11,467,582</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
<b>Business-type Activities</b>					
Lease liability	\$ 126,665	\$ --	\$ (44,483)	\$ 82,182	\$ 46,267
Compensated absences	<u>1,003,556</u>	<u>113,158</u>	<u>--</u>	<u>1,116,714</u>	<u>122,842</u>
<b>Total Business-type Activities</b>	<u>\$ 1,130,221</u>	<u>\$ 113,158</u>	<u>\$ (44,483)</u>	<u>\$ 1,198,896</u>	<u>\$ 169,109</u>

Debt service on capital improvement revenue bonds and installment agreements are payable from available non-ad valorem revenues. Debt service on tax increment revenue bonds is payable from the CRA's tax increment revenues. Debt service on utilities tax bonds is payable from utilities tax revenues. General obligation bonds are payable from ad valorem taxes. Water and sewer revenue bonds are payable from the pledged revenues of the Water and Sewer Fund. Compensated absences, OPEB and pension liabilities are generally liquidated by the General Fund for governmental activities and by net revenues of the applicable proprietary funds for business-type activities.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

Revenue Bonds	Governmental Activities	Business-Type Activities
<p>\$39,020,000 Utilities Tax Revenue Refunding and Improvement Bonds, issued April 1, 2015 (Series 2015), due in principal amounts of \$930,000 to \$3,225,000 through June 1, 2035, with semi-annual interest payments at 3% to 5%, due June 1 and December 1, through June 1, 2035. The Bonds were issued to refund a portion of the Utility Tax Revenue Bonds, Series 2007; to pay a portion of the Bond Anticipation Revenue Improvement Note, Series 2013; and, to finance the costs of rebuilding Fire Station No. 3 and certain beach amenity projects.</p>	\$ 26,000,000	\$ --
<p>\$31,500,000 Capital Improvement Revenue Bonds, issued June 23, 2017 (Series 2017), due in principal amounts of \$3,155,000 to \$3,480,000 through October 1, 2026, with semi-annual interest payments at 1.96%, due April 1 and October 1, through October 1, 2026. The Bonds were issued to finance certain infrastructure capital projects. The Series 2017 Bonds contain a provision that in the event of default, the amounts due shall bear interest at a Default Rate equal to the interest rate on the Bonds plus 6%.</p>	10,235,000	--
<b>Total Revenue Bonds</b>	36,235,000	--
<b>Unamortized Bond Premium</b>	1,440,639	--
<b>Total Revenue Bonds, Net</b>	<u>\$ 37,675,639</u>	<u>\$ --</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

<b>General Obligation Bonds</b>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
\$9,545,000 General Obligation Bonds issued June 6, 2024 (Series 2024), due in annual principal installments of \$155,000 to \$555,000 through July 1, 2053, with semi-annual interest payments at 5.00%, due January 1 and July 1, through July 1, 2053. The bonds were issued for various recreation park projects.	\$ 9,545,000	\$ --
<b>Total General Obligation Bonds</b>	9,545,000	--
<b>Unamortized Bond Premium</b>	<u>450,381</u>	<u>--</u>
<b>Total General Obligation Bonds, Net</b>	<u>\$ 9,995,381</u>	<u>\$ --</u>
 Lease liability	 \$ 11,977	 \$ 82,182
Subscription liability	3,197,901	
 Compensated absences payable	 11,387,473	 1,116,714
Insurance claims payable (see Note 14)	<u>7,162,902</u>	<u>--</u>
<b>Total Noncurrent Liabilities, including Current Portion</b>	<u>\$ 69,431,273</u>	<u>\$ 1,198,896</u>

### **GOVERNMENTAL ACTIVITIES**

The provisions of the various bond resolutions differ in some respects, but generally provide for:

1. Establishment and maintenance of certain cash reserves for the revenue bonds. The maximum deposit requirement is usually set at the highest future annual principal and interest payment. In lieu of funding the reserve, the City has purchased surety bonds for this amount.
2. Annual debt service funding by monthly transfers to a cash reserve account for the revenue bonds.
3. Early redemption of outstanding bonds at call rates varying between 101% and 103% of the instrument's face value, depending on the bonds and call date.
4. Investing of cash reserves in time deposits or direct obligations of the U.S. Government.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

#### *GOVERNMENTAL ACTIVITIES (CONTINUED)*

*Pledged Governmental Revenues:* The City has pledged the future utilities service tax revenues of the City to repay the outstanding Utility Tax Revenue Refunding Bonds, Series 2015 issued to finance various capital improvements and repay outstanding debt. The utility tax bonds are payable solely from the utilities service tax revenues received by the City and are payable through 2035. Annual principal and interest payments on the bonds are expected to require less than 30 percent of utilities service tax revenues. Total principal and interest remaining to be paid on the utility tax revenue bonds which is allocated to governmental activities/funds, was \$30,529,750 at September 30, 2024. Principal and interest paid during the current year was \$2,400,000 and \$1,034,900, respectively.

The City has also pledged the future non ad-valorem revenues of the City to repay the outstanding Capital Improvement Revenue Bonds, Series 2017 issued to finance various capital improvements. The revenue bonds are payable solely from the non-ad valorem revenues received by the City and are payable through 2027. Annual principal and interest payments on the bonds are expected to require less than 10 percent of non-ad valorem revenues. Total principal and interest remaining to be paid on the Series 2017 Capital Improvement Bonds was \$10,538,555 at September 30, 2024. Non-ad valorem revenues received for the current year were approximately \$102.6 million. Principal and interest paid for the current year was \$3,280,000 and \$232,750, respectively.

The CRA has pledged a portion of its future tax increment revenues to repay the outstanding revenue bonds issued in 2012 and 2015 to finance various redevelopment projects. The CRA revenue bonds are payable solely from the tax increment revenues generated by increased property values in the redevelopment district and investment earnings thereon. Tax increment revenues were projected to produce more than 650 percent of the debt service requirements over the life of the revenue bonds. Total principal and interest remaining on the bonds at September 30, 2024 was \$0. For the current year, principal and interest paid and the total tax increment revenues were \$418,364 and \$36,261,304, respectively.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

#### *GOVERNMENTAL ACTIVITIES (CONTINUED)*

*Debt Extinguishment:* On April 1, 2015, the City issued \$39,020,000 of Utilities Tax Revenue Refunding and Improvement Bonds, Series 2015, to advance refund \$24,330,000 of the outstanding balance of the Utility Tax Revenue Bonds, Series 2007. A portion of the Bonds were not defeased and a principal balance of \$70,000 was paid on October 1, 2016. Net proceeds of \$26,555,031 were deposited in an irrevocable trust with an escrow agent to provide for all future payments on the Series 2007 Bonds. Accordingly, the Series 2007 Bonds were considered defeased and the liability for the outstanding bonds was removed from the City's financial statements. The refunding reduced the City's debt service payments by \$3,190,280 and resulted in an economic gain of \$2,502,129. The difference between the reacquisition price and net carrying amount of the Series 2007 Bonds of \$2,101,067 was reported as a deferred outflow of resources on the statement of net position and is being amortized to operations over 17 years. The defeased Series 2007 bonds were called and fully paid on June 1, 2017.

*Legal Debt Margin:* The City has no legal debt margin limit but has established policy guidelines for the management of debt. The City strives to maintain gross, bonded general obligation principal debt at a level not to exceed 2% of the assessed value of taxable property within the City. The City also strives to ensure that its net bonded debt per capita does not exceed \$700 per capita and that the combined total of its direct net bonded debt and its share of overlapping debt issued by Palm Beach County does not exceed \$2,000 per capita.

*Interest Expense:* Total interest costs incurred and paid on governmental activities debt for the fiscal year ended September 30, 2024 were \$1,349,477 and \$1,462,115, respectively, all of which was expensed.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

#### *GOVERNMENTAL ACTIVITIES (CONTINUED)*

*Debt Maturities:* The annual requirements to pay principal and interest to maturity on the governmental activities bonds outstanding are as follows as of September 30, 2024:

Fiscal Year Ending September 30,	Revenue Bonds		General Obligation Bonds		
	Principal	Interest	Principal	Interest	Total
2025	\$ 5,865,000	\$ 1,082,725	\$ 155,000	\$ 424,111	\$ 7,526,836
2026	6,050,000	890,526	165,000	411,700	7,517,226
2027	6,260,000	691,004	175,000	403,450	7,529,454
2028	2,855,000	573,500	185,000	394,700	4,008,200
2029	2,945,000	487,850	195,000	385,450	4,013,300
2030-2034	11,270,000	1,073,050	1,125,000	1,771,000	15,239,050
2035-2039	990,000	34,650	1,435,000	1,460,500	3,920,150
2040-2044	--	--	1,805,000	1,086,700	2,891,700
2045-2049	--	--	2,205,000	691,600	2,896,600
2050-2053	--	--	2,100,000	214,000	2,314,000
<b>Total</b>	<u>\$ 36,235,000</u>	<u>\$ 4,833,305</u>	<u>\$ 9,545,000</u>	<u>\$ 7,243,211</u>	<u>\$ 57,856,516</u>

#### *INSTALLMENT AGREEMENTS*

The installment agreements financed the purchase of equipment. The final payment was made during the fiscal year, leaving a balance at September 30, 2024 of \$0. The cost of the equipment held under these agreements was approximately \$3,778,400 and the accumulated amortization was approximately \$3,461,500. Amortization expense related to equipment purchased under the installment agreements is included in depreciation expense in the accompanying financial statements.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

#### *CAPITAL LEASES*

The City adopted GASB Statement No. 87, Lease and recorded various leases agreements for copiers. Prior to October 1, 2021, the City entered into various lease agreements with lease terms from 14 months to 48 months with various monthly payments from \$61 to \$4,056. An initial lease liability was recorded in the amount of \$279,549. As of September 30, 2024, the lease liability is \$11,977. The leases have interest rate of 0.19% to 3.94%. The value of the right to use asset as of September 30, 2024 was \$245,958 with accumulated amortization of \$179,525. Future principal and interest payments as of September 30, 2024, are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 11,977</u>	<u>\$ 4</u>	<u>\$ 11,981</u>
<b>Total</b>	<u><u>\$ 11,977</u></u>	<u><u>\$ 4</u></u>	<u><u>\$ 11,981</u></u>

#### *SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS*

The City has entered into various subscription-based information technology agreements for software programs. The agreements require annual payments varying from \$8,236 to \$586,904 over two to five years with an interest rate of 2.36% to 3.30% and final payments due September 30, 2028. During the year ended September 30, 2024, principal and interest paid were \$1,804,982 and \$127,184 respectively. Future principal and interest payments as of September 30, 2024, are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	<u>\$ 1,508,609</u>	<u>\$ 91,701</u>	<u>\$ 1,600,310</u>
2026	<u>1,182,875</u>	<u>47,907</u>	<u>1,230,782</u>
2027	<u>297,640</u>	<u>13,336</u>	<u>310,976</u>
2028	<u>208,777</u>	<u>5,399</u>	<u>214,176</u>
<b>Total</b>	<u><u>\$ 3,197,901</u></u>	<u><u>\$ 158,343</u></u>	<u><u>\$ 3,356,244</u></u>



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

#### ***BUSINESS-TYPE ACTIVITIES***

##### ***LEASES (RIGHT-TO-USE ASSETS)***

The City adopted GASB Statement No. 87, Lease and recorded various leases agreements for golf carts. Prior to October 1, 2021, the City entered into a lease agreement with lease term of 60 months ending June 2026. The lease requires monthly payments of \$4,056. An initial lease liability was recorded in the amount of \$179,886. As of September 30, 2024, the lease liability is \$82,181. The leases have an interest rate of 3%. The value of the right to use asset as of September 30, 2024 of \$180,085 with accumulated amortization of \$104,424.

<u>Fiscal Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,267	\$ 2,407	\$ 48,674
2026	<u>35,915</u>	<u>592</u>	<u>36,507</u>
<b>Total</b>	<u><u>\$ 82,182</u></u>	<u><u>\$ 2,999</u></u>	<u><u>\$ 85,181</u></u>

*Interest Expense:* Total interest costs incurred and paid on business-type activities debt for the fiscal year ended September 30, 2024 was \$4,191.

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY***

Loan Payable to the City of Delray Beach: The remaining outstanding loan payable to the City by the CRA for US Highway One improvements was paid during the fiscal year leaving a balance at September 30, 2024 of \$0.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS

#### *DESCRIPTION OF THE PLANS*

The City contributes to three single-employer defined benefit pension plans covering substantially all full-time City employees. The General Employees' Retirement Plan is for employees who have completed one year of credited service, excluding the City Commission, City Manager (and assistants), City Attorney (and assistants) and department heads if they elect not to participate, and firefighters and police officers covered under separate pension plans. The Delray Beach Firefighters' Retirement System covers all firefighters and the Delray Beach Police Officers' Retirement System covers all police officers. The General Employees' Retirement Plan is administered by a retirement committee and the Firefighters' and Police Officers' Plans are administered by an independent Board and are accounted for by the City as a separate fund. The costs of administering the plans are financed by the plans' respective investment earnings. Actuarial reports are prepared annually for each plan.

***General Employees' Retirement Plan*** - The benefit provisions and all other requirements of the General Employees' Retirement Plan are established by City Ordinance and are summarized as follows:

The City's Code of Ordinances provides, in general, that funds are to be accumulated from employee contributions, City contributions and income from investment of accumulated funds. The operations of the fund are administered and managed by the General Employees' Retirement Plan Retirement Committee, which consists the City's Chief Financial Officer and four additional members appointed by the City Commission.

***Vesting*** - Benefits vest 50% after five years of service plus 10% each additional year up to 100% at 10 years.

***Eligibility for Retirement*** - Ordinance No. 33-10 effective October 5, 2010, changed normal retirement eligibility from the earlier of age 60 with ten years of service or 30 years of service regardless of age to the earlier of age 62 with ten years of service or 30 years of service regardless of age. This change did not apply to members who were within ten years of normal retirement eligibility as of October 5, 2010. Normal retirement eligibility for members hired after October 5, 2010, is age 65 with ten years of service.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *DESCRIPTION OF THE PLANS (CONTINUED)*

*Annual Retirement Benefit* - 2.5% of average monthly compensation times years of service with a maximum benefit of 75% of average monthly compensation. Effective October 5, 2010, the normal form of benefit changed from a 60% joint and survivor annuity to a life annuity. This change did not apply to members who were within ten years of normal retirement eligibility as of October 5, 2010. Effective July 2005, participants have the option of a 3% multiplier with a maximum benefit of 90%. Employees selecting this option will contribute an additional 3.45% of earnings. There is also the option to purchase all or a portion of prior service at the increased multiplier.

*Deferred Retirement Option Plan (“DROP”)* - Employees with 10 years of credited service and eligible for normal retirement have the option of entering the DROP. When entering the DROP, the employee continues employment with the City, but will cease accruing a pension benefit, and the monthly benefit under the plan as of the DROP election date will be directed to the employee’s self-administered 401(a) Plan. After a maximum of 60 months, the employee must terminate employment with the City. The balance of amounts held pursuant to DROP was \$4,312,052 at September 30, 2024.

*Other Benefits* - The plan also provides for optional retirement benefits, early retirement, extended retirement, disability retirement, and death benefits.

*Employee Contributions* - The employee contribution is 3.05% of the employee's base annual compensation. If the employee chooses the 3% multiplier, there is an additional contribution of 3.45% for a total of 6.5%. If an employee leaves covered employment or dies before five years of credited service, accumulated employee contributions are refunded with interest to the employee or the designated beneficiary.

*City Contributions* - City contributions are based upon actuarially determined amounts, which together with earnings and employee contributions, are sufficient to fund the plan.

*Police and Firefighters’ Retirement System* – The City of Delray Beach Police and Firefighters’ Retirement System (the “Legacy Plan”) was originally established in 1974 by the City of Delray Beach to provide pension benefits to all full-time City police officers and firefighters. Effective October 1, 2016, the City Commission adopted City Ordinance No. 17-16, which provided for the establishment of separate retirement systems for the City’s police officers and firefighters, a new Board for each retirement

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *DESCRIPTION OF THE PLANS (CONTINUED)*

system, changes in the allocation and use of Chapter 175 and 185 premium tax revenues, and changes to the retirement benefits of police officers and firefighters. Accordingly, during the year ended September 30, 2017, the assets of the Legacy Plan were allocated to the new Delray Beach Police Officers' Retirement System and Delray Beach Firefighters' Retirement System based on an actuarial impact statement dated September 6, 2016 that utilized the ratio of the present value of accrued benefits for each of the police officer and firefighter members (and beneficiaries of such members, if applicable) to the total present value of accrued benefits. The allocation method resulted in an allocation of 47.431% of the Legacy Plan assets to the new Police Officers' Retirement System and 52.569% of the Legacy Plan assets to the new Firefighters' Retirement System. The allocation percentages were not applied to the Excess State Monies Reserves and DROP that were allocated to the new plans based on the actual reserves and balances held for the respective groups. At September 30, 2017, all Legacy Plan assets were fully allocated and operation of the Legacy Plan as a City retirement plan was discontinued.

***Police Officers' Retirement System*** - The benefit provisions and all other requirements of the Police Officers' Retirement System are established by City Ordinance and are summarized as follows:

The City's Code of Ordinances provides, in general, that funds are to be accumulated from employee contributions, City contributions, state appropriations and income from investment of accumulated funds. Florida Statutes provide that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds or from any revenues which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The operations of the System are administered and managed by the Police Officers' Retirement System Board, consisting of two outside members appointed by the City Commission, two full-time City police officers elected by active members and a fifth member chosen by a majority of the other four members.

*Vesting* - Benefits fully vest after 10 years of service.

*Eligibility for Normal Retirement* - For police officers hired on or before July 7, 2015, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 20 years of service regardless of age.

For police officers hired after July 7, 2015, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 25 years of service regardless of age.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *DESCRIPTION OF THE PLANS (CONTINUED)*

*Annual Retirement Benefit* - The annual retirement benefit for police officers is based on the date of hire as follows:

- A) Police Officers hired on or before July 7, 2015 with 20 or more years of service on July 7, 2015, receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the police officers' average final compensation for all credited service (subject to a maximum benefit equal to 87.5% of average final compensation).
- B) Police officers hired on or before July 7, 2015, and retiring with:
  - 1) more than 20 years of service receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the police officer's average final compensation for all credited service prior to July 7, 2015 plus 3.0% times the police officer's average final compensation times all credited service after July 6, 2015 (subject to a maximum annual benefit of 87.5% of average final compensation).
  - 2) less than 20 years of service receive 2.5% times the police officer's average final compensation times all years of credited service prior to July 7, 2015 plus 3.0% times the police officer's average final compensation times all years of credited service after July 6, 2015 (subject to a maximum annual benefit of \$108,000 but in no event less than 2.0% times average final compensation for each year of service).
- B) Police officers hired after July 7, 2015 receive 3.00% times the police officer's final average monthly earnings for continuous service on or after October 25, 2022. The benefit multiplier for service earned before October 25, 2022 will remain at 2.75%. Compensation times all years of credited services (subject to a maximum annual benefit of \$108,000 and further subject to a maximum of 75.00% of their average final compensation).
- D) Police Officers hired after April 9, 2013 may not elect the enhanced multiplier.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *DESCRIPTION OF THE PLANS (CONTINUED)*

*Deferred Retirement Option Plan (“DROP”)* – Police officers who have met normal retirement eligibility have the option of entering the DROP. When entering the DROP, the police officer continues employment with the City, but will cease accruing a pension benefit under the plan, and the monthly benefit as of the DROP election date will be directed to the police officer’s self-administered 401(a) plan. After a maximum of 60 months, the police officer must terminate employment with the City. The balance of amounts held pursuant to DROP was \$12,102,621 at September 30, 2024.

*Other Benefits* - The plan also provides for optional retirement benefits, early retirement, disability retirement, and death benefits.

*Employee Contributions* - Police officers are required to contribute 9.0% of annual salary (members hired after July 7, 2015 are required to contribute 10% of salary). If a police officer leaves employment or dies prior to vesting, contributions are refunded to the police officer or designated beneficiary with interest.

*State of Florida Contributions* - Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on properties within the City is collected by the State and remitted to the City annually as an on-behalf payment for the Police Officers’ Retirement System. Chapter 185 tax monies up to \$606,595 annually will be used to offset the City’s contributions.

*City Contributions* - City contributions are based upon actuarially determined amounts which, together with earnings, employee and State contributions, are sufficient to fund the plan.

***Firefighters’ Retirement System*** - The benefit provisions and all other requirements of the Firefighters’ Retirement System are established by City Ordinance and are summarized as follows:

The City’s Code of Ordinances provides, in general, that funds are to be accumulated from employee contributions, City contributions, state appropriations and income from investment of accumulated funds. Florida Statutes provide that, should the accumulated funds at any time be insufficient to meet and pay the benefits due, the City shall supplement the fund by an appropriation from current funds or from any revenues which may lawfully be used for said purposes in an amount sufficient to make up the deficiency. The operations of the System are administered and managed by the Firefighters’ Retirement System Board, consisting of two outside members appointed by the City Commission, two full-time City firefighters elected by the active members of the Plan, and a fifth member chosen by the majority of the other four members.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *DESCRIPTION OF THE PLANS (CONTINUED)*

*Vesting* - Benefits fully vest after 10 years of service.

*Eligibility for Normal Retirement* - For firefighters hired on or before October 4, 2016, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 20 years of service regardless of age. For firefighters hired after October 4, 2016, eligibility for normal retirement is the earlier of age 55 and 10 years of service or 25 years of service regardless of age.

*Annual Retirement Benefit* - The annual retirement benefit for firefighters is based on the date of hire as follows:

- A) Firefighters hired on or before October 4, 2016 with 20 or more years of service on October 4, 2016, receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the firefighter's average final compensation for all credited service (subject to a maximum benefit equal to 87.5% of average final compensation).
- B) Firefighters hired on or before October 4, 2016 with less than 20 years of service on October 4, 2016, and retiring with:
  - 1) more than 20 years of service at retirement receive 3.5% (if the enhanced multiplier is elected or 3.0% if it is not elected) times the firefighter's average final compensation for all credited service prior to October 4, 2016 plus 3.0% times the firefighter's average final compensation times all years of credited service after October 4, 2016 (subject to a maximum annual benefit of \$100,000 as increased 2% each October 1 beginning October 1, 2016, but not less than 2.0% times average final compensation for each year of credited service).
  - 2) less than 20 years of service at retirement receive 2.5% times the firefighter's average final compensation times all years of credited service prior to October 4, 2016 plus 3.0% times the firefighter's average final compensation times all years of credited service after October 4, 2016 (subject to a maximum annual benefit of \$100,000 as increased 2% each October 1 beginning October 1, 2016, but not less than 2.0% times average final compensation for each year of credited service).
- C) Firefighters hired after October 4, 2016 receive 2.75% times the firefighter's average final compensation times all years of credited service (subject to a maximum annual benefit of \$100,000 as increased 2% each October 1 beginning October 1, 2016, but not less than 2.0% times average final compensation for each year of credited service).

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### DESCRIPTION OF THE PLANS (CONTINUED)

D) Firefighters hired after April 9, 2013 may not elect the enhanced multiplier.

*Deferred Retirement Option Plan ("DROP")* - Firefighters who have met normal retirement eligibility have the option of entering the DROP. When entering the DROP, the firefighter continues employment with the City, but will cease accruing a pension benefit under the plan, and the monthly benefit as of the DROP election date will be directed to the firefighter's self-administered 401(a) plan. After a maximum of 96 months, the firefighter must terminate employment with the City. The balance of amounts held pursuant to DROP was \$18,865,122 at September 30, 2024.

*Other Benefits* - The plan also provides for optional retirement benefits, early retirement, disability retirement, and death benefits.

*Employee Contributions* - Firefighters are required to contribute 9.0% of annual compensation. If an employee leaves employment or dies prior to vesting, contributions are refunded to the firefighter or designated beneficiary with interest. The Firefighters participating in the DROP contribute 4% of annual compensation.

*State of Florida Contributions* - Pursuant to Chapter 175 of the Florida Statutes, a premium tax on certain casualty insurance contracts written on properties within the City is collected by the State and remitted to the City annually as an on-behalf payment for the Firefighters' Retirement System Fund. Chapter 175 tax monies up to \$1,206,994 annually will be used to offset the City's contributions.

*City Contributions* - City contributions are based upon actuarially determined amounts which, together with earnings, employee and State contributions, are sufficient to fund the plan.

The net pension liability, deferred outflows/inflows of resources related to pensions and pension expense related to the City's three defined benefit retirement plans are summarized as follows at September 30, 2024:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
Net pension asset	\$ (24,446,047)	\$ --	\$ --	\$ (24,446,047)
Net pension liability	\$ --	\$ 41,275,778	\$ 43,755,112	\$ 85,030,890
Deferred outflows of resources	\$ 2,868,603	\$ 996,542	\$ 11,512,694	\$ 15,377,839
Deferred inflows of resources	\$ 18,967,067	\$ 9,157,039	\$ 13,498,630	\$ 41,622,736
Pension expense (income)	\$ (2,652,511)	\$ 5,426,077	\$ 7,207,018	\$ 9,980,584



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *MEMBERSHIP*

Membership data of the City's pension plans as of October 1, 2023, the date of the most recent actuarial valuations, is summarized as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Inactive plan members and beneficiaries receiving benefits	362	162	154
Inactive plan members entitled to benefits but not receiving them	92	11	2
Active plan members	<u>435</u>	<u>148</u>	<u>130</u>
<b>Total</b>	<u><u>889</u></u>	<u><u>321</u></u>	<u><u>286</u></u>

#### *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The financial statements of each Plan are prepared using the economic resources measurement focus and the accrual basis of accounting. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. Investment income is recognized as revenue when earned. Investments are reported at fair value and are managed by third party money managers. The City's independent custodians and money managers determine the fair value of securities, which is generally based upon quoted prices on a national or international stock exchange or for securities not listed, the mean of the most recent bid and ask prices of each instrument using various third party pricing sources. The net appreciation/ (depreciation) in fair value of investments is recorded as an increase/(decrease) to investment income based on the valuation of investments. Investment earnings are reduced for investment related expenses, such as management fees, portfolio evaluation and custodial services.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *INVESTMENTS*

Investment Policy: The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of each pension plan. It is the policy of each pension plan Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of each pension plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The asset allocation policy adopted by each pension plans' Board at September 30, 2024 was as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
<b>Asset Class</b>			
Domestic equity	61.5%	49.0%	52.5%
International equity	10.0%	16.0%	15.0%
Domestic bonds	18.0%	20.0%	17.5%
Real estate	--	10.0%	10.0%
Alternative	10.5%	5.0%	5.0%
<b>Total</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Rate of Return: The annual money-weighted rate of return on pension investments, net of pension investment expense, for the General Employees' Pension Plan, the Police Officers' Retirement System and Firefighters' Retirement System, was 23.36%, 20.47% and 21.50%, respectively, for the fiscal year ended September 30, 2024. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *NET PENSION LIABILITY (ASSET)*

The components of the net pension liability (asset) for the City's pension plans as of September 30, 2024, the measurement date, were as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Total pension liability	\$ 168,711,123	\$ 191,428,779	\$ 219,794,020
Less: Plan fiduciary net position	<u>(193,157,170)</u>	<u>(150,153,001)</u>	<u>(176,038,908)</u>
Net pension liability (asset)	<u>\$ (24,446,047)</u>	<u>\$ 41,275,778</u>	<u>\$ 43,755,112</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>114.5%</u>	<u>78.4%</u>	<u>80.1%</u>

Actuarial Assumptions: The total pension liability for the City's pension plans was determined by actuarial valuations as of October 1, 2023, based on the following actuarial assumptions:

	General Employees Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Measurement date	September 30, 2024	September 30, 2024	September 30, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Post-retirement benefit increases	None	Annual increase of 1% plus available State revenue	Annual increase of 1% plus available State revenue
Amortization method	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	25 years	20 years	20 years
Asset valuation	5 year Smoothed Market	5 year Smoothed Market	5 year Smoothed Market
Actuarial assumptions:			
Investment rate of return	6.75%	6.75%	6.250%
Projected salary increases	3.75%-6.75% based on service	5.25%-6.75% based on service	4.5%-8.25% based on service
Cost of living increases	None	1.0% per year	1.0% per year
Mortality	PUB-2010 Headcount Weighted Below Median Employee Male Table and Female Table using Scale MP-2018	PUB-2010 Headcount Weighted Below Median Employee Male Table and Female Table using Scale MP-2018	PUB-2010 Headcount Weighted Below Median Employee Male Table and Female Table using Scale MP-2018
* Includes inflation rate	2.50%	2.50%	2.50%

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *NET PENSION LIABILITY (ASSET) (CONTINUED)*

The long-term expected rate of return on investments of the pension plans was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target allocation as of September 30, 2024 (see the discussion of each pension plan's investment policy) are summarized in the following table:

	Long-term Expected Rate of Return		
	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
<b>Asset Class</b>			
Domestic equity	7.5%	7.5%	7.5%
International equity	8.5	8.5	8.5
Domestic bonds	2.5	2.5	2.5
International bonds	3.5	3.5	3.5
Real estate	4.5	4.5	4.5
Alternatives	6.6	6.2	6.2

Discount Rate: The discount rates used to measure the total pension liability was 6.75%, 6.75% and 6.25%, respectively, for the General Employees' Pension Plan, Police Officers' and Firefighters' Retirement Systems. The discount rates were based on the expected rate of return on investments of each pension plan. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of the pension plans was applied to all periods of projected benefit payments to determine the projected total pension liability.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *CHANGES IN THE NET PENSION LIABILITY (ASSET)*

The changes in the net pension liability/(asset) of the General Employees' Pension Plan, Police Officers' Retirement System and the Firefighters' Retirement System were as follows for the fiscal year ended September 30, 2024:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>General Employees' Pension Plan</b>			
<b>Balances at October 1, 2023</b>	<u>\$ 159,692,599</u>	<u>\$ 160,334,071</u>	<u>\$ (641,472)</u>
Changes for the current year:			
Service cost	3,735,682	--	3,735,682
Interest	10,728,147	--	10,728,147
Difference between actual and expected experience	567,929		567,929
	2,972,295	--	2,972,295
Contributions - City	--	2,529,247	(2,529,247)
Contributions - employee	--	2,000,165	(2,000,165)
Net investment income (loss)	--	37,435,290	(37,435,290)
Benefit payments, including refunds of employee contributions	(8,985,529)	(8,985,529)	--
Administration expenses	<u>--</u>	<u>(156,074)</u>	<u>156,074</u>
<b>Net Changes</b>	<u>9,018,524</u>	<u>32,823,099</u>	<u>(23,804,575)</u>
<b>Balances at September 30, 2024</b>	<u><u>\$ 168,711,123</u></u>	<u><u>\$ 193,157,170</u></u>	<u><u>\$ (24,446,047)</u></u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *CHANGES IN THE NET PENSION LIABILITY (ASSET) (CONTINUED)*

	Increase (Decrease)		
	Total	Plan	Net
Police Officers' Retirement System	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
<b>Balances at October 1, 2023</b>	<u>\$ 185,316,912</u>	<u>\$ 123,729,648</u>	<u>\$ 61,587,264</u>
Changes for the current year:			
Service cost	3,600,620	--	3,600,620
Interest	12,398,961	--	12,398,961
Difference between actual and expected experience	570,734	--	570,734
Contributions - City	--	8,155,823	(8,155,823)
Contributions - State of Florida	--	1,114,422	(1,114,422)
Contributions - employee	--	1,359,367	(1,359,367)
Net investment income (loss)	--	26,431,025	(26,431,025)
Benefit payments, including refunds of employee contributions	(10,458,448)	(10,458,448)	--
Administration expenses	<u>--</u>	<u>(178,836)</u>	<u>178,836</u>
<b>Net Changes</b>	<u>6,111,867</u>	<u>26,423,353</u>	<u>(20,311,486)</u>
<b>Balances at September 30, 2024</b>	<u><u>\$ 191,428,779</u></u>	<u><u>\$ 150,153,001</u></u>	<u><u>\$ 41,275,778</u></u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *CHANGES IN THE NET PENSION LIABILITY (ASSET) (CONTINUED)*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Firefighters' Retirement System			
<b>Balances at October 1, 2023</b>	<u>\$ 203,684,126</u>	<u>\$ 143,361,621</u>	<u>\$ 60,322,505</u>
Changes for the current year:			
Service cost	3,856,933	--	3,856,933
Interest	13,389,504	--	13,389,504
Difference between actual and expected experience	915,069	--	915,069
Change of assumptions	8,819,061	--	8,819,061
Contributions - City	--	8,567,861	(8,567,861)
Contributions - State of Florida	--	1,795,496	(1,795,496)
Contributions - employee	--	1,407,961	(1,407,961)
Net investment income (loss)	--	31,959,494	(31,959,494)
Benefit payments, including refunds of employee contributions	(10,870,673)	(10,870,673)	--
Administration expenses	<u>--</u>	<u>(182,852)</u>	<u>182,852</u>
<b>Net Changes</b>	<u>16,109,894</u>	<u>32,677,287</u>	<u>(16,567,393)</u>
<b>Balances at September 30, 2024</b>	<u><u>\$ 219,794,020</u></u>	<u><u>\$ 176,038,908</u></u>	<u><u>\$ 43,755,112</u></u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *CHANGES IN THE NET PENSION LIABILITY (ASSET) (CONTINUED)*

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following table presents the net pension liability (asset) of the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, calculated using the current discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
One percentage point lower than current discount rate	<u>\$ (5,080,223)</u>	<u>\$ 65,976,213</u>	<u>\$ 70,790,927</u>
Current discount rate	<u>\$ (24,446,047)</u>	<u>\$ 41,275,778</u>	<u>\$ 43,755,112</u>
One percentage point higher than current discount rate	<u>\$ (40,744,693)</u>	<u>\$ 21,006,328</u>	<u>\$ 21,584,456</u>

#### *PENSION EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO PENSIONS*

For the fiscal year ended September 30, 2024, the City recognized pension expense/(income) of (\$2,652,511), \$5,426,077 and \$7,207,018 for the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, respectively. At September 30, 2024, the City reported deferred inflows/outflows of resources related to the General Employees' Pension Plan, the Police Officers' Retirement System and Firefighters' Retirement System from the following sources:

General Employees' Pension Plan	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 2,868,603	\$ 39,709
Net difference between projected and actual investment earnings on pension plan investments	<u>--</u>	<u>18,927,358</u>
<b>Total</b>	<u><u>\$ 2,868,603</u></u>	<u><u>\$18,967,067</u></u>



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

***PENSION EXPENSE AND DEFERRED INFLOWS/OUTFLOWS OF RESOURCES RELATED TO PENSIONS (CONTINUED)***

<u>Police Officers' Retirement System</u>	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 996,542	\$ --
Net difference between projected and actual investment earnings on pension plan investments	<u>--</u>	<u>9,157,039</u>
<b>Total</b>	<b><u>\$ 996,542</u></b>	<b><u>\$ 9,157,039</u></b>
<u>Firefighters' Retirement System</u>	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 3,778,786	\$ --
Changes in assumptions	7,733,908	113,332
Net difference between projected and actual investment earnings on pension plan investments	<u>--</u>	<u>13,385,298</u>
<b>Total</b>	<b><u>\$11,512,694</u></b>	<b><u>\$13,498,630</u></b>

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

Fiscal Year Ending September 30	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
2025	\$ (4,620,451)	\$ (1,432,109)	\$ 64,165
2026	715,149	1,680,548	3,954,207
2027	(6,856,554)	(4,856,445)	(3,304,608)
2028	<u>(5,336,608)</u>	<u>(3,552,491)</u>	<u>(2,699,700)</u>
<b>Total</b>	<b><u>\$ (16,098,464)</u></b>	<b><u>\$ (8,160,497)</u></b>	<b><u>\$ (1,985,936)</u></b>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### ***PENSION PLANS FIDUCIARY NET POSITION***

The financial statements for the General Employees' Pension Plan, the Police Officers' Retirement System and Firefighters' Retirement System Fund as of and for the fiscal year ended September 30, 2024, are as follows:

Statements of Fiduciary Net Position			
	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
<b>Assets</b>			
Cash	\$ 126,600	\$ 168,019	\$ 167,557
Investments:			
Money market mutual funds	1,756,158	1,101,786	3,193,578
U.S. Government securities	12,929,925	--	--
Fixed Income	29,693,883	28,909,800	32,283,670
Equity securities	67,345,842	73,715,306	108,730,613
Pooled domestic equity index funds	68,535,901	32,949,603	19,233,605
Real estate investment funds	--	9,264,986	10,615,164
Fixed income alternative investment fund	12,674,743	5,588,041	2,216,654
Interest and dividends receivable	174,126	7,223	57,228
Pending trades receivable	212,876	6,995	301,513
City contributions receivable	--	--	100,752
Due from City	277,040	130	--
<b>Total Assets</b>	<u>193,727,094</u>	<u>151,711,889</u>	<u>176,900,334</u>
Accounts payable	192,263	81,236	79,817
Refunds due to members	--	11,740	--
Pending trades payable	377,661	1,465,912	504,434
Due to City	--	--	277,175
<b>Total Liabilities</b>	<u>569,924</u>	<u>1,558,888</u>	<u>861,426</u>
<b>Fiduciary Net Position - Restricted for</b>			
Pension Benefits	<u>\$ 193,157,170</u>	<u>\$ 150,153,001</u>	<u>\$ 176,038,908</u>

Note: Reflected in the due to/from balances above are amounts for plan members that were transferred from the GE Plan to the Fire Plan. These amounts were settled and reconciled in the fiscal year 2025.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *PENSION PLANS FIDUCIARY NET POSITION (CONTINUED)*

Statements of Changes in Fiduciary Net Position			
	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
<b>Additions</b>			
Contributions:			
Employer	\$ 2,529,247	\$ 8,155,823	\$ 8,567,861
State of Florida	--	1,114,422	1,795,496
Plan members	2,000,165	1,359,367	1,407,961
Total contributions	4,529,412	10,629,612	11,771,318
Investment earnings:			
Net appreciation in fair value of investments	32,007,017	22,702,237	27,490,140
Interest, dividends and investment fund income	5,789,718	4,565,135	5,097,425
Other investment income	229	29,698	352
	37,796,964	27,297,070	32,587,917
Less: investment expenses	(361,674)	(866,046)	(628,422)
Net investment earnings	37,435,290	26,431,024	31,959,495
<b>Total Additions</b>	41,964,702	37,060,636	43,730,813
<b>Deductions</b>			
Benefits	8,715,818	10,262,388	10,786,086
Refunds of contributions	269,711	196,061	84,587
Administrative expenses	156,074	178,834	182,853
<b>Total Deductions</b>	9,141,603	10,637,283	11,053,526
<b>Change in Fiduciary Net Position</b>	32,823,099	26,423,353	32,677,287
<b>Net Position Restricted for Pension Benefits at October 1, 2023</b>	160,334,071	123,729,648	143,361,621
<b>Net Position Restricted for Pension Benefits at September 30, 2024</b>	<u>\$ 193,157,170</u>	<u>\$ 150,153,001</u>	<u>\$ 176,038,908</u>

# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)**

#### ***PENSION PLANS FIDUCIARY NET POSITION (CONTINUED)***

The Police Officers' Retirement System and Firefighters' Retirement System issue separate publicly available financial reports that include financial statements and required supplementary information. These reports are not posted on the internet, but may be obtained by writing to the City of Delray Beach, 100 NW 1<sup>st</sup> Avenue, Delray Beach, FL 33444 or by calling (561) 243-7012. The General Employees' Pension Fund does not issue a separate publicly available financial report.

#### ***RECEIVABLES/PAYABLES TO THE PENSION PLANS***

The General Employees Retirement System and Police Officers' Retirement System had amounts due from City of \$277,040 and \$130, respectively as of September 30, 2024.

The Firefighters' Retirement System had a due to City of \$277,175 as of September 30, 2024 .

#### ***OTHER EMPLOYEE BENEFIT PLANS***

The City sponsors a 457 deferred compensation plan and a 401(a) defined contribution retirement plan for department heads and certain eligible management and key employees not covered by one of the City's defined benefit pension plans. The plans allow participants to contribute up to 3% of their base salary to an ICMA Deferred

Compensation Plan or 3% of their base salary to the ICMA 401(a) Plan with the City matching the contribution. Employees who were eligible to participate in the 401(a) Plan could exceed the 3% contribution with after tax dollars. All contributions are in accordance with Internal Revenue Service regulations.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

#### *OTHER EMPLOYEE BENEFIT PLANS (CONTINUED)*

The 401(a) pension plan is a separate defined contribution pension plan with participant directed investment accounts, over which the City has no fiduciary control or access and the plan is not considered part of the City’s financial reporting entity. Activity in the 401(a) Plan for the fiscal year ended September 30, 2024, is summarized as follows:

<b>Balance at October 1, 2023</b>	<b>\$ 4,162,632</b>
Employer contributions	316,584
Employee contributions	316,584
Investment gain, net of expenses	531,153
Distributions	<u>(1,014,902)</u>
<b>Balance at September 30, 2024</b>	<b><u>\$ 4,312,051</u></b>

### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

#### *DESCRIPTION OF THE PLANS*

The City administers two other postemployment benefit (OPEB) plans as follows:

**City OPEB Plan** - The City administers a single-employer defined benefit plan (the “City OPEB Plan”) that provides medical and life insurance benefits to eligible retired employees and their beneficiaries. The City Commission has the authority to establish and amend premiums for and the benefit provisions of the City OPEB Plan. The City OPEB Plan is financed on a “pay-as-you-go” basis and is not administered as a formal qualifying trust. The City OPEB Plan does not issue a publicly available financial report.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *DESCRIPTION OF THE PLANS (CONTINUED)*

Florida Statute 112.0801 requires the City to allow retirees to buy healthcare coverage at the same *group insurance rates* that current employees are charged resulting in an *implicit* healthcare benefit. The State of Florida prohibits the City OPEB Plan from separately rating retirees and active employees. Therefore, both groups (active and retired) are charged an equal, blended rate premium. Although both groups are charged the same blended rate premium, GAAP requires actuarial calculations of OPEB liabilities using age adjusted premiums approximating claim costs for retirees separate from active employees. The use of age adjusted premiums results in the addition of an implicit rate subsidy into the actuarial accrued liability. City OPEB Plan members receiving benefits contribute 100% of the monthly premiums ranging from a minimum of \$428 for single coverage to a maximum of \$1,998 for family coverage.

***Delray Beach Police, Firefighters & Paramedics Retiree Benefit Fund*** - The Delray Beach Police, Firefighters & Paramedics Retiree Benefit Fund (the “Retiree Benefit Fund”) is a single-employer defined benefit plan established for the purpose of providing full or partial reimbursement for health insurance premiums or other qualified benefits permitted under Section 501(c)(9) of the Internal Revenue Code. The Retiree Benefit Fund was established pursuant to collective bargaining agreements between the City and the Professional Firefighters & Paramedics of Delray Beach, Local 1842, IAFF and the Police Benevolent Association (PBA). A Trust was created on May 14, 2002 and is administered by a separate Board of Trustees consisting of seven individuals, including the President of the Local 1842, IAFF, five union representatives (three PBA, two Local 1842, IAFF) and a non-bargaining unit active firefighter elected by non-bargaining unit participants. The City is neither the trustee nor the administrator of the Retiree Benefit Fund. Since the City does not control, have access to or hold any assets of the Trust and has no reversionary rights in the assets of the Trust, the Retiree Benefit Fund is not reported as a fiduciary fund of the City. The Retiree Benefit Fund does not issue a publicly available financial report.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *DESCRIPTION OF THE PLANS (CONTINUED)*

Participants in the Retiree Benefit Fund include persons employed by the City of Delray Beach Fire Rescue Department as certified firefighters or paramedics on or after October 1, 2001; persons employed by the City of Delray Beach Police Department as certified law enforcement officers on or after October 1, 2004; and, certain Police and Fire Rescue department employees for whom contributions were made for each year since October 1, 2001, regardless of the employee's certification as a firefighter, paramedic or law enforcement officer. Participants are eligible for benefits on or after the first day of the month following the date of their retirement from the City. The Retiree Benefit Fund currently does not require contributions from participants. The obligation of the City to fund the Retiree Benefit Fund is established by the applicable collective bargaining agreements in effect between the City and the unions. The Retiree Benefit Fund provides for a minimum annual benefit of \$3,900 for covered employees that are not certified as firefighters, paramedics or law enforcement officers. For certified firefighters, paramedics and law enforcement officers, the Retiree Benefit Fund provides for an annual benefit of \$5,200 reduced 3% per year for service less than 25 years, and increased 3% per year for service greater than 25 years.

#### *PLAN MEMBERSHIP*

The membership in the City's OPEB Plan and the Retiree Benefit Fund as of October 1, 2022 and September 30, 2023, respectively, which are the dates of the most recent actuarial valuations, is summarized as follows:

	City OPEB Plan	Retiree Benefit Plan
Inactive employees or beneficiaries receiving benefit payments	78	185
Inactive employees entitled to but not yet receiving benefit payments	--	--
Active employees	<u>801</u>	<u>321</u>
<b>Total Members</b>	<u><u>879</u></u>	<u><u>506</u></u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### ***OPEB LIABILITY***

The City's OPEB liability, deferred outflows/inflows of resources related to OPEB and OPEB expense for both OPEB plans are summarized as follows at September 30, 2024:

	City OPEB Plan	Retiree Benefit Fund	Total
Net OPEB liability	<u>\$ 13,734,945</u>	<u>\$ 6,162,783</u>	<u>\$ 19,897,728</u>
Deferred outflows of resources	<u>\$ 4,845,531</u>	<u>\$ 59,925</u>	<u>\$ 4,905,456</u>
Deferred inflows of resources	<u>\$ 11,050,284</u>	<u>\$ 1,199,043</u>	<u>\$ 12,249,327</u>
OPEB expense	<u>\$ 697,487</u>	<u>\$ 604,298</u>	<u>\$ 1,301,785</u>



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *OPEB LIABILITY (CONTINUED)*

The City's OPEB liability of \$19,897,728 was measured as of September 30, 2024 for the City OPEB Plan and the Retiree Benefit Plan as determined by actuarial valuations as of October 1, 2022 and September 30, 2023, respectively.

Actuarial Methods and Significant Assumptions: The actuarial methods and significant assumptions used to determine the City's OPEB liability for the current year are summarized as follows:

	City OPEB Plan	Retiree Benefit Fund
Valuation date	October 1, 2022	September 30, 2023
Measurement date	September 30, 2024	September 30, 2024
Actuarial cost method	Entry Age Normal	Entry Age Normal
Post-retirement benefit increases	None	None
Health care cost trend rates	7% per year initially, reduced annually by 0.25% to an ultimate rate of 4.5% in 2032	N/A – Benefits are a fixed amount and do not adjust for changes in health care costs
Amortization method	Level Percent of Projected Salary – Closed	Level Percent of Projected Salary – Closed
Remaining amortization period	10 years	21 years
Asset valuation method	N/A <sup>(1)</sup>	Market Value of Assets

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### ***OPEB LIABILITY (CONTINUED)***

	City OPEB Plan	Retiree Benefit Fund
Actuarial assumptions:		
Discount rate	3.97% <sup>(2)</sup>	7.5% net of investment related expenses
Projected salary increases*	4%	4.5-8.25%
* Includes inflation rate	0%	2.75%
Mortality	Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality using Scale MP-2021	PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvements projection scale

- (1) The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation.
- (2) Since there are currently no invested plan assets held in trust to finance the OPEB liability, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on the average of three 20-year bond indices (e.g., *Bond Buyer-20 Bond GO*, *S&P Municipal Bond 20 Year High Grade Rate Index* and *Fidelity GA AA 20 Years*).

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

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *INVESTMENTS*

Investment Policy (Retiree Benefit Fund): The policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Board of the Retiree Benefit Fund. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the investment portfolio across a broad selection of distinct asset classes. The investment policy of each pension plan discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

The long-term expected rate of return on investments of the Retiree Benefit Fund was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The asset allocation policy adopted by the Board and best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of September 30, 2024 are summarized in the following table:

<b>Asset Class</b>	<b>Asset Allocation</b>	<b>Long-term Expected Rate of Return</b>
Domestic equity	52.5%	7.5%
International equity	15.0	8.5
Fixed income	17.5	2.5
Real estate	10.0	4.5
Alternatives	5.0	6.2

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *CHANGES IN THE TOTAL OPEB LIABILITY*

The changes in the City's total OPEB liability for the City OPEB Plan and Retiree Benefit Fund for the fiscal year ended September 30, 2024 were as follows:

	City OPEB Plan	Retiree Benefit Fund	Total
<b>Total OPEB Liability</b>			
Total OPEB liability at September 30, 2023	\$ 11,763,420	\$ 15,347,658	\$ 27,111,078
Changes in the total OPEB liability for the year:			
Service cost	285,877	229,373	515,250
Interest	454,446	1,134,417	1,588,863
Changes of assumptions and other inputs	1,864,016	--	1,864,016
Benefit payments	<u>(632,814)</u>	<u>(919,569)</u>	<u>(1,552,383)</u>
Change in total OPEB liability	<u>1,971,525</u>	<u>444,221</u>	<u>2,415,746</u>
<b>OPEB Liability at September 30, 2024</b>	<u>13,734,945</u>	<u>15,791,879</u>	<u>29,526,824</u>
<b>Fiduciary Net Position</b>			
<b>Balances at October 1, 2023</b>	<u>--</u>	<u>7,648,945</u>	<u>7,648,945</u>
Changes in fiduciary net position for the current year:			
Employer contributions	632,814	982,661	1,615,475
Net investment income	--	1,973,790	1,973,790
Benefit payments	(632,814)	(919,569)	(1,552,383)
Administrative expenses	<u>--</u>	<u>(56,731)</u>	<u>(56,731)</u>
Changes in fiduciary net position	<u>--</u>	<u>1,980,151</u>	<u>1,980,151</u>
Total Fiduciary Net Position at September 30, 2024	<u>--</u>	<u>9,629,096</u>	<u>9,629,096</u>
<b>OPEB Liability balances at September 30, 2024</b>	<u>\$ 13,734,945</u>	<u>\$ 6,162,783</u>	<u>\$ 19,897,728</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)*

Changes of Assumptions: Effective October 1, 2023, the discount rate for the City OPEB Plan was decreased from 4.75% to 3.97%.

Sensitivity of the OPEB Liability to Changes in the Discount Rate: The following table presents the OPEB liability of the City OPEB Plan and the Retiree Benefit Fund, respectively, calculated using the current discount rates, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	City OPEB Plan	Retiree Benefit Fund
One percentage point lower than current discount rate	\$ 16,816,375	\$ 7,789,630
Current discount rate	\$ 13,734,945	\$ 6,162,783
One percentage point higher than current discount rate	\$ 11,455,259	\$ 4,786,869

Sensitivity of the OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following table presents the OPEB liability of the City OPEB Plan and the Retiree Benefit Fund, respectively, calculated using the current healthcare cost trend rates of 7.0% decreasing to 4.5%, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	City OPEB Plan	Retiree Benefit Fund
One percentage point lower than current trend rate	\$ 11,135,192	N/A
Current healthcare cost trend rate	\$ 13,734,945	N/A
One percentage point higher than current trend rate	\$ 17,329,019	N/A

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

### NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

#### *CHANGES IN THE OPEB LIABILITY (CONTINUED)*

For the fiscal year ended September 30, 2024, the City recognized OPEB expense of \$697,487 and \$604,298 for the City OPEB Plan and the Retiree Benefit Fund, respectively. At September 30, 2024, the City reported deferred inflows/outflows of resources related to the City OPEB Plan and the Retiree Benefit Fund from the following sources:

	Deferred Outflows	Deferred Inflows
<b>City OPEB Plan</b>		
Changes in assumptions and other inputs	<u>\$ 4,845,531</u>	<u>\$11,050,284</u>
<b>Retiree Benefit Fund</b>		
Differences between projected and actual experience	\$ 59,925	\$ 164,097
Net difference between projected and actual earnings	--	690,604
Changes in assumptions and other inputs	<u>--</u>	<u>344,342</u>
<b>Total</b>	<u>\$ 59,925</u>	<u>\$ 1,199,043</u>

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

Fiscal Year Ending September 30,	City OPEB Plan	Retiree Benefit Fund
2026	\$ (16,884)	\$ --
2027	(16,884)	(289,875)
2028	(326,802)	(100,219)
2029	(858,167)	(475,425)
2030	(1,085,663)	(274,664)
Thereafter	<u>(3,900,353)</u>	<u>1,065</u>
<b>Total</b>	<u>\$ (6,204,753)</u>	<u>\$ (1,139,118)</u>

# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 14 – 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; and natural disasters. The City is also subject to risk of loss arising in the ordinary course of business, including, but not limited to, claims for damages for personal injuries, employment-related claims, and breach of contract. Commercial insurance is purchased for certain specialized insurance coverages, including, but not limited to, flood insurance, railroad crossing liability and environmental liabilities. The City uses the Insurance Internal Service Fund to account for and finance all commercial insurance and retained risks of loss.

The City has recently transferred its general and auto coverage to a Fully Insured Liability Program. Workers' compensation, fidelity and property coverage are insured with large deductible self-insured retentions. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed insurance coverage for any of the past three years. The City also maintains a self-insured health plan with Cigna Healthcare as the third-party administrator. The City is self-insured up to an individual stop loss of \$200,000 per individual every fiscal year. In addition, the City has aggregate stop loss insurance should claims exceed 120% of \$14,337,552 per fiscal year. Any claims in excess would be reimbursed to the City.

The City's internal service Insurance Fund is funded by charges to the City's other funds based on the contributing funds' claims experience and as needed to meet the estimated payments resulting from purchased and self-insurance programs, and operating expenses. For the fiscal year ended September 30, 2024, charges of \$23,593,884 were made by the Insurance Fund to other funds and are reflected as interfund charges for services in the accompanying financial statements. The City has recorded a claims liability of \$7,162,902 (\$3,177,902 current and \$3,985,000 noncurrent) at September 30, 2024, which is a decrease of approximately \$1,500,000 from the prior year. The decrease reflects claims development for all lines of insurance and an accrual for legal claims. The liability falls within the actuarially determined range, from an actuarial valuation for all claims based upon the date the loss was incurred and includes a provision for claims incurred but not yet reported (IBNR).

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 14 – RISK MANAGEMENT (CONTINUED)

The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, such as those from salvage or subrogation, are also considered in the claims liability estimate.

The following summarizes the claims liability activity for the current and prior year:

<b>Balance at September 30, 2022</b>	<b>\$ 8,315,199</b>
Claims incurred	15,568,405
Claims paid	<u>(15,207,469)</u>
<b>Balance at September 30, 2023</b>	<b>8,676,135</b>
Claims incurred	13,274,481
Claims paid	<u>(14,787,714)</u>
<b>Balance at September 30, 2024</b>	<b><u>\$ 7,162,902</u></b>

The claims liability at September 30, 2024 and 2023, is summarized as follows:

	<u>2024</u>	<u>2023</u>
Current	\$ 3,177,902	\$ 3,581,135
Noncurrent	<u>3,985,000</u>	<u>5,095,000</u>
<b>Total</b>	<b><u>\$ 7,162,902</u></b>	<b><u>\$ 8,676,135</u></b>



# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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### **NOTE 14 – RISK MANAGEMENT (CONTINUED)**

As a political subdivision of the State of Florida, the City has sovereign immunity under the Florida Constitution for tort actions. Therefore, in accordance with Chapter 768.28 Laws of Florida, the City is not liable to pay a claim or judgment, or any portions thereof, which when totaled with all other claims or judgments paid by the State or its agencies or subdivisions arising out of the same incident or occurrence, exceeds the aggregate sum of \$300,000. Chapter 768.28 also provides that judgments may be claimed or rendered in excess of these limits; however, these amounts must be reported to and approved by the Florida Legislature. Chapter 2010-26, Laws of Florida, established the limits of sovereign immunity at \$200,000 per claim and \$300,000 in the aggregate, effective for claims arising on or after October 1, 2011. Sovereign immunity limits were considered in the actuarial development of claims liabilities.

### **NOTE 15 – RELATED PARTY TRANSACTIONS**

The CRA is a component unit of the City of Delray Beach, Florida. For the fiscal year ended September 30, 2024, the CRA's tax increment revenues include \$15,018,249 received from the City. CRA expenditures for the fiscal year ended September 30, 2024, include charges of \$4,728,680 for contractual and other services provided by the City to the CRA in connection with various administrative and redevelopment activities, \$2,842,950 for construction services related to redevelopment projects, and \$905,000 for sponsorship of City tennis tournaments.

At September 30, 2024, the City had a receivable from the CRA of \$1,737,591 for various administrative services. These amounts are included in due from/due to other funds. The CRA also entered into an interlocal agreement with the City to provide funding for certain construction projects and related professional services totaling \$32,103,170. As of September 30, 2024, approximately \$23,691,000 of the commitment was still outstanding.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 16 – COMMITMENTS AND CONTINGENCIES

#### *CONTRACT COMMITMENTS*

The City has various long-term contractual obligations for construction projects on which work has not been completed. The remaining commitments on these obligations at September 30, 2024, were as follows:

Capital Projects Funds	\$ 18,520,730
Water and Sewer Fund	31,992,875
Stormwater Fund	4,217,270
Community Redevelopment Agency Fund	<u>25,356,049</u>
<b>Total Contract Commitments</b>	<b><u>\$ 80,086,924</u></b>

Payments from the Water and Sewer Fund and Stormwater Fund for work in progress have been capitalized as construction in progress in the respective fund. The projects financed by the special revenue funds and capital projects funds have been capitalized in the government-wide financial statements as construction in progress.

#### *GRANTS*

The grant revenues received by the City are subject to audit and adjustment by the grantor agencies, principally the Federal government and the State of Florida. If expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement would be a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant and applicable federal and state laws and regulations.

#### *LITIGATION, CLAIMS AND ASSESSMENTS*

The City is involved in certain lawsuits and other legal matters occurring in the normal course of operations. Although the ultimate outcome of the lawsuits and other matters cannot be determined at the present time, the management of the City in consultation with legal counsel, believes that all significant claims are fully accrued, covered by insurance or limited under sovereign immunity and does not expect the outcome of any pending lawsuits or claims to materially affect the City's financial condition.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### ***BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY***

Loan Commitment: On September 9, 2020, the CRA entered into an agreement to loan the Delray Beach Community Land Trust, Inc. \$2,454,350 for the development and disposition of properties in the SW Neighborhood for a workforce housing project known as Corey Isle. The project includes construction of ten single family homes. The loan is secured by mortgages encumbering the properties. Completed homes, evidenced by a certificate of occupancy issued to the borrower by the City of Delray Beach, can be released from the mortgage upon payment of a release price in the amount of \$215,163 for a one story single family house and \$272,961 for a two story single family house. The release price will be applied to pay down the outstanding principal of the construction loan. The release price is due at closing on each of the ten single family homes with any remaining outstanding principal due with the sale of the final home.

Grant Funding Commitments: The CRA also entered into agreements with the following organizations to provide funding for their operations during the year ended September 30, 2024:

EPOCH dba Spady Cultural	\$ 109,000
Delray Beach Community Land Trust, Inc.	168,622
Creative City Collaborative / Arts Garage	275,000
Delray Beach Public Library	426,360
Delray Beach Historical Society	<u>75,000</u>
<b>Total Grant Commitments</b>	<b><u>\$ 1,053,982</u></b>

### NOTE 17 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the General Fund, expenditures exceeded appropriations by \$868,418 for debt service for the fiscal year ended September 30, 2024. For the CRA, expenditures exceeded appropriations by \$48,112 for the General Government.

### NOTE 18 – SUBSEQUENT EVENTS

On March 28, 2025, the City completed a Master Lease Agreement for Vehicles and Fire Apparatus Equipment in the amount of \$8,930,000. A total of \$4,841,602 was paid to the City for reimbursement of early purchases and \$4,088,398 was held in escrow for future expenditures.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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# CITY OF DELRAY BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 113,166,557	\$ 113,318,245	\$ 113,380,868	\$ 62,623
Fees and permits	9,225,811	10,013,486	9,717,704	(295,782)
Intergovernmental	13,624,442	14,334,999	14,548,914	213,915
Charges for services	17,969,781	18,051,296	16,303,129	(1,748,167)
Fines and forfeitures	1,594,680	1,594,680	1,057,424	(537,256)
Miscellaneous	15,365,633	15,660,149	17,815,901	2,155,752
Transfers in	6,707,300	6,707,300	7,274,423	567,123
Prior year surplus	7,257,403	11,705,030	--	(11,705,030)
<b>Total Revenues</b>	<b>184,911,607</b>	<b>191,385,185</b>	<b>180,098,363</b>	<b>(11,286,822)</b>
<b>Expenditures</b>				
General government				
City commission	541,547	541,547	470,678	70,869
City manager	1,702,986	1,723,180	1,502,851	220,329
Economic development	631,130	591,130	422,507	168,623
Human resources	1,145,410	1,182,910	1,178,008	4,902
City clerk	689,837	689,837	682,735	7,102
Finance	2,971,760	3,070,324	3,012,195	58,129
Information technology	5,898,717	6,267,157	5,346,496	920,661
Subscriptions	--	--	(301,993)	301,993
City attorney	1,608,538	1,588,538	1,578,086	10,452
Nondepartmental	2,848,968	2,913,156	2,478,533	434,623
Transfers to component units	21,411,057	21,243,057	21,243,055	2
Public safety				
Police	49,331,616	49,522,982	48,337,956	1,185,026
Fire	44,186,515	46,516,524	45,807,218	709,306
Development services	2,403,399	2,778,576	2,571,660	206,916
Neighborhood & community services	4,965,944	4,562,714	4,124,275	438,439
Physical environment				
Public works	12,263,153	12,636,750	11,510,255	1,126,495
Parks and recreation	21,104,694	21,168,975	20,169,429	999,546
Debt service	387,566	387,566	1,255,984	(868,418)
Transfers out	10,818,770	14,000,262	14,000,262	--
<b>Total Expenditures</b>	<b>184,911,607</b>	<b>191,385,185</b>	<b>185,390,190</b>	<b>5,994,995</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>\$ --</b>	<b>\$ --</b>	<b>(5,291,827)</b>	<b>\$ (5,291,827)</b>
<b>Fund Balance - October 1, 2023</b>			58,802,512	
Difference between GAAP and budgetary basis			(54,234)	
<b>Fund Balance - September 30, 2024</b>			<b>\$ 53,456,451</b>	

*See notes to budgetary comparison schedules.*

# CITY OF DELRAY BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE NEIGHBORHOOD SERVICES FUND

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
<b>Revenues</b>				
Intergovernmental	\$ 1,234,535	\$ 1,234,535	\$ 1,085,033	\$ (149,502)
Miscellaneous	356,611	356,611	208,921	(147,690)
Transfers in	273,870	273,870	273,870	--
<b>Total Revenues</b>	<b>1,865,016</b>	<b>1,865,016</b>	<b>1,567,824</b>	<b>(297,192)</b>
<b>Expenditures</b>				
General government				
Personal services	529,233	601,097	518,929	82,168
Operating	3,442,504	5,711,859	1,063,298	4,648,561
Grants and aid	69,599	685,588	61,773	623,815
State Housing Initiatives Program (SHIP)	767,238	1,129,622	503,940	625,682
<b>Total Expenditures</b>	<b>4,808,574</b>	<b>8,128,166</b>	<b>2,147,940</b>	<b>5,980,226</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(2,943,558)</b>	<b>(6,263,150)</b>	<b>(580,116)</b>	<b>5,683,034</b>
<b>Other Financing Sources (Uses)</b>				
Appropriated fund balance	2,943,558	6,263,150	--	6,263,150
Total other financing sources	2,943,558	6,263,150	--	6,263,150
<b>Net Change in Fund Balance</b>	<b>\$ --</b>	<b>\$ --</b>	<b>(580,116)</b>	<b>\$ (580,116)</b>
<b>Fund Balance - October 1, 2023</b>			<b>4,457,325</b>	
<b>Fund Balance - September 30, 2024</b>			<b>\$ 3,877,209</b>	

*See notes to budgetary comparison schedules.*

# CITY OF DELRAY BEACH, FLORIDA

## BUDGETARY COMPARISON SCHEDULE COMMUNITY REDEVELOPMENT AGENCY FUND

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>Revenues</b>				
Tax increment revenue				
City of Delray Beach	\$ 21,915,947	\$ 21,243,055	\$ 21,243,055	\$ --
Palm Beach County	15,870,389	15,018,249	15,018,249	--
Total Tax Increment Revenue	37,786,336	36,261,304	36,261,304	--
Charges for services				
Green Market	60,000	55,244	55,244	--
Arts Warehouse	160,000	164,689	164,690	1
Total Charges for Services	220,000	219,933	219,934	1
Miscellaneous revenue				
Other reimbursements	455,000	535,260	535,760	500
Rental income	197,583	245,317	183,151	(62,166)
Interest and other income	115,800	195,044	194,690	(354)
Total Miscellaneous Revenue	768,383	975,621	913,601	(62,020)
<b>Total Revenues</b>	38,774,719	37,456,858	37,394,839	(62,019)
<b>Other Financing Sources</b>				
General Fund carryforward fund balance	41,097,446	(20,378,503)	--	20,378,503
<b>Total Other Financing Sources</b>	41,097,446	(20,378,503)	--	20,378,503
<b>Total Revenues and Other Financing Sources</b>	79,872,165	17,078,355	37,394,839	20,316,484
<b>Expenditures</b>				
General government				
Personnel	2,049,000	1,294,599	1,351,564	(56,965)
Supplies and materials	25,000	20,778	20,778	--
Office space	480,000	86,091	78,347	7,744
Administration/Operations	760,000	248,894	248,894	--
Equipment, property and maintenance	112,500	32,155	31,046	1,109
Total General Government	3,426,500	1,682,517	1,730,629	(48,112)
Economic development				
Areawide and Neighborhood Plans	58,000,912	4,106,898	3,945,228	161,670
Redevelopment Projects	7,644,210	2,876,887	2,843,347	33,540
Community Improvement and Economic Development	9,752,369	7,363,878	7,410,824	(46,946)
Total Economic Development	75,397,491	14,347,663	14,199,399	148,264
Debt service				
Principal and interest	1,048,174	1,048,175	1,048,174	1
<b>Total Expenditures</b>	79,872,165	17,078,355	16,978,202	100,153
<b>Excess of Revenues Over Expenditures</b>	\$ --	\$ --	20,416,637	\$ 20,416,637
Fund balance - October 1, 2023			54,081,775	
Fund balance - September 30, 2024			\$ 74,498,412	

*See notes to budgetary comparison schedules.*

# **CITY OF DELRAY BEACH, FLORIDA**

## **NOTES TO BUDGETARY COMPARISON SCHEDULES**

### **FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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#### **NOTE 1 – BUDGETARY ACCOUNTING**

Florida Statutes require that all municipal governments establish budgetary systems and approve an annual operating budget. The City Commission annually adopts an operating budget and appropriates funds for the General Fund and Neighborhood Services Fund, a major special revenue fund. The Board of Commissioners of the Delray Beach Community Redevelopment Agency (CRA) adopts an annual operating budget for the CRA that generally follows the same process as the City. The budget procedures are as follows:

- Prior to September 1, the City Manager submits to the City Commission a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Prior to September 1, the CRA Executive Director submits to the CRA Board of Commissioners a proposed operating budget prepared for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the City and the CRA to obtain taxpayer comments.
- The City advises the County Property Appraiser of the proposed millage rate and the date, time and place of the public hearing for budget acceptance.
- The budget and related millage rate for the City and the CRA are legally enacted by resolution.
- Changes or amendments to the budget of the City or a department must be approved by the City Commission; however, changes within a department which do not affect the total departmental expenditures may be approved at the administrative level by the City Manager. Accordingly, the legal level of control is at the department level.
- Changes or amendments to the CRA's budget for individual cost centers and in total must be approved by the Board of Commissioners; however, changes within CRA projects which do not affect the total cost center expenditures may be approved at the administrative level by the CRA Executive Director. Accordingly, the legal level of control is at the CRA cost center level.

The legally adopted appropriated budgets for the City are on the same modified-accrual basis used to reflect revenues and expenditures, except that for budgetary purposes, current year encumbrances and transfers out are treated as expenditures, transfers in are treated as revenues, on-behalf payments from the State for police and firefighters' pension benefits are not budgeted and capital outlays are reflected as current expenditures within each governmental function. The City Commission approved General Fund and Neighborhood Services Fund budget amendments increasing budgeted appropriations by \$6,473,578 and \$3,319,592, respectively, during the fiscal year ended September 30, 2024.



# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO BUDGETARY COMPARISON SCHEDULES

### FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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#### NOTE 1 – BUDGETARY ACCOUNTING (CONTINUED)

The CRA's adopted budget is also prepared on the same modified accrual basis used to reflect revenues and expenditures, except that non-cash exchange transactions are not budgeted and loans to various entities are recorded as expenditures. The CRA Governing Board approved budget amendments decreasing budgeted appropriations by \$62,793,810, during the fiscal year ended September 30, 2024.

#### NOTE 2 – BUDGET AND ACTUAL COMPARISONS

The budgetary comparison schedules are prepared on the basis of accounting used in preparing the appropriated budget. As indicated in Note 1, current year encumbrances and transfers are treated as expenditures for budgetary purposes and City on-behalf payments are not budgeted. In addition, principal paid on the CRA note to the City are included in budgeted expenditures, but are considered "other financing sources" for GAAP. As a result, the General Fund and major Special Revenue Funds revenues and expenditures reported in the budgetary comparison schedules differ from the revenues and expenditures reported on the basis of GAAP.

The budget to actual differences of the City's General Fund, Neighborhood Service Fund and the CRA Fund can be reconciled as follows:

	Revenues	Expenditures
<b>General Fund</b>		
Transfers	\$ 7,274,423	\$ 14,000,262
On-behalf payments for pension benefits	(2,909,918)	(2,909,918)
Encumbrances	--	1,706,142
Prior year encumbrances paid in current year	--	(1,831,343)
<b>Net Differences - GAAP and Budgetary Basis</b>	4,364,505	10,965,143
<b>GAAP Basis</b>	<u>175,733,858</u>	<u>174,425,047</u>
<b>Budgetary Basis</b>	<u>\$ 180,098,363</u>	<u>\$ 185,390,190</u>

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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### NOTE 2 – BUDGET AND ACTUAL COMPARISONS (CONTINUED)

	Revenues	Expenditures
<b>Neighborhood Services Fund</b>		
Transfers	\$ 273,870	\$ --
<b>GAAP Basis</b>	<u>1,293,954</u>	<u>2,147,940</u>
<b>Budgetary Basis</b>	<u>\$ 1,567,824</u>	<u>\$ 2,147,940</u>
<b>Community Redevelopment Agency (CRA) Fund</b>		
<b>GAAP Basis</b>	<u>\$ 37,394,839</u>	<u>\$ 16,978,202</u>
<b>Budgetary Basis</b>	<u>\$ 37,394,839</u>	<u>\$ 16,978,202</u>

**CITY OF DELRAY BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
GENERAL EMPLOYEES' PENSION PLAN**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 3,735,682	\$ 3,298,952	\$ 3,178,953	\$ 3,031,558	\$ 2,825,262	\$ 2,741,412	\$ 2,493,225	\$ 2,119,345	\$ 2,192,881	\$ 2,203,317
Interest	10,728,147	10,283,312	9,957,953	9,619,263	9,387,643	9,169,248	8,777,037	8,375,249	8,161,229	7,791,771
Changes of benefit terms	567,929	--	--	--	--	--	--	--	522,720	--
Differences between expected and actual experience	2,972,295	1,245,558	(148,006)	348,704	1,621,500	1,452,111	1,447,270	(821,344)	(1,097,920)	1,375,784
Changes of assumptions	--	--	--	--	(2,628,018)	7,018,332	--	2,634,532	--	--
Benefit payments, including refunds	(8,985,529)	(8,363,279)	(8,214,230)	(8,044,372)	(7,918,158)	(7,804,145)	(7,307,689)	(6,971,817)	(6,535,065)	(5,993,746)
<b>Net Change in Total Pension Liability</b>	<b>9,018,524</b>	<b>6,464,543</b>	<b>4,774,670</b>	<b>4,955,153</b>	<b>3,288,229</b>	<b>12,576,958</b>	<b>5,409,843</b>	<b>5,335,965</b>	<b>3,243,845</b>	<b>5,377,126</b>
<b>Total Pension Liability - Beginning of Fiscal Year</b>	<b>159,692,599</b>	<b>153,228,056</b>	<b>148,453,386</b>	<b>143,498,233</b>	<b>140,210,004</b>	<b>127,633,046</b>	<b>122,223,203</b>	<b>116,887,238</b>	<b>113,643,393</b>	<b>108,266,267</b>
<b>Total Pension Liability, End of Fiscal Year (a)</b>	<b>\$ 168,711,123</b>	<b>\$ 159,692,599</b>	<b>\$ 153,228,056</b>	<b>\$ 148,453,386</b>	<b>\$ 143,498,233</b>	<b>\$ 140,210,004</b>	<b>\$ 127,633,046</b>	<b>\$ 122,223,203</b>	<b>\$ 116,887,238</b>	<b>\$ 113,643,393</b>
<b>Plan Fiduciary Net Position</b>										
Contributions										
Employer	\$ 2,529,247	\$ 2,357,598	\$ 2,882,706	\$ 3,123,630	\$ 2,866,796	\$ 2,360,582	\$ 2,151,438	\$ 1,969,163	\$ 2,046,827	\$ 2,178,705
Plan members	2,000,165	1,665,136	1,316,257	1,229,630	1,098,892	1,206,890	799,106	717,598	618,705	948,466
Net investment income (loss)	37,435,290	20,953,749	(24,704,835)	36,056,257	11,601,492	3,620,514	13,197,102	14,474,141	10,986,275	438,253
Other income	--	--	--	--	--	--	--	--	18,858	7,008
Benefit payments, including refunds	(8,985,529)	(8,363,279)	(8,214,230)	(8,044,372)	(7,918,158)	(7,804,145)	(7,307,689)	(6,971,817)	(6,535,065)	(5,993,746)
Administrative expense	(156,074)	(130,830)	(130,772)	(119,862)	(121,470)	(172,197)	(73,250)	(77,550)	(82,336)	(73,705)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>32,823,099</b>	<b>16,482,374</b>	<b>(28,850,874)</b>	<b>32,245,283</b>	<b>7,527,552</b>	<b>(788,356)</b>	<b>8,766,707</b>	<b>10,111,535</b>	<b>7,053,264</b>	<b>(2,495,019)</b>
<b>Plan Fiduciary Net Position - Beginning of Fiscal Year</b>	<b>160,334,071</b>	<b>143,851,697</b>	<b>172,702,571</b>	<b>140,457,288</b>	<b>132,929,736</b>	<b>133,718,092</b>	<b>124,951,385</b>	<b>114,839,850</b>	<b>107,786,586</b>	<b>110,281,605</b>
<b>Plan Fiduciary Net Position - End of Fiscal Year (b)</b>	<b>\$ 193,157,170</b>	<b>\$ 160,334,071</b>	<b>\$ 143,851,697</b>	<b>\$ 172,702,571</b>	<b>\$ 140,457,288</b>	<b>\$ 132,929,736</b>	<b>\$ 133,718,092</b>	<b>\$ 124,951,385</b>	<b>\$ 114,839,850</b>	<b>\$ 107,786,586</b>
<b>Net Pension Liability (Asset) - End of Fiscal Year [(a)-(b)]</b>	<b>\$ (24,446,047)</b>	<b>\$ (641,472)</b>	<b>\$ 9,376,359</b>	<b>\$ (24,249,185)</b>	<b>\$ 3,040,945</b>	<b>\$ 7,280,268</b>	<b>\$ (6,085,046)</b>	<b>\$ (2,728,182)</b>	<b>\$ 2,047,388</b>	<b>\$ 5,856,807</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>114.5%</b>	<b>100.4%</b>	<b>93.9%</b>	<b>116.3%</b>	<b>97.9%</b>	<b>94.8%</b>	<b>104.8%</b>	<b>102.2%</b>	<b>98.2%</b>	<b>94.8%</b>
<b>Covered Payroll</b>	<b>\$ 27,695,348</b>	<b>\$ 24,720,627</b>	<b>\$ 23,765,081</b>	<b>\$ 22,853,685</b>	<b>\$ 20,997,013</b>	<b>\$ 20,025,730</b>	<b>\$ 18,060,007</b>	<b>\$ 15,449,062</b>	<b>\$ 15,371,826</b>	<b>\$ 15,895,095</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>(88.3)%</b>	<b>(2.6)%</b>	<b>39.5 %</b>	<b>(106.1)%</b>	<b>14.5 %</b>	<b>36.4 %</b>	<b>(33.7)%</b>	<b>(17.7)%</b>	<b>13.3 %</b>	<b>36.8 %</b>

**CITY OF DELRAY BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**POLICE OFFICERS' RETIREMENT SYSTEM**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability - Note 1</b>										
Service cost	\$ 3,600,620	\$ 3,362,525	\$ 3,254,371	\$ 3,302,977	\$ 3,026,742	\$ 2,660,367	\$ 2,250,201	\$ 2,257,858	\$ 4,161,533	\$ 4,116,670
Interest	12,398,961	12,012,936	11,614,886	11,150,354	10,830,624	10,337,194	10,150,990	9,439,367	16,394,667	19,332,804
Changes in excess State contributions	--	--	--	--	--	--	--	--	(1,741,230)	659,168
Changes of benefit terms	--	17,725	--	--	--	--	--	--	(1,121,765)	(347,798)
Differences between expected and actual experience	570,734	291,141	731,033	1,970,402	4,485,655	2,465,331	(1,504,488)	4,431,186	1,568,118	(2,020,566)
Contributions - buyback	--	--	--	--	--	--	--	--	32,218	34,696
Changes of assumptions	--	--	--	--	816,626	4,575,940	12,110,938	--	7,407,717	--
Benefit payments, including refunds	(10,458,448)	(9,948,626)	(9,674,201)	(9,312,130)	(8,625,165)	(7,902,822)	(7,543,572)	(6,907,367)	(13,532,591)	(13,282,705)
<b>Net Change in Total Pension Liability</b>	<b>6,111,867</b>	<b>5,735,701</b>	<b>5,926,089</b>	<b>7,111,603</b>	<b>10,534,482</b>	<b>12,136,010</b>	<b>15,464,069</b>	<b>9,221,044</b>	<b>13,168,667</b>	<b>8,492,269</b>
<b>Total Pension Liability - Beginning of Fiscal Year</b>	<b>185,316,912</b>	<b>179,581,211</b>	<b>173,655,122</b>	<b>166,543,519</b>	<b>156,009,037</b>	<b>143,873,027</b>	<b>128,408,958</b>	<b>119,187,914</b>	<b>238,707,736</b>	<b>230,215,467</b>
<b>Total Pension Liability, End of Fiscal Year (a)</b>	<b>\$ 191,428,779</b>	<b>\$ 185,316,912</b>	<b>\$ 179,581,211</b>	<b>\$ 173,655,122</b>	<b>\$ 166,543,519</b>	<b>\$ 156,009,037</b>	<b>\$ 143,873,027</b>	<b>\$ 128,408,958</b>	<b>\$ 251,876,403</b>	<b>\$ 238,707,736</b>
<b>Plan Fiduciary Net Position - Note 1</b>										
Contributions										
Employer	\$ 8,155,823	\$ 7,882,933	\$ 8,119,171	\$ 8,033,015	\$ 6,917,364	\$ 6,247,516	\$ 5,113,912	\$ 5,162,290	\$ 10,789,457	\$ 10,837,369
State	1,114,422	1,036,799	896,146	834,187	868,062	835,929	786,320	742,419	1,909,358	1,896,237
Plan members	1,359,367	1,252,569	1,159,973	1,063,696	1,196,828	1,160,807	1,126,780	924,337	1,806,021	1,634,828
Net investment income (loss)	26,431,025	14,291,832	(23,212,695)	24,325,114	8,707,580	4,296,676	6,880,290	8,943,920	13,455,717	(1,922,565)
Other income	--	--	--	--	--	--	--	--	150,647	22,903
Equity allocation from Legacy Pension Fund	--	--	--	--	--	--	--	79,306,442	--	--
Benefit payments, including refunds	(10,458,448)	(9,948,626)	(9,674,201)	(9,312,130)	(8,625,165)	(7,902,822)	(7,543,572)	(6,907,367)	(13,532,591)	(13,282,705)
Administrative expense	(178,836)	(182,489)	(171,447)	(151,623)	(143,795)	(181,670)	(108,929)	(156,400)	(245,221)	(231,434)
Other	--	--	--	--	--	--	--	(160,328)	--	--
<b>Net Change in Plan Fiduciary Net Position</b>	<b>26,423,353</b>	<b>14,333,018</b>	<b>(22,883,053)</b>	<b>24,792,259</b>	<b>8,920,874</b>	<b>4,456,436</b>	<b>6,254,801</b>	<b>87,855,313</b>	<b>14,333,388</b>	<b>(1,045,367)</b>
<b>Plan Fiduciary Net Position - Beginning of Fiscal Year</b>	<b>123,729,648</b>	<b>109,396,630</b>	<b>132,279,683</b>	<b>107,487,424</b>	<b>98,566,550</b>	<b>94,110,114</b>	<b>87,855,313</b>	<b>--</b>	<b>153,260,618</b>	<b>154,305,985</b>
<b>Plan Fiduciary Net Position - End of Fiscal Year (b)</b>	<b>\$ 150,153,001</b>	<b>\$ 123,729,648</b>	<b>\$ 109,396,630</b>	<b>\$ 132,279,683</b>	<b>\$ 107,487,424</b>	<b>\$ 98,566,550</b>	<b>\$ 94,110,114</b>	<b>\$ 87,855,313</b>	<b>\$ 167,594,006</b>	<b>\$ 153,260,618</b>
<b>Net Pension Liability, End of Fiscal Year [(a)-(b)]</b>	<b>\$ 41,275,778</b>	<b>\$ 61,587,264</b>	<b>\$ 70,184,581</b>	<b>\$ 41,375,439</b>	<b>\$ 59,056,095</b>	<b>\$ 57,442,487</b>	<b>\$ 49,762,913</b>	<b>\$ 40,553,645</b>	<b>\$ 84,282,397</b>	<b>\$ 85,447,118</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>78.4%</b>	<b>66.8%</b>	<b>60.9%</b>	<b>76.2%</b>	<b>64.5%</b>	<b>63.2%</b>	<b>65.4%</b>	<b>68.4%</b>	<b>66.5%</b>	<b>64.2%</b>
<b>Covered Payroll</b>	<b>\$ 14,122,833</b>	<b>\$ 12,962,713</b>	<b>\$ 12,245,085</b>	<b>\$ 11,523,962</b>	<b>\$ 12,084,406</b>	<b>\$ 12,078,834</b>	<b>\$ 11,125,424</b>	<b>\$ 10,738,126</b>	<b>\$ 19,643,308</b>	<b>\$ 18,107,436</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>292.3%</b>	<b>475.1%</b>	<b>573.2%</b>	<b>359.0%</b>	<b>488.7%</b>	<b>475.6%</b>	<b>447.3%</b>	<b>377.7%</b>	<b>429.1%</b>	<b>471.9%</b>

(1) The Plan fiduciary net position above does not agree to the Plan fiduciary net position presented in the statement of fiduciary net position as of September 30, 2022. The difference of \$11,741 was caused by an adjustment that was made after the actuary finalized their GASB No. 67 report.

## **CITY OF DELRAY BEACH, FLORIDA**

### **NOTES TO SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY – POLICE OFFICERS' RETIREMENT SYSTEM**

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#### **NOTE 1 – CHANGE IN REPORTING ENTITY**

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan, referred to as the Legacy Pension Fund.

#### **NOTE 2 – CHANGES OF ASSUMPTIONS**

1. Effective October 1, 2017, the discount rate was lowered from 8.0% to 7.25%. The mortality assumption for active members prior to retirement was revised in accordance with a revision to the active member pre-retirement mortality assumption used by the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation.
2. Effective October 1, 2018, the discount rate was lowered from 7.25% to 7.00%.
3. Effective October 1, 2019, the discount rate was lowered from 7.0% to 6.75%. The rate of salary increase was increased from 5.0% - 6.25% to 5.25% - 6.75%. The mortality assumption was revised in accordance with the assumption used by FRS. Rates of retirement for employees hired after October 4, 2016 were added to be 20% of those members age 55+ with 10 - 24 years of service and 100% of members with 25+ years of service. Rates of termination were changed from 0% - 12% based on age to 1.0% - 6.5% based on years of service and/or age.

**CITY OF DELRAY BEACH, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
FIREFIGHTERS' RETIREMENT SYSTEM**

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

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability - Note 1</b>										
Service cost	\$ 3,856,933	\$ 3,961,550	\$ 3,920,642	\$ 3,992,364	\$ 3,280,458	\$ 2,996,276	\$ 2,325,806	\$ 2,278,992	\$ 4,161,533	\$ 4,116,670
Interest	13,389,504	12,914,131	12,225,044	11,875,228	11,839,347	11,298,073	11,229,505	10,477,015	16,394,667	19,332,804
Changes in excess State contributions	--	--	--	--	--	--	--	--	(1,741,230)	659,168
Changes of benefit terms	--	--	--	(1,504,875)	19,308	--	--	--	(1,121,765)	(347,798)
Differences between expected and actual experience	915,069	1,096,147	4,340,624	1,280,770	698,989	2,794,151	(2,478,601)	4,606,418	1,568,118	(2,020,566)
Contributions - buyback	--	--	--	--	--	--	--	--	32,218	34,696
Changes of assumptions	8,819,061	--	--	2,501,291	(742,942)	4,579,534	11,964,611	--	7,407,717	--
Benefit payments, including refunds	(10,870,673)	(10,512,875)	(9,738,936)	(9,207,829)	(8,814,766)	(8,493,594)	(7,996,621)	(8,009,598)	(13,532,591)	(13,282,705)
<b>Net Change in Total Pension Liability</b>	<b>16,109,894</b>	<b>7,458,953</b>	<b>10,747,374</b>	<b>8,936,949</b>	<b>6,280,394</b>	<b>13,174,440</b>	<b>15,044,700</b>	<b>9,352,827</b>	<b>13,168,667</b>	<b>8,492,269</b>
<b>Total Pension Liability - Beginning of Fiscal Year</b>	<b>203,684,126</b>	<b>196,225,173</b>	<b>185,477,799</b>	<b>176,540,850</b>	<b>170,260,456</b>	<b>157,086,016</b>	<b>142,041,316</b>	<b>132,688,489</b>	<b>238,707,736</b>	<b>230,215,467</b>
<b>Total Pension Liability, End of Fiscal Year (a)</b>	<b>\$ 219,794,020</b>	<b>\$ 203,684,126</b>	<b>\$ 196,225,173</b>	<b>\$ 185,477,799</b>	<b>\$ 176,540,850</b>	<b>\$ 170,260,456</b>	<b>\$ 157,086,016</b>	<b>\$ 142,041,316</b>	<b>\$ 251,876,403</b>	<b>\$ 238,707,736</b>
<b>Plan Fiduciary Net Position - Note 1</b>										
Contributions										
Employer	\$ 8,567,861	\$ 8,300,261	\$ 8,169,314	\$ 7,798,004	\$ 6,941,701	\$ 6,452,812	\$ 4,374,387	\$ 5,721,499	\$ 10,789,457	\$ 10,837,369
State	1,795,496	1,796,317	1,322,142	1,201,496	1,109,338	1,129,759	1,074,825	1,134,704	1,909,358	1,896,237
Plan members	1,407,961	1,301,713	1,489,819	1,242,141	1,119,504	1,044,994	991,333	903,846	1,806,021	1,634,828
Net investment income (loss)	31,959,494	15,105,285	(21,882,378)	28,803,996	9,497,240	4,761,288	7,839,367	9,944,303	13,455,717	(1,922,565)
Other income	--	--	--	--	--	--	--	--	150,647	22,903
Equity allocation from Legacy Pension Fund	--	--	--	--	--	--	--	88,287,564	--	--
Benefit payments, including refunds	(10,870,673)	(10,512,875)	(9,738,936)	(9,207,829)	(8,814,766)	(8,493,594)	(7,996,621)	(8,009,598)	(13,532,591)	(13,282,705)
Administrative expense	(182,852)	(165,835)	(134,090)	(141,002)	(142,338)	(160,131)	(111,297)	(146,369)	(245,221)	(231,434)
Other	--	--	--	--	--	--	--	160,328	--	--
<b>Net Change in Plan Fiduciary Net Position</b>	<b>32,677,287</b>	<b>15,824,866</b>	<b>(20,774,129)</b>	<b>29,696,806</b>	<b>9,710,679</b>	<b>4,735,128</b>	<b>6,171,994</b>	<b>97,996,277</b>	<b>14,333,388</b>	<b>(1,045,367)</b>
<b>Plan Fiduciary Net Position - Beginning of Fiscal Year</b>	<b>143,361,621</b>	<b>127,536,755</b>	<b>148,310,884</b>	<b>118,614,078</b>	<b>108,903,399</b>	<b>104,168,271</b>	<b>97,996,277</b>	<b>--</b>	<b>153,260,618</b>	<b>154,305,985</b>
<b>Plan Fiduciary Net Position - End of Fiscal Year (b)</b>	<b>\$ 176,038,908</b>	<b>\$ 143,361,621</b>	<b>\$ 127,536,755</b>	<b>\$ 148,310,884</b>	<b>\$ 118,614,078</b>	<b>\$ 108,903,399</b>	<b>\$ 104,168,271</b>	<b>\$ 97,996,277</b>	<b>\$ 167,594,006</b>	<b>\$ 153,260,618</b>
<b>Net Pension Liability, End of Fiscal Year [(a)-(b)]</b>	<b>\$ 43,755,112</b>	<b>\$ 60,322,505</b>	<b>\$ 68,688,418</b>	<b>\$ 37,166,915</b>	<b>\$ 57,926,772</b>	<b>\$ 61,357,057</b>	<b>\$ 52,917,745</b>	<b>\$ 44,045,039</b>	<b>\$ 84,282,397</b>	<b>\$ 85,447,118</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>80.1%</b>	<b>70.4%</b>	<b>65.0%</b>	<b>80.0%</b>	<b>67.2%</b>	<b>64.0%</b>	<b>66.3%</b>	<b>69.0%</b>	<b>66.5%</b>	<b>64.2%</b>
<b>Covered Payroll</b>	<b>\$ 12,988,062</b>	<b>\$ 13,185,223</b>	<b>\$ 13,028,198</b>	<b>\$ 12,490,811</b>	<b>\$ 12,193,590</b>	<b>\$ 11,003,736</b>	<b>\$ 10,494,232</b>	<b>\$ 8,954,177</b>	<b>\$ 19,643,308</b>	<b>\$ 18,107,436</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>336.9%</b>	<b>457.5%</b>	<b>527.2%</b>	<b>297.6%</b>	<b>475.1%</b>	<b>557.6%</b>	<b>504.3%</b>	<b>491.9%</b>	<b>429.1%</b>	<b>471.9%</b>

## **CITY OF DELRAY BEACH, FLORIDA**

### **NOTES TO SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY – FIREFIGHTERS' RETIREMENT SYSTEM**

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#### **NOTE 1 – CHANGE IN REPORTING ENTITY**

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan, referred to as the Legacy Pension Fund.

#### **NOTE 2 – CHANGES OF ASSUMPTIONS**

1. In addition to the changes related to the adoption of Ordinance No. 17-16, effective for the September 30, 2016 measurement date, the following actuarial change was effective for the Firefighters' Retirement System:
  - A. As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the RP-2000 Generational Tables to the mortality tables for special risk employees used by the Florida Retirement System actuary in the July 1, 2015 actuarial valuation.
2. Effective October 1, 2017, the discount rate was lowered from 8.0% to 7.25%. The mortality assumption for active members prior to retirement was revised in accordance with a revision to the active member pre-retirement mortality assumption used by the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation.
3. Effective October 1, 2018, the discount rate was lowered from 7.25% to 7.0%.
4. Effective October 1, 2019, the discount rate was lowered from 7.0% to 6.75%. The rate of salary increase was changed from 5.0% - 6.25% to 4.5% - 8.25%. The mortality assumption was revised in accordance with the assumption used by FRS. The benefit provisions were changed in compliance with Florida Statutes Chapter 112.1816 to provide that firefighters diagnosed with certain cancers are presumed to have contracted those cancers while in the line of duty for purposes of determining disability and death benefits. In conjunction with the benefit changes, the proportion of firefighter disabilities and pre-retirement deaths that are assumed to be service connected (versus non-service connected) was increased from 75% to 85%. Rates of retirement for employees hired after October 4, 2016 were added to be 20% of those members age 55+ with 10 – 24 years of service and 100% of members with 25+ years of service. Rates of termination were changed from 0% - 12% based on age to 1.0% - 6.5% based on years of service and/or age.
5. Effective October 1, 2020, (adopted May 18, 2021), there were various changes to the Plan, along with assumptions associated with the changes. In addition, the investment return was lowered from 6.75% to 6.625%.
6. Effective October 1, 2023, the investment return assumptions was lowered from 6.625% to 6.25%.

# CITY OF DELRAY BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULES OF NET PENSION LIABILITY (ASSET)

#### LAST TEN FISCAL YEARS

General Employees' Pension Plan						
Fiscal Year Ended September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)	Plan Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll
2024	\$ 168,711,123	\$ 193,157,170	\$ (24,446,047)	114.5%	\$ 27,695,348	(88.3)%
2023	159,692,599	160,334,071	(641,472)	100.4%	24,720,627	(2.6)%
2022	153,228,056	143,851,697	9,376,359	93.9%	23,765,081	39.5 %
2021	148,453,386	172,702,571	(24,249,185)	116.3%	22,853,685	(106.1)%
2020	143,498,233	140,457,288	3,040,945	97.9%	20,997,013	14.5 %
2019	140,210,004	132,929,736	7,280,268	94.8%	20,025,730	36.4 %
2018	127,633,046	133,718,092	(6,085,046)	104.8%	18,060,007	(33.7)%
2017	122,223,203	124,951,385	(2,728,182)	102.2%	15,449,062	(17.7)%
2016	116,887,238	114,839,850	2,047,388	98.2%	15,371,826	13.3 %
2015	113,643,393	107,786,586	5,856,807	94.8%	15,895,095	36.8 %

Police Officers' Retirement System						
Fiscal Year Ended September 30, (Note 1)	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2024	\$ 191,428,779	\$ 150,153,001	\$ 41,275,778	78.4%	\$ 14,122,833	292.3 %
2023	185,316,912	123,729,648	61,587,264	66.8%	12,962,713	475.1 %
2022	179,581,211	109,396,630	70,184,581	60.9%	12,245,085	573.2 %
2021	173,655,122	132,279,683	41,375,439	76.2%	11,523,962	359.0 %
2020	166,543,519	107,487,424	59,056,095	64.5%	12,084,406	488.7 %
2019	156,009,037	98,566,550	57,442,487	63.2%	12,078,834	475.6 %
2018	143,873,027	94,110,114	49,762,913	65.4%	11,125,424	447.3 %
2017	128,408,958	87,855,313	40,553,645	68.4%	10,738,126	377.7 %
2016	251,876,403	167,594,006	84,282,397	66.5%	19,643,308	429.1 %
2015	238,707,736	153,260,618	85,447,118	64.2%	18,107,436	471.9 %

Firefighters' Retirement System						
Fiscal Year Ended September 30, (Note 1)	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2024	\$ 219,794,020	\$ 176,038,908	\$ 43,755,112	80.1%	\$ 12,988,062	336.9 %
2023	203,684,126	143,361,621	60,322,505	70.4%	13,185,223	457.5 %
2022	196,225,173	127,536,755	68,688,418	65.0%	13,028,198	527.2 %
2021	185,477,799	148,310,884	37,166,915	80.0%	12,490,811	297.6 %
2020	176,540,850	118,614,078	57,926,772	67.2%	12,193,590	475.1 %
2019	170,260,456	108,903,399	61,357,057	64.0%	11,003,736	557.6 %
2018	157,086,016	104,168,271	52,917,745	66.3%	10,494,232	504.3 %
2017	142,041,316	97,996,277	44,045,039	69.0%	8,954,177	491.9 %
2016	251,876,403	167,594,006	84,282,397	66.5%	19,643,308	429.1 %
2015	238,707,736	153,260,618	85,447,118	64.2%	18,107,436	471.9 %

**Note 1 - Change in Reporting Entity**

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan.



**CITY OF DELRAY BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION FUNDS**  
**SCHEDULES OF CITY CONTRIBUTIONS**

**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Employees' Pension Plan</b>										
Actuarially determined contribution	\$ 2,529,247	\$ 2,357,598	\$ 2,882,706	\$ 3,123,630	\$ 2,866,796	\$ 2,360,582	\$ 2,151,438	\$ 1,969,163	\$ 2,046,827	\$ 2,168,946
Contributions in relation to actuarially determined contribution	2,529,247	2,357,598	2,882,706	3,123,630	2,866,796	2,360,582	2,151,438	1,969,163	2,046,827	2,168,946
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered payroll	\$ 27,695,348	\$ 24,720,627	\$ 23,765,081	\$ 22,853,685	\$ 20,997,013	\$ 20,025,730	\$ 18,060,007	\$ 15,449,062	\$ 15,371,826	\$ 15,895,095
Contributions as a percentage of covered payroll	9.1%	9.5%	12.1%	13.7%	13.7%	11.8%	11.9%	12.7%	13.3%	13.6%
<b>Police Officers' Retirement System <sup>(1)</sup></b>										
Actuarially determined contribution	\$ 8,762,418	\$ 8,489,528	\$ 8,725,766	\$ 8,639,610	\$ 7,523,959	\$ 6,854,111	\$ 5,985,879	\$ 5,503,513	\$ 11,294,379	\$ 11,293,235
Contributions in relation to actuarially determined contribution <sup>(2)</sup>	8,762,418	8,489,528	8,725,766	8,639,610	7,523,959	6,854,111	5,720,507	5,904,709	11,294,379	11,342,291
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 265,372	\$ (401,196)	\$ --	\$ (49,056)
Covered payroll	\$ 14,122,833	\$ 12,962,713	\$ 12,245,085	\$ 11,523,962	\$ 12,084,406	\$ 12,084,406	\$ 11,125,424	\$ 10,738,126	\$ 19,643,308	\$ 18,107,436
Contributions as a percentage of covered payroll	62.0%	65.5%	71.3%	75.0%	62.3%	56.7%	51.4%	55.0%	57.5%	62.6%
<b>Firefighters' Retirement System <sup>(1)</sup></b>										
Actuarially determined contribution	\$ 9,843,496	\$ 9,608,007	\$ 9,313,165	\$ 8,927,763	\$ 8,451,577	\$ 7,582,571	\$ 6,538,017	\$ 5,332,347	\$ 11,294,379	\$ 11,293,235
Contributions in relation to actuarially determined contribution <sup>(3)</sup>	9,774,855	9,507,255	9,376,308	8,999,500	8,051,039	7,582,571	5,449,212	6,856,203	11,294,379	11,342,291
Contribution deficiency (excess)	\$ 68,641	\$ 100,752	\$ (63,143)	\$ (71,737)	\$ 400,538	\$ --	\$ 1,088,805	\$ (1,523,856)	\$ --	\$ (49,056)
Covered payroll	\$ 12,988,062	\$ 13,185,223	\$ 13,028,198	\$ 12,490,811	\$ 12,193,590	\$ 11,003,736	\$ 10,494,232	\$ 8,954,177	\$ 19,643,308	\$ 18,107,436
Contributions as a percentage of covered payroll	75.3%	72.1%	72.0%	72.0%	66.0%	68.9%	51.9%	76.6%	57.5%	62.6%

(1) Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan, referred to as the Legacy Pension Fund.

(2) Pension contributions for Police Officers for 2017 and later years are based on the City's contribution plus \$606,595 of the State contribution per City Ordinance No 17-16.

(3) Pension contributions for Firefighters for 2017 and later years are based on the City's contribution plus up to \$1,206,994 of the State contribution per City Ordinance No 17-16.

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO SCHEDULES OF CITY CONTRIBUTIONS – PENSION FUNDS

### LAST TEN FISCAL YEARS

#### NOTE 1 – CHANGE IN REPORTING ENTITY

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan.

#### NOTE 2 – SIGNIFICANT ACTUARIAL ASSUMPTIONS

	General Employees'	Police Officers'	Firefighters'
Actuarial valuation date	10/1/2022	10/1/2022	10/1/2022
Measurement date	9/30/2024	9/30/2024	9/30/2024

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

Methods and assumptions used to determine rates:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed
Remaining amortization period	25 years	20 years	20 years
Asset valuation method	5 Year Smoothed	5 Year Smoothed	5 Year Smoothed
Inflation	2.5% / year	2.5% / year	2.5% / year
Salary increases (with inflation)	3.75% - 6.75% / year based on service	5.25% - 6.75% / year based on service	4.5% - 8.25% / year based on service
Investment rate of return (net of expenses, with inflation)	6.75% / year	6.75% / year	6.625% / year
Cost of living adjustments	None	1.0% / year	1.0% / year
Retirement age	Experienced- based table of rates	Experienced- based table of rates that are specific to the type of eligibility condition	Experienced- based table of rates that are specific to the type of eligibility condition

# CITY OF DELRAY BEACH, FLORIDA

## NOTES TO SCHEDULES OF CITY CONTRIBUTIONS – PENSION FUNDS

### LAST TEN FISCAL YEARS

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#### NOTE 2 – SIGNIFICANT ACTUARIAL ASSUMPTIONS (CONTINUED)

	General Employees'	Police Officers'	Firefighters'
Mortality	<u>PUB 2010</u> Headcount Weighted Safety Below Median Male Table and Female Table. Three tables use ages set forward one year and mortality improvements to all future years after 2020 using scale MP- 2018.	<u>PUB 2010</u> Headcount Weighted Safety Below Median Male Table and Female Table. Three tables use ages set forward one year and mortality improvements to all future years after 2020 using scale MP- 2018.	<u>PUB 2010</u> Headcount Weighted Safety Below Median Male Table and Female Table. Three tables use ages set forward one year and mortality improvements to all future years after 2020 using scale MP- 2018.

# CITY OF DELRAY BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION PENSION FUNDS SCHEDULES OF INVESTMENT RETURNS

### LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return, Net of Investment Expenses		
	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
2024	23.36 %	20.47 %	21.50 %
2023	14.54 %	12.02 %	11.32 %
2022	(14.46)%	(16.82)%	(14.40)%
2021	25.68%	21.71 %	23.40 %
2020	8.65%	8.34 %	8.26 %
2019	2.65%	4.43 %	4.39 %
2018	10.68%	7.81 %	8.01 %
2017	12.59%	10.74 %	10.78 %
2016	10.30%	8.86 %	8.86 %
2015	0.43%	(1.23)%	(1.23)%

Notes to Schedule:

Prior to 2017, the Police Officers' and Firefighters' Retirement Systems were operated as a single plan covering both employee groups. The City adopted Ordinance No. 17-16 effective October 1, 2016, that established a separate pension plan for police officers and a separate pension plan for firefighters. Information for 2016 and prior years is for the combined pension plan.

# CITY OF DELRAY BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION DELRAY BEACH POLICE FIREFIGHTERS AND PARAMEDICS RETIREE BENEFIT FUND SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

### LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 229,373	\$ 224,875	\$ 225,552	\$ 221,129	\$ 227,892	\$ 223,424	\$ 213,605
Interest	1,134,417	1,099,015	1,064,783	1,118,888	1,074,582	1,010,021	972,220
Difference between expected and actual experience	--	32,943	--	(416,557)	--	288,312	--
Changes of assumptions or other inputs	--	--	--	(874,102)	--	--	--
Benefit payments	(919,569)	(860,129)	(807,274)	(744,226)	(667,099)	(663,795)	(718,460)
Net change in total OPEB liability	444,221	496,704	483,061	(694,868)	635,375	857,962	467,365
Total OPEB liability, beginning of fiscal year	15,347,658	14,850,954	14,367,893	15,062,761	14,427,386	13,569,424	13,102,059
<b>Total OPEB Liability, End of Fiscal Year (a)</b>	<b>\$ 15,791,879</b>	<b>\$ 15,347,658</b>	<b>\$ 14,850,954</b>	<b>\$ 14,367,893</b>	<b>\$ 15,062,761</b>	<b>\$ 14,427,386</b>	<b>\$ 13,569,424</b>
<b>Plan Fiduciary Net Position</b>							
Contributions							
Employer	\$ 982,661	\$ 956,133	\$ 882,557	\$ 894,387	\$ 854,845	\$ 775,823	\$ 873,731
Net investment income (loss)	1,973,790	920,409	(1,642,674)	1,632,929	250,427	163,247	297,055
Benefit payments	(919,569)	(860,129)	(807,274)	(744,226)	(667,099)	(663,795)	(718,460)
Other	--	--	--	--	--	(42,907)	--
Administrative expense	(56,731)	(59,778)	(58,200)	(25,717)	(32,074)	(25,217)	(27,868)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,980,151</b>	<b>956,635</b>	<b>(1,625,591)</b>	<b>1,757,373</b>	<b>406,099</b>	<b>207,151</b>	<b>424,458</b>
<b>Plan Fiduciary Net Position, Beginning of Fiscal Year</b>	<b>7,648,945</b>	<b>6,692,310</b>	<b>8,317,901</b>	<b>6,560,528</b>	<b>6,154,429</b>	<b>5,947,278</b>	<b>5,479,913</b>
<b>Plan Fiduciary Net Position, End of Fiscal Year (b)</b>	<b>\$ 9,629,096</b>	<b>\$ 7,648,945</b>	<b>\$ 6,692,310</b>	<b>\$ 8,317,901</b>	<b>\$ 6,560,528</b>	<b>\$ 6,154,429</b>	<b>\$ 5,904,371</b>
<b>Net OPEB Liability, End of Fiscal Year [(a)-(b)]</b>	<b>\$ 6,162,783</b>	<b>\$ 7,698,713</b>	<b>\$ 8,158,644</b>	<b>\$ 6,049,992</b>	<b>\$ 8,502,233</b>	<b>\$ 8,272,957</b>	<b>\$ 7,665,053</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	<b>61.0%</b>	<b>49.8%</b>	<b>45.1%</b>	<b>57.9%</b>	<b>43.6%</b>	<b>42.7%</b>	<b>43.5%</b>
<b>Covered Employee Payroll</b>	<b>\$ 30,976,921</b>	<b>\$ 31,501,532</b>	<b>\$ 30,285,117</b>	<b>\$ 28,807,164</b>	<b>\$ 31,542,349</b>	<b>\$ 27,135,701</b>	<b>\$ 23,545,096</b>
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>19.9%</b>	<b>24.4%</b>	<b>26.9%</b>	<b>21.0%</b>	<b>27.0%</b>	<b>30.5%</b>	<b>32.6%</b>

Notes to Schedule:

Note 1 - Changes in Actuarial Assumptions

Effective October 1, 2017, the mortality table for healthy participants was changed from the RP-2000 Combined Mortality Table with Blue Collar Adjustment with separate rates for males and females to the RP-2000 Combined Healthy Participant Mortality Table with separate rates for males and females with 90% Blue Collar Adjustment / 10% White Collar Adjustment using Scale BB. Changes of assumptions and other inputs also reflect the effects of changes in the discount rate each year. The following are the discount rates used for each fiscal year:

2024	7.5%
2023	7.5%
2022	7.5%
2021	7.5%
2020	7.5%
2019	7.5%
2018	7.5%

Note: This schedule will reflect information for ten years once information is available.

**CITY OF DELRAY BEACH, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OPEB PLAN**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**LAST SEVEN FISCAL YEARS**

	Fiscal Year						
	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 285,877	\$ 218,889	\$ 250,370	\$ 472,583	\$ 272,380	\$ 203,314	\$ 878,492
Interest	454,446	661,870	986,033	577,077	565,929	479,804	581,386
Changes of assumptions or other inputs	1,864,016	(2,708,037)	(8,080,096)	(4,082,217)	4,099,784	4,952,769	(804,506)
Benefit payments	(632,814)	(686,829)	(721,980)	(648,233)	(710,808)	(665,299)	(123,575)
Net change in total OPEB liability	1,971,525	(2,514,107)	(7,565,673)	(3,680,790)	4,227,285	4,970,588	531,797
Total OPEB liability, beginning of fiscal year	11,763,420	14,277,527	21,843,200	25,523,990	21,296,705	16,326,117	15,794,320
<b>Total OPEB Liability, End of Fiscal Year</b>	<b>\$ 13,734,945</b>	<b>\$ 11,763,420</b>	<b>\$ 14,277,527</b>	<b>\$ 21,843,200</b>	<b>\$ 25,523,990</b>	<b>\$ 21,296,705</b>	<b>\$ 16,326,117</b>
<b>Covered Employee Payroll</b>	<b>\$ 60,513,476</b>	<b>\$ 60,513,476</b>	<b>\$ 58,328,653</b>	<b>\$ 58,328,653</b>	<b>\$ 52,284,538</b>	<b>\$ 52,284,538</b>	<b>\$ 49,971,711</b>
<b>Total OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>22.7%</b>	<b>19.4%</b>	<b>24.5%</b>	<b>37.4%</b>	<b>48.8%</b>	<b>40.7%</b>	<b>32.7%</b>

Notes to Schedule:

The plan is funded on a pay-as-you-go basis and is not administered as a formal qualifying trust. There were no plan assets as of the date of the most recent valuation. Since there are currently no invested plan assets held in trust to finance the OPEB obligation, the discount rate is the long-term expected rate of return on tax-exempt, high quality municipal bonds based on an average of three 20-Year bond indices (e.g. *Bond Buyer-20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index and Fidelity GA AA 20 Years*).

Note 1 - Changes in Actuarial Assumptions

- Changes of assumptions and other inputs reflect the effects of changes in the discount rate each year.

The following are the discount rates used for each fiscal year

2024	3.97%
2023	4.75%
2022	4.59%
2021	2.29%
2020	2.26%
2019	3.00%
2018	3.83%

- Effective October 1, 2018, the mortality table was changed from RP-2000 Combined Healthy Participant using Scale BB to Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality using Scale MP-2019.

Note: This schedule will reflect information for ten years once information is available.

# CITY OF DELRAY BEACH, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION DELRAY BEACH POLICE, FIREFIGHTERS AND PARAMEDICS RETIREE BENEFIT FUND SCHEDULES OF CITY CONTRIBUTIONS

### LAST SEVEN FISCAL YEARS

	Fiscal Year						
	2024	2023	2022	2021	2020	2020	2018
<b>Delray Beach Police, Firefighters &amp; Paramedics Retiree Benefit Fund</b>							
Actuarially determined contribution	\$ 1,274,710	\$ 1,259,689	\$ 1,041,404	\$ 1,014,738	\$ 1,153,772	\$ 1,000,387	\$ 976,925
Contributions in relation to actuarially determined contribution	982,661	956,133	882,557	894,387	854,845	775,823	873,731
<b>Contribution Deficiency (Excess)</b>	<u>\$ 292,049</u>	<u>\$ 303,556</u>	<u>\$ 158,847</u>	<u>\$ 120,351</u>	<u>\$ 298,927</u>	<u>\$ 224,564</u>	<u>\$ 103,194</u>
<b>Covered Employee Payroll</b>	<u>\$ 30,976,921</u>	<u>\$ 31,501,532</u>	<u>\$ 30,285,117</u>	<u>\$ 28,807,164</u>	<u>\$ 31,542,349</u>	<u>\$ 27,135,701</u>	<u>\$ 23,545,096</u>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	<u>3.2%</u>	<u>3.0%</u>	<u>2.9%</u>	<u>3.1%</u>	<u>2.7%</u>	<u>2.9%</u>	<u>3.7%</u>

Notes to Schedule:

Actuarial Assumptions:

Actuarial valuation date 9/30/2023

Measurement date 9/30/2024

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Inflation	2.75% / year
Healthcare cost trend rate	N/A - fixed \$5,200 annual benefit with 25 or more years of service reduced 3% per year for service less than 25 years and increased 3% per year for service greater than 25 years. Minimum benefit of \$3,900.
Salary increases (with inflation)	4.50% - 8.25%
Investment rate of return (net of expenses, with inflation)	7.5% / year
Retirement age	Completion of 20 years of service, regardless of age
Mortality	PUB-2010 base tables, generational mortality using gender-specific MP-2018 mortality improvements projection scale.

Note: This schedule will reflect information for ten years once information is available.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS  
AND SCHEDULES**

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## **NON-MAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

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

*Law Enforcement Trust Fund* – This fund accounts for revenue received from confiscated and forfeited properties from cases involving the City's Police department. Expenditures from this fund are generally for police education and training programs and equipment.

*Developers Land Contribution Fund* – This fund accounts for revenue received from developers operating within the City for projects other than those financed by proprietary funds. The City uses the developer contributions to purchase land or capital improvements for recreation facilities.

*Beautification Fund* – This fund accounts for revenue received from public service taxes, which is used for capital improvements to beautify the City.

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

*Building Permit Fund* – This fund accounts for commercial and residential plan review, permitting and inspection of all construction activity including permit and impact fees.

*Special Projects Fund* – This fund is used to account for assets held by the City for a variety of earmarked purposes.

### **Debt Service Funds**

Debt Service Funds are used to account for assets and revenues to be used for the repayment of principal and interest on debt reported in the government-wide financial statements.

*General Obligation Debt Service Fund* – This fund is used to account for the repayment of principal and interest on general obligation debt paid from ad valorem tax revenues.

*Utilities Tax Fund* – This fund is used to account for the repayment of principal and interest on special obligation debt paid from utilities tax revenues.

### **Capital Projects Funds**

Capital Projects Funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and similar trust funds). The capital projects funds used by the City are as follows:

*2004 GO Bond Fund* – This fund is used to account for the construction of major capital facilities financed by the City's 2004 general obligation bond issue and subsequent financing. The 2004 GO bonds were redeemed and retired in November 2013.

*Beach Restoration Fund* – This fund is used to account for improvements to the municipal beach area of the City.

*Recreation GO Bond Fund* – This fund accounts for the construction of major capital facilities financed by the City's 2024 general obligation bonds and subsequent financing.

CITY OF DELRAY BEACH, FLORIDA

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue						Debt Service		Capital Projects			Total
	Law	Developers		Local Option	Building	Special	General					Non-Major
	Enforcement	Land		Gas Tax	Permit	Projects	Obligation	Utilities	2004	Beach	Recreation	Governmental
	Trust	Contribution	Beautification				Debt	Tax	GO Bond	Restoration	GO Bond	Funds
							Service					
Assets												
Cash and cash equivalents	\$ 759,537	\$ 672,950	\$ 2,008,473	\$ 351,704	\$ 1,985,277	\$ --	\$ 179,871	\$ 1,504,044	\$ --	\$ 313,102	\$ --	\$ 7,774,958
Investments	--	--	--	--	1,901,118	6,152,064	--	--	--	--	9,748,258	17,801,440
Accounts receivable, net	--	--	--	--	--	184,313	--	--	--	--	--	184,313
Interest receivable	--	--	--	--	15,643	50,622	--	--	2,257	--	--	68,522
Due from other funds	--	--	20,315	--	8,000,000	--	--	--	--	--	--	8,020,315
Total Assets	\$ 759,537	\$ 672,950	\$ 2,028,788	\$ 351,704	\$ 11,902,038	\$ 6,386,999	\$ 179,871	\$ 1,504,044	\$ 2,257	\$ 313,102	\$ 9,748,258	\$ 33,849,548
LIABILITIES, DEFERRED INFLOWS OF												
Liabilities and Fund Balances												
Liabilities												
Accounts payable and accrued items	\$ --	\$ 50,504	\$ 49,825	\$ 8,847	\$ 118,810	\$ 21,534	\$ --	\$ --	\$ --	\$ 83,628	\$ --	\$ 333,148
Due to other funds	--	--	--	--	--	1,192,033	--	--	2,257	--	159,926	1,354,216
Deposits payable	--	--	--	--	--	16,420	--	--	--	--	--	16,420
Total Liabilities	--	50,504	49,825	8,847	118,810	1,229,987	--	--	2,257	83,628	159,926	1,703,784
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue	--	--	--	--	--	1,519,098	--	--	--	--	--	1,519,098
Fund Balances												
Restricted for:												
Debt service	--	--	--	--	--	--	179,871	1,504,044	--	--	--	1,683,915
Law enforcement	759,537	--	--	--	--	--	--	--	--	--	--	759,537
Capital improvements	--	--	--	--	--	1,975,813	--	--	--	--	--	1,975,813
Community development	--	622,446	1,978,963	342,857	--	255,149	--	--	--	--	--	3,199,415
Building improvements	--	--	--	--	11,783,228	--	--	--	--	--	--	11,783,228
Parks and recreation	--	--	--	--	--	803,229	--	--	--	--	9,588,332	10,391,561
Public safety	--	--	--	--	--	603,723	--	--	--	--	--	603,723
Assigned to:												
Capital improvements	--	--	--	--	--	--	--	--	--	229,474	--	229,474
Total Fund Balances	759,537	622,446	1,978,963	342,857	11,783,228	3,637,914	179,871	1,504,044	--	229,474	9,588,332	30,626,666
Total Liabilities and Fund Balances	\$ 759,537	\$ 672,950	\$ 2,028,788	\$ 351,704	\$ 11,902,038	\$ 6,386,999	\$ 179,871	\$ 1,504,044	\$ 2,257	\$ 313,102	\$ 9,748,258	\$ 33,849,548

**CITY OF DELRAY BEACH, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Special Revenue						Debt Service		Capital Projects			Total Non-Major Governmental Funds
	Law Enforcement Trust	Developers Land Contribution	Beautification	Local Option Gas Tax	Building Permit	Special Projects	General Obligation Debt Service	Utilities Tax	2004 GO Bond	Beach Restoration	Recreation GO Bond	
<b>Revenues</b>												
Taxes	\$ --	\$ --	\$ --	\$ 1,458,284	\$ --	\$ --	\$ 2,163,553	\$ --	\$ --	\$ --	\$ --	\$ 3,621,837
Charges for services	--	--	--	--	9,335,742	388,866	--	--	--	--	--	9,724,608
Fines and forfeitures	6,417	--	--	--	57,046	17,505	--	--	--	--	--	80,968
Miscellaneous	--	49,000	57,539	--	127,385	545,366	--	--	2,257	--	22,119	803,666
<b>Total Revenues</b>	<b>6,417</b>	<b>49,000</b>	<b>57,539</b>	<b>1,458,284</b>	<b>9,520,173</b>	<b>951,737</b>	<b>2,163,553</b>	<b>--</b>	<b>2,257</b>	<b>--</b>	<b>22,119</b>	<b>14,231,079</b>
<b>Expenditures</b>												
Current:												
General government	--	409,158	--	--	5,575,048	619,209	--	--	--	--	191,518	6,794,933
Public safety	33,691	--	--	--	--	67,906	--	--	--	--	--	101,597
Physical environment	--	--	1,436,516	--	--	--	--	--	--	--	--	1,436,516
Parks and recreation	--	--	--	--	--	452,978	--	--	--	373,695	--	826,673
Capital outlay	--	61,902	--	44,282	227,369	45,259	--	--	--	--	--	378,812
Debt service:												
Principal retirement	--	--	--	--	91,491	--	2,095,000	2,400,000	--	--	--	4,586,491
Interest and fiscal charges	--	--	--	--	4,169	--	39,039	1,034,900	--	--	--	1,078,108
Bond issuance costs	--	--	--	--	--	--	--	--	--	--	237,650	237,650
<b>Total Expenditures</b>	<b>33,691</b>	<b>471,060</b>	<b>1,436,516</b>	<b>44,282</b>	<b>5,898,077</b>	<b>1,185,352</b>	<b>2,134,039</b>	<b>3,434,900</b>	<b>--</b>	<b>373,695</b>	<b>429,168</b>	<b>15,440,780</b>
<b>Excess of Revenues Over (Under)</b>												
<b>Expenditures</b>	<b>(27,274)</b>	<b>(422,060)</b>	<b>(1,378,977)</b>	<b>1,414,002</b>	<b>3,622,096</b>	<b>(233,615)</b>	<b>29,514</b>	<b>(3,434,900)</b>	<b>2,257</b>	<b>(373,695)</b>	<b>(407,049)</b>	<b>(1,209,701)</b>
<b>Other Financing Sources/(Uses)</b>												
Issuance of general obligation bonds	--	--	--	--	--	--	--	--	--	--	9,545,000	9,545,000
Premium on bond issued	--	--	--	--	--	--	--	--	--	--	450,381	450,381
Transfers in	--	--	1,125,190	--	--	--	--	3,434,900	--	390,000	--	4,950,090
Transfers out	--	--	--	(1,200,000)	(790,368)	--	--	--	--	--	--	(1,990,368)
<b>Total Other Financing Sources/(Uses)</b>	<b>--</b>	<b>--</b>	<b>1,125,190</b>	<b>(1,200,000)</b>	<b>(790,368)</b>	<b>--</b>	<b>--</b>	<b>3,434,900</b>	<b>--</b>	<b>390,000</b>	<b>9,995,381</b>	<b>12,955,103</b>
<b>Net Change in Fund Balance</b>	<b>(27,274)</b>	<b>(422,060)</b>	<b>(253,787)</b>	<b>214,002</b>	<b>2,831,728</b>	<b>(233,615)</b>	<b>29,514</b>	<b>--</b>	<b>2,257</b>	<b>16,305</b>	<b>9,588,332</b>	<b>11,745,402</b>
<b>Fund Balances - October 1, 2023</b>	<b>786,811</b>	<b>1,044,506</b>	<b>2,232,750</b>	<b>128,855</b>	<b>8,951,500</b>	<b>3,871,529</b>	<b>150,357</b>	<b>1,504,044</b>	<b>(2,257)</b>	<b>213,169</b>	<b>--</b>	<b>18,881,264</b>
<b>Fund Balances - September 30, 2024</b>	<b>\$ 759,537</b>	<b>\$ 622,446</b>	<b>\$ 1,978,963</b>	<b>\$ 342,857</b>	<b>\$ 11,783,228</b>	<b>\$ 3,637,914</b>	<b>\$ 179,871</b>	<b>\$ 1,504,044</b>	<b>\$ --</b>	<b>\$ 229,474</b>	<b>\$ 9,588,332</b>	<b>\$ 30,626,666</b>

## **NON-MAJOR ENTERPRISE FUNDS**

Enterprise funds are used to account for operations that provide a service to citizens, financed primarily by a user charge, and where the periodic measurement of net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

*Delray Beach Municipal Golf Course Fund* – This fund is used to account for the services and activities of the City's municipal golf course.

*Lakeview Golf Course Fund* – This fund is used to account for the services and activities of the City's executive municipal golf course.

*City Marina Fund* – This fund is used to account for the services and activities of the City's municipal marina.

*Cemetery Fund* – This fund is used to account for the operation and maintenance of the City's cemetery.

# CITY OF DELRAY BEACH, FLORIDA

## COMBINING STATEMENT OF NET POSITION NON-MAJOR ENTERPRISE FUNDS

SEPTEMBER 30, 2024

	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 832,667	\$ 962,386	\$ --	\$ --	\$ 1,795,053
Investments	--	--	2,219,939	1,476,023	3,695,962
Accounts receivable, net	--	--	--	12,268	12,268
Lease receivable	144,172	--	--	--	144,172
Interest receivable	140	--	18,267	12,145	30,552
Inventories	79,500	10,961	--	--	90,461
Prepaid expenses	273,722	49,930	--	--	323,652
Total Current Assets	1,330,201	1,023,277	2,238,206	1,500,436	6,092,120
<b>Noncurrent Assets:</b>					
Property, land and equipment					
Land	1,415,483	1,963,894	42,840	--	3,422,217
Buildings	2,299,680	140,718	--	--	2,440,398
Improvements other than buildings	1,255,063	899,663	1,173,492	--	3,328,218
Equipment	1,541,245	445,063	86,026	--	2,072,334
Construction in progress	--	--	--	459,238	459,238
Accumulated depreciation	(4,286,322)	(1,139,413)	(1,202,685)	--	(6,628,420)
Total Noncurrent Assets	2,225,149	2,309,925	99,673	459,238	5,093,985
<b>Total Assets</b>	3,555,350	3,333,202	2,337,879	1,959,674	11,186,105
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued expenses	272,536	4,481	1,168	-	278,185
Unearned revenue	--	--	2,577	--	2,577
Current lease liability	27,687	18,580	--	--	46,267
Due to other funds	--	--	312,860	372,481	685,341
Refundable deposits payable	16,296	--	22,673	--	38,969
Total Current Liabilities	316,519	23,061	339,278	372,481	1,051,339
<b>Noncurrent Liabilities:</b>					
Lease liability	21,492	14,423	--	--	35,915
Total Noncurrent Liabilities	21,492	14,423	--	--	35,915
<b>Total Liabilities</b>	338,011	37,484	339,278	372,481	1,087,254
<b>Deferred Inflows of Resources</b>					
Deferred amount related to leases	135,597	--	--	--	135,597
<b>Total Deferred Inflows of Resources</b>	135,597	--	--	--	135,597
<b>Net Position</b>					
Net investment in capital assets	2,175,970	2,276,922	99,673	459,238	5,011,803
Unrestricted	905,772	1,018,796	1,898,928	1,127,955	4,951,451
<b>Total Net Position</b>	\$ 3,081,742	\$ 3,295,718	\$ 1,998,601	\$ 1,587,193	\$ 9,963,254

**CITY OF DELRAY BEACH, FLORIDA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
NON-MAJOR ENTERPRISE FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
<b>Operating Revenues</b>					
Charges for services	\$ 2,743,427	\$ 917,679	\$ 262,354	126,200	\$ 4,049,660
Other operating revenue	14,565	12,958	314	--	27,837
<b>Total Operating Revenues</b>	<u>2,757,992</u>	<u>930,637</u>	<u>262,668</u>	<u>126,200</u>	<u>4,077,497</u>
<b>Operating Expenses</b>					
Operating expenses	3,071,999	1,032,606	107,792	802	4,213,199
Depreciation	224,713	72,577	3,719	--	301,009
<b>Total Operating Expenses</b>	<u>3,296,712</u>	<u>1,105,183</u>	<u>111,511</u>	<u>802</u>	<u>4,514,208</u>
<b>Operating Income (loss)</b>	<u>(538,720)</u>	<u>(174,546)</u>	<u>151,157</u>	<u>125,398</u>	<u>(436,711)</u>
<b>Nonoperating Revenues (Expenses)</b>					
Investment earnings	1,772	--	148,748	98,902	249,422
Rent revenue	34,246	--	--	--	34,246
Interest expense	(2,508)	(1,683)	--	--	(4,191)
Gain on disposal of equipment	23,297	--	--	--	23,297
<b>Total Nonoperating Revenues (Expenses)</b>	<u>56,807</u>	<u>(1,683)</u>	<u>148,748</u>	<u>98,902</u>	<u>302,774</u>
<b>Income Before Transfers</b>	<u>(481,913)</u>	<u>(176,229)</u>	<u>299,905</u>	<u>224,300</u>	<u>(133,937)</u>
Transfers out	<u>(33,137)</u>	<u>(20,028)</u>	<u>(75,733)</u>	<u>--</u>	<u>(128,898)</u>
<b>Change In Net Position</b>	<u>(515,050)</u>	<u>(196,257)</u>	<u>224,172</u>	<u>224,300</u>	<u>(262,835)</u>
<b>Net Position - October 1, 2023</b>	<u>3,596,792</u>	<u>3,491,975</u>	<u>1,774,429</u>	<u>1,362,893</u>	<u>10,226,089</u>
<b>Net Position - September 30, 2024</b>	<u>\$ 3,081,742</u>	<u>\$ 3,295,718</u>	<u>\$ 1,998,601</u>	<u>\$ 1,587,193</u>	<u>\$ 9,963,254</u>

**CITY OF DELRAY BEACH, FLORIDA**

**COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 2,756,827	\$ 933,788	\$ 262,510	\$ 126,200	\$ 4,079,325
Receipts from others	31,316	--	--	99,624	130,940
Payments to suppliers	(3,134,789)	(1,020,732)	(280,776)	(802)	(4,437,099)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(346,646)</b>	<b>(86,944)</b>	<b>(18,266)</b>	<b>225,022</b>	<b>(226,834)</b>
<b>Cash Flows From Noncapital Financing Activity</b>					
Transfers to other funds	(33,137)	(20,028)	(75,733)	--	(128,898)
<b>Net Cash Used in Noncapital Financing Activity</b>	<b>(33,137)</b>	<b>(20,028)</b>	<b>(75,733)</b>	<b>--</b>	<b>(128,898)</b>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	(88,236)	(145,672)	--	(287,523)	(521,431)
Principal paid on capital debt	(26,620)	(17,863)	--	--	(44,483)
Interest paid on capital debt	(2,508)	(1,683)	--	--	(4,191)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(117,364)</b>	<b>(165,218)</b>	<b>--</b>	<b>(287,523)</b>	<b>(570,105)</b>
<b>Cash Flows From Investing Activities</b>					
Purchases of investments	--	--	(51,502)	(34,243)	(85,745)
Interest on investments	1,789	--	145,501	96,744	244,034
<b>Net Cash Provided by Investing Activities</b>	<b>1,789</b>	<b>--</b>	<b>93,999</b>	<b>62,501</b>	<b>158,289</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>(495,358)</b>	<b>(272,190)</b>	<b>--</b>	<b>--</b>	<b>(767,548)</b>
<b>Cash and Cash Equivalents - October 1, 2023</b>	<b>1,328,025</b>	<b>1,234,576</b>	<b>--</b>	<b>--</b>	<b>2,562,601</b>
<b>Cash and Cash Equivalents - September 30, 2024</b>	<b>\$ 832,667</b>	<b>\$ 962,386</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 1,795,053</b>
<b>Reconciliation of cash and cash equivalents to statement of net position:</b>					
Unrestricted cash and cash equivalents	\$ 832,667	\$ 962,386	\$ --	\$ --	\$ 1,795,053
Cash and cash equivalents - September 30, 2024	\$ 832,667	\$ 962,386	\$ --	\$ --	\$ 1,795,053
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating income (loss)	\$ (538,720)	\$ (174,546)	\$ 151,157	\$ 125,398	\$ (436,711)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	224,713	72,577	3,719	--	301,009
Rent revenue	34,246	--	--	--	34,246
Change in assets, liabilities and deferred inflows/outflows:					
Accounts receivable	2,117	--	--	--	2,117
Lease receivable	16,754	--	--	--	16,754
Inventories	(8,881)	3,151	--	--	(5,730)
Prepaid expenses	(78,645)	7,393	--	--	(71,252)
Deferred amount related to leases	(19,684)	--	--	--	(19,684)
Accounts payable and accrued expenses	15,855	4,481	1,168	(12,830)	8,674
Refundable deposits payable	5,599	--	(158)	--	5,441
Due to other funds	--	--	(174,152)	112,454	(61,698)
<b>Total adjustments</b>	<b>192,074</b>	<b>87,602</b>	<b>(169,423)</b>	<b>99,624</b>	<b>209,877</b>
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>\$ (346,646)</b>	<b>\$ (86,944)</b>	<b>\$ (18,266)</b>	<b>\$ 225,022</b>	<b>\$ (226,834)</b>
<b>Non-Cash Capital and Related Financing and Investing Activities</b>					
Change in fair value of investments	\$ --	\$ --	\$ 63,433	\$ 42,176	\$ 105,609

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost reimbursement basis.

*Insurance Fund* – This fund is used to account for the payment of insurance claims against the City for certain self-insured coverages and for the payment of health insurance premiums. In addition, expenses related to reinsurance and claims administration are paid from this fund.

*Central Garage Fund* – This fund is used to account for the central garage operation of the City.



**CITY OF DELRAY BEACH, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**

**SEPTEMBER 30, 2024**

	Insurance	Central Garage	Total Internal Service Funds
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 2,313,351	--	\$ 2,313,351
Investments	12,056,156	6,884,171	18,940,327
Accounts receivable, net	18,068	--	18,068
Interest receivable	99,331	56,646	155,977
Inventories	--	142,245	142,245
Prepaid expenses	--	2,765,421	2,765,421
<b>Total Current Assets</b>	<b>14,486,906</b>	<b>9,848,483</b>	<b>24,335,389</b>
<b>Noncurrent Assets:</b>			
Property and equipment			
Buildings	--	88,185	88,185
Equipment	114,047	38,246,430	38,360,477
Subscriptions based IT arrangements	--	154,342	154,342
Accumulated depreciation and amortization	(114,047)	(28,624,749)	(28,738,796)
<b>Other asset</b>			
Net pension asset	310,465	569,593	880,058
<b>Total Noncurrent Assets</b>	<b>310,465</b>	<b>10,433,801</b>	<b>10,744,266</b>
<b>Total Assets</b>	<b>14,797,371</b>	<b>20,282,284</b>	<b>35,079,655</b>
<b>Deferred Outflows of Resources</b>			
Deferred amount related to OPEB	33,919	72,683	106,602
Deferred amount related to pensions	36,431	66,838	103,269
<b>Total Deferred Outflows of Resources</b>	<b>70,350</b>	<b>139,521</b>	<b>209,871</b>
<b>Liabilities</b>			
<b>Current Liabilities:</b>			
Accounts payable and accrued expenses	419,118	111,284	530,402
Current portion of compensated absences	7,780	17,660	25,440
Current portion of subscription liability	--	6,992	6,992
Current portion of insurance claims payable	3,177,902	--	3,177,902
Due to other funds	--	8,331,633	8,331,633
<b>Total Current Liabilities</b>	<b>3,604,800</b>	<b>8,467,569</b>	<b>12,072,369</b>
<b>Noncurrent Liabilities:</b>			
Compensated absences payable	47,231	107,724	154,955
Subscription liability, net of current portion	--	32,046	32,046
Insurance claims payable	3,985,000	--	3,985,000
Total OPEB liability	96,145	206,024	302,169
<b>Total Noncurrent Liabilities</b>	<b>4,128,376</b>	<b>345,794</b>	<b>4,474,170</b>
<b>Total Liabilities</b>	<b>7,733,176</b>	<b>8,813,363</b>	<b>16,546,539</b>
<b>Deferred Inflows of Resources</b>			
Deferred amount related to OPEB	77,352	165,754	243,106
Deferred amount related to pensions	240,882	441,933	682,815
<b>Total Deferred Inflows of Resources</b>	<b>318,234</b>	<b>607,687</b>	<b>925,921</b>
<b>Net Position</b>			
Net investment in capital assets	--	9,864,208	9,864,208
Restricted for:			
Net pension asset	310,465	569,593	880,058
Unrestricted	6,505,846	566,954	7,072,800
<b>Total Net Position</b>	<b>\$ 6,816,311</b>	<b>\$ 11,000,755</b>	<b>\$ 17,817,066</b>

# CITY OF DELRAY BEACH, FLORIDA

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Insurance	Central Garage	Total Internal Service Funds
<b>Operating Revenues</b>			
Charges for services	\$ 23,593,884	\$ 3,011,913	\$ 26,605,797
Other operating revenue	2,076,168	3,989,202	6,065,370
<b>Total Operating Revenues</b>	25,670,052	7,001,115	32,671,167
<b>Operating Expenses</b>			
Personal services	942,611	1,111,920	2,054,531
Other operating expenses	21,101,263	2,650,700	23,751,963
Depreciation and amortization	--	3,615,254	3,615,254
<b>Total Operating Expenses</b>	22,043,874	7,377,874	29,421,748
<b>Operating Income (Loss)</b>	3,626,178	(376,759)	3,249,419
<b>Nonoperating Revenues (Expenses)</b>			
Investment earnings	807,830	461,278	1,269,108
Interest expense	--	(2,435)	(2,435)
Loss on disposal of equipment	--	(128,285)	(128,285)
<b>Total Nonoperating Revenues</b>	807,830	330,558	1,138,388
<b>Income (Loss) Before Transfers and Contributions</b>	4,434,008	(46,201)	4,387,807
Capital contributions	--	542,612	542,612
Transfers in	1,500,000	297,607	1,797,607
<b>Change In Net Position</b>	5,934,008	794,018	6,728,026
<b>Net Position - October 1, 2023</b>	882,303	10,206,737	11,089,040
<b>Net Position - September 30, 2024</b>	\$ 6,816,311	\$ 11,000,755	\$ 17,817,066

**CITY OF DELRAY BEACH, FLORIDA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Insurance	Central Garage	Total Internal Service Funds
<b>Cash Flows From Operating Activities</b>			
Receipts from customers and users	\$ 24,023,890	\$ 8,574,953	\$ 32,598,843
Payments to suppliers	(22,732,535)	(5,420,231)	(28,152,766)
Payments to employees	(988,504)	(1,165,654)	(2,154,158)
<b>Net Cash Provided by Operating Activities</b>	<b>302,851</b>	<b>1,989,068</b>	<b>2,291,919</b>
<b>Cash Flows From Noncapital Financing Activity</b>			
Transfers from other funds	1,500,000	297,607	1,797,607
<b>Net Cash Provided by Noncapital Financing Activity</b>	<b>1,500,000</b>	<b>297,607</b>	<b>1,797,607</b>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	--	(2,420,725)	(2,420,725)
Proceeds from the sale of capital assets	--	76,156	76,156
Principal paid on installment agreements	--	(224,278)	(224,278)
Principal paid on subscription liability	--	(6,993)	(6,993)
Interest paid on installment agreements	--	(2,435)	(2,435)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>--</b>	<b>(2,578,275)</b>	<b>(2,578,275)</b>
<b>Cash Flows From Investing Activities</b>			
Sale of investments	(279,700)	(159,711)	(439,411)
Interest on investments	790,200	451,211	1,241,411
<b>Net Cash Provided by Investing Activities</b>	<b>510,500</b>	<b>291,500</b>	<b>802,000</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>2,313,351</b>	<b>(100)</b>	<b>2,313,251</b>
<b>Cash and Cash Equivalents - October 1, 2023</b>	<b>--</b>	<b>100</b>	<b>100</b>
<b>Cash and Cash Equivalents - September 30, 2024</b>	<b>\$ 2,313,351</b>	<b>\$ --</b>	<b>\$ 2,313,351</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 3,626,178	\$ (376,759)	\$ 3,249,419
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	--	3,615,254	3,615,254
Change in assets, liabilities and deferred inflows/outflows:			
Accounts receivable	(1,654)	--	(1,654)
Prepaid expenses	--	(2,765,421)	(2,765,421)
Deferred amount related to OPEB	(3,614)	(9,947)	(13,561)
Deferred amount related to pensions	236,510	433,913	670,423
Accounts payable and accrued expenses	(118,039)	14,161	(103,878)
Due to other funds	(1,644,508)	1,573,838	(70,670)
Compensated absences payable	(4,388)	20,318	15,930
Insurance claims payable	(1,513,233)	--	(1,513,233)
Total OPEB liability	27,917	56,629	84,546
Net pension asset	(302,318)	(554,647)	(856,965)
Total adjustments	(3,323,327)	2,365,827	(957,500)
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 302,851</b>	<b>\$ 1,989,068</b>	<b>\$ 2,291,919</b>
<b>Non-Cash Capital and Related Financing and Investing Activities</b>			
Equipment contributed from governmental capital assets	\$ --	\$ 542,612	\$ 542,612
Change in fair value of investments	\$ 344,496	\$ 196,710	\$ 541,206

## FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held in trust or as an agent by the City for others and include pension trust funds.

*General Employees' Pension Fund* – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all permanent, full-time City employees except those covered by the Police Officers' and Firefighters' Retirement System Funds.

*Police Officers' Retirement System Fund* – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all non-civilian police department employees of the City. The fund was established by City Ordinance No. 17-16 which created a separate retirement system for all non-civilian police department employees, effective October 1, 2016.

*Firefighters' Retirement System Fund* – This fund is used to account for assets held in a trustee capacity for the retirement pensions of all non-civilian fire department employees of the City. The fund was established by City Ordinance No. 17-16 which created a separate retirement system for all non-civilian fire department employees, effective October 1, 2016.

# CITY OF DELRAY BEACH, FLORIDA

## COMBINING STATEMENT OF FIDUCIARY NET POSITION PENSION TRUST FUNDS

SEPTEMBER 30, 2024

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
<b>Assets</b>				
Cash	\$ 126,850	\$ 168,019	\$ 167,557	\$ 462,426
Investments:				
Money market mutual funds	1,826,135	1,101,786	3,193,578	6,121,499
U.S. Government securities	12,929,925	--	--	12,929,925
Fixed income	29,693,883	28,909,800	32,283,670	90,887,353
Equity securities	75,700,623	73,715,306	108,730,613	258,146,542
Pooled domestic equity index funds	68,535,901	32,949,603	19,233,605	120,719,109
Real estate investment funds	--	9,264,986	10,615,164	19,880,150
Fixed income alternative investment fund	4,249,735	5,588,041	2,216,654	12,054,430
Total Investments	192,936,202	151,529,522	176,273,284	520,739,008
Interest and dividends receivable	174,126	7,223	57,228	238,577
Pending trades receivable	212,876	6,995	301,513	521,384
City contributions receivable	--	--	100,752	100,752
Due from City	277,040	130	--	277,170
<b>Total Assets</b>	193,727,094	151,711,889	176,900,334	522,339,317
<b>LIABILITIES</b>				
Accounts payable	192,263	81,236	79,817	353,316
Pending trades payable	377,661	1,465,912	504,434	2,348,007
Refunds due to members	--	11,740	--	11,740
Due to City	--	--	277,175	277,175
Total Liabilities	569,924	1,558,888	861,426	2,990,238
<b>NET POSITION</b>				
Restricted for pension benefits	\$ 193,157,170	\$ 150,153,001	\$ 176,038,908	\$ 519,349,079

# CITY OF DELRAY BEACH, FLORIDA

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
<b>Additions</b>				
Contributions				
Employer	\$ 2,529,247	\$ 8,155,823	\$ 8,567,861	\$ 19,252,931
State of Florida	--	1,114,422	1,795,496	2,909,918
Plan members	2,000,165	1,359,367	1,407,961	4,767,493
Total contributions	4,529,412	10,629,612	11,771,318	26,930,342
Investment earnings				
Net appreciation in fair value of investments	32,007,017	22,702,237	27,490,140	82,199,394
Interest, dividends and investment fund income	5,789,718	4,565,135	5,097,425	15,452,278
Other investment income	229	29,698	352	30,279
	37,796,964	27,297,070	32,587,917	97,681,951
Less investment expenses	(361,674)	(866,046)	(628,422)	(1,856,142)
Net investment earnings	37,435,290	26,431,024	31,959,495	95,825,809
<b>Total Additions</b>	41,964,702	37,060,636	43,730,813	122,756,151
<b>Deductions</b>				
Benefits	8,715,818	10,262,388	10,786,086	29,764,292
Refunds of contributions	269,711	196,061	84,587	550,359
Administrative expenses	156,074	178,834	182,853	517,761
<b>Total Deductions</b>	9,141,603	10,637,283	11,053,526	30,832,412
<b>Change In Net Position</b>	32,823,099	26,423,353	32,677,287	91,923,739
<b>Net Position Restricted for Pension Benefits at October 1, 2023</b>	160,334,071	123,729,648	143,361,621	427,425,340
<b>Net Position Restricted for Pension Benefits at September 30, 2024</b>	\$ 193,157,170	\$ 150,153,001	\$ 176,038,908	\$ 519,349,079

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## **OTHER SUPPLEMENTARY INFORMATION**

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## **BUDGETARY SCHEDULES**

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# CITY OF DELRAY BEACH, FLORIDA

## SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenue</b>				
Taxes:				
Ad valorem	\$ 100,596,557	\$ 100,596,557	\$ 100,354,137	\$ (242,420)
Utility	8,175,000	8,326,688	8,826,177	499,489
Communications services tax	3,500,000	3,500,000	3,372,720	(127,280)
Business tax receipts	895,000	895,000	827,834	(67,166)
Total taxes	113,166,557	113,318,245	113,380,868	62,623
Fees and permits:				
Building permits	--	--	18,714	18,714
Franchise fees	6,783,984	6,783,984	6,687,991	(95,993)
Miscellaneous	2,271,827	3,059,502	2,907,373	(152,129)
License fees	170,000	170,000	103,626	(66,374)
Total fees and permits	9,225,811	10,013,486	9,717,704	(295,782)
Intergovernmental:				
Federal shared revenue:				
Homeland Security Grants	462,000	462,000	54,625	(407,375)
FEMA Grants	--	382,724	807,354	424,630
ARPA Funds	2,025,758	2,025,758	2,126,912	101,154
Hazmat Sustainment	--	21,804	21,804	--
PEMT Funds	971,243	971,243	681,478	(289,765)
Highway Safety Grants	--	37,766	200,689	162,923
Justice Assistance Grants	10,000	102,975	120,844	17,869
Total federal shared revenue	3,469,001	4,004,270	4,013,706	9,436
State shared revenue:				
State revenue sharing	2,813,566	2,813,566	2,980,260	166,694
Local government sales tax	6,909,641	6,909,641	6,676,469	(233,172)
Alcoholic beverage licenses tax	100,000	100,000	93,394	(6,606)
Municipal fuel tax refund	54,590	54,590	67,631	13,041
Mobile home licenses tax	300	300	401	101
Fire incentive	87,344	87,344	84,406	(2,938)
State grants	50,000	113,928	230,740	116,812
Total state shared revenue	10,015,441	10,079,369	10,133,301	53,932
Shared revenue from local units:				
County occupational licenses	140,000	140,000	139,295	(705)
Palm Beach County grants	--	111,360	262,612	151,252
Total shared revenue from local units	140,000	251,360	401,907	150,547
Total intergovernmental	13,624,442	14,334,999	14,548,914	213,915

(Continued)

**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
<b>Revenue (continued):</b>				
Charges for services:				
General government	\$ 773,000	\$ 773,000	\$ 786,514	\$ 13,514
Public safety	8,167,168	8,248,683	8,385,853	137,170
Physical environment	85,000	85,000	172,098	87,098
Parking	6,483,317	6,483,317	4,487,212	(1,996,105)
Culture and recreation	2,461,296	2,461,296	2,471,452	10,156
Total charges for services	17,969,781	18,051,296	16,303,129	(1,748,167)
Fines and forfeitures:				
Court	1,211,180	1,211,180	852,064	(359,116)
Penalties on licenses and permits	78,500	78,500	29,797	(48,703)
Violations of local ordinances	305,000	305,000	175,563	(129,437)
Total fines and forfeitures	1,594,680	1,594,680	1,057,424	(537,256)
Miscellaneous:				
Interest	2,269,510	2,450,669	4,959,976	2,509,307
Rents and special assessments	347,891	347,891	320,397	(27,494)
Contributions and donations	6,596,044	6,709,401	6,338,872	(370,529)
Recovery of administrative costs	5,882,361	5,882,361	5,882,361	--
Other	269,827	269,827	314,295	44,468
Total miscellaneous	15,365,633	15,660,149	17,815,901	2,155,752
<b>Total Revenue</b>	170,946,904	172,972,855	172,823,940	(148,915)
<b>Other Financing Sources:</b>				
Prior year surplus	7,257,403	11,705,030	--	(11,705,030)
Transfers in:				
Water and Sewer Fund	4,245,979	4,245,979	4,227,985	(17,994)
Municipal Golf Course Fund	53,165	53,165	53,165	--
City Marina Fund	75,734	75,734	75,734	--
Sanitation Fund	90,768	90,768	90,768	--
Stormwater Utility Fund	251,286	251,286	836,403	585,117
LOGT Fund	1,200,000	1,200,000	1,200,000	--
Building Fund	790,368	790,368	790,368	--
Total transfers in	6,707,300	6,707,300	7,274,423	567,123
<b>Total Other Financing Sources</b>	13,964,703	18,412,330	7,274,423	(11,137,907)
<b>Total Revenue and Other Financing Sources</b>	<u>\$ 184,911,607</u>	<u>\$ 191,385,185</u>	180,098,363	<u>\$ (11,286,822)</u>
<b>Reconciliation to GAAP Basis Statements</b>				
On-behalf payments			2,909,918	
Issuance of subscriptions			70,967	
<b>Revenue and Other Financing Sources - GAAP Basis</b>			<u>\$ 183,079,248</u>	

# CITY OF DELRAY BEACH, FLORIDA

## SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - COMPARED WITH APPROPRIATIONS - GENERAL FUND

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
<b>General Government</b>						
City commission	\$ 541,547	\$ 541,547	\$ 470,678	\$ --	\$ 470,678	\$ 70,869
City manager	1,702,986	1,723,180	1,492,501	--	1,492,501	230,679
Communications	--	--	--	10,350	10,350	(10,350)
Economic development	631,130	591,130	422,507	--	422,507	168,623
Human resources	1,145,410	1,182,910	1,178,008	--	1,178,008	4,902
City clerk	689,837	689,837	678,769	3,966	682,735	7,102
Finance	2,971,760	3,070,324	3,012,195	--	3,012,195	58,129
Information technology	5,898,717	6,267,157	5,190,441	156,055	5,346,496	920,661
Subscriptions	--	--	(301,993)	--	(301,993)	301,993
City attorney	1,608,538	1,588,538	1,578,086	--	1,578,086	10,452
Grants and Aids:						
Library	1,453,500	1,453,500	1,453,500	--	1,453,500	--
Other grants and aids	812,352	837,352	760,852	--	760,852	76,500
Miscellaneous and contingency	583,116	622,304	204,886	59,295	264,181	358,123
Tax increment payments to CRA	21,411,057	21,243,057	21,243,055	--	21,243,055	2
<b>Total General Government</b>	<b>\$ 39,449,950</b>	<b>\$ 39,810,836</b>	<b>\$ 37,383,485</b>	<b>\$ 229,666</b>	<b>\$ 37,613,151</b>	<b>\$ 2,197,685</b>
<b>Public Safety</b>						
Police	\$ 49,331,616	\$ 49,522,982	\$ 47,829,829	\$ 508,127	\$ 48,337,956	\$ 1,185,026
Fire	44,186,515	46,516,524	45,674,951	132,267	45,807,218	709,306
Development services						
Planning and zoning	2,403,399	2,403,837	2,167,822	83,159	2,250,981	152,856
Building inspection	--	374,739	320,679	--	320,679	54,060
Neighborhood and Community Services:						
Administration	540,293	558,440	592,518	--	592,518	(34,078)
Clean and Safe	1,668,486	1,651,995	1,509,694	40,815	1,550,509	101,486
Code compliance	2,025,730	1,632,844	1,351,756	--	1,351,756	281,088
Communications	731,435	719,435	629,492	--	629,492	89,943
<b>Total Public Safety</b>	<b>\$ 100,887,474</b>	<b>\$ 103,380,796</b>	<b>\$ 100,076,741</b>	<b>\$ 764,368</b>	<b>\$ 100,841,109</b>	<b>\$ 2,539,687</b>
<b>Physical Environment</b>						
Public works:						
Engineering	\$ 1,659,441	\$ 1,779,914	\$ 1,263,560	\$ 230,831	\$ 1,494,391	\$ 285,523
Programs	442,122	442,122	266,239	190,000	456,239	(14,117)
Project management	623,867	623,867	664,125	--	664,125	(40,258)
Administration	844,441	844,441	824,469	1,650	826,119	18,322
Street maintenance	1,786,404	1,726,404	1,572,789	--	1,572,789	153,615
Traffic operations	490,787	492,037	484,203	1,250	485,453	6,584
Street lighting	1,172,071	1,181,551	1,036,444	3,704	1,040,148	141,403
Parking facilities	1,851,246	1,863,564	1,863,567	--	1,863,567	(3)
Building maintenance	3,392,774	3,682,850	3,107,424	--	3,107,424	575,426
<b>Total Physical Environment</b>	<b>\$ 12,263,153</b>	<b>\$ 12,636,750</b>	<b>\$ 11,082,820</b>	<b>\$ 427,435</b>	<b>\$ 11,510,255</b>	<b>\$ 1,126,495</b>

(Continued)

# CITY OF DELRAY BEACH, FLORIDA

## SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - COMPARED WITH APPROPRIATIONS - GENERAL FUND (CONTINUED)

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
<b>Parks and Recreation</b>						
Administration	\$ 1,463,020	\$ 1,463,020	\$ 1,425,867	\$ --	\$ 1,425,867	\$ 37,153
Out of school program	421,432	421,432	401,719	--	401,719	19,713
Teen center	458,215	458,215	363,001	248	363,249	94,966
Catherine Strong Park	346,261	346,261	325,457	248	325,705	20,556
Community center	503,844	503,844	441,094	--	441,094	62,750
Veteran's park recreation facility	278,351	278,351	262,448	248	262,696	15,655
Pompey Park recreation facility	1,467,604	1,472,404	1,374,244	4,800	1,379,044	93,360
Parks maintenance	6,089,979	6,149,598	5,786,306	249	5,786,555	363,043
Special events	1,939,050	1,919,050	1,890,669	--	1,890,669	28,381
Cemetery	650,753	650,753	577,461	--	577,461	73,292
Tennis centers	2,571,489	2,580,667	2,476,518	--	2,476,518	104,149
Tennis stadium	3,426,504	3,426,504	3,015,862	278,136	3,293,998	132,506
Aquatics	700,537	700,537	516,522	496	517,018	183,519
Athletics	787,655	798,339	1,027,588	248	1,027,836	(229,497)
<b>Total Parks and Recreation</b>	<b>\$ 21,104,694</b>	<b>\$ 21,168,975</b>	<b>\$ 19,884,756</b>	<b>\$ 284,673</b>	<b>\$ 20,169,429</b>	<b>\$ 999,546</b>
<b>Debt Service</b>						
Principal retirement	369,380	369,380	1,209,531	--	1,209,531	(840,151)
Interest and fiscal charges	18,186	18,186	46,453	--	46,453	(28,267)
<b>Total Debt Service</b>	<b>387,566</b>	<b>387,566</b>	<b>1,255,984</b>	<b>--</b>	<b>1,255,984</b>	<b>(868,418)</b>
<b>Total Expenditures and Encumbrances</b>	<b>174,092,837</b>	<b>177,384,923</b>	<b>169,683,786</b>	<b>1,706,142</b>	<b>171,389,928</b>	<b>5,994,995</b>
<b>Other Financing Uses</b>						
Transfers out to other funds:						
Neighborhood Services Fund	273,870	273,870	273,870	--	273,870	--
Beautification Fund	1,120,000	1,120,000	1,120,000	--	1,120,000	--
Utilities Tax Fund	3,434,900	3,434,900	3,434,900	--	3,434,900	--
Capital Improvement Fund	4,100,000	7,281,492	7,281,492	--	7,281,492	--
Beach Restoration Fund	390,000	390,000	390,000	--	390,000	--
Insurance Fund	1,500,000	1,500,000	1,500,000	--	1,500,000	--
<b>Total Other Financing Uses</b>	<b>10,818,770</b>	<b>14,000,262</b>	<b>14,000,262</b>	<b>--</b>	<b>14,000,262</b>	<b>--</b>
<b>Total Expenditures, Encumbrances and Other Financing Uses</b>	<b>\$ 184,911,607</b>	<b>\$ 191,385,185</b>	<b>\$ 183,684,048</b>	<b>\$ 1,706,142</b>	<b>185,390,190</b>	<b>\$ 5,994,995</b>
<b>Reconciliation to GAAP Basis</b>						
<b>Statements</b>						
Current year encumbrances outstanding					(1,706,142)	
Prior year encumbrances paid in current year					1,831,343	
On-behalf payments					2,909,918	
<b>Expenditures and Other Financing Uses - GAAP Basis</b>					<b>\$ 188,425,309</b>	

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## **SCHEDULES OF DEBT SERVICE REQUIREMENTS**

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# CITY OF DELRAY BEACH, FLORIDA

## SUMMARY SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST) TO MATURITY

Fiscal Year Ending September 30,	General Obligation Bonds		Governmental Activities Revenue Bonds		Total Requirements
2025	\$	579,111	\$	6,947,725	\$ 7,526,836
2026		576,700		6,940,526	7,517,226
2027		578,450		6,951,004	7,529,454
2028		579,700		3,428,500	4,008,200
2029		580,450		3,432,850	4,013,300
2030		580,700		3,429,500	4,010,200
2031		580,450		3,429,812	4,010,262
2032		579,700		3,428,250	4,007,950
2033		578,450		1,028,438	1,606,888
2034		576,700		1,027,050	1,603,750
2035		579,450		1,024,650	1,604,100
2036		581,450		--	581,450
2037		577,700		--	577,700
2038		578,450		--	578,450
2039		578,450		--	578,450
2040		577,700		--	577,700
2041		581,200		--	581,200
2042		577,200		--	577,200
2043		577,800		--	577,800
2044		577,800		--	577,800
2045		577,200		--	577,200
2046		581,000		--	581,000
2047		579,000		--	579,000
2048		581,400		--	581,400
2049		578,000		--	578,000
2050		579,000		--	579,000
2051		579,200		--	579,200
2052		578,600		--	578,600
2053		577,200		--	577,200
<b>Total</b>	<b>\$</b>	<b>16,788,211</b>	<b>\$</b>	<b>41,068,305</b>	<b>\$ 57,856,516</b>

# CITY OF DELRAY BEACH, FLORIDA

## COMBINED SCHEDULE OF GENERAL OBLIGATION BOND DEBT SERVICE REQUIREMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2025	\$ 155,000	\$ 424,111	\$ 579,111	\$ 9,390,000
2026	165,000	411,700	576,700	9,380,000
2027	175,000	403,450	578,450	9,370,000
2028	185,000	394,700	579,700	9,360,000
2029	195,000	385,450	580,450	9,350,000
2030	205,000	375,700	580,700	9,340,000
2031	215,000	365,450	580,450	9,330,000
2032	225,000	354,700	579,700	9,320,000
2033	235,000	343,450	578,450	9,310,000
2034	245,000	331,700	576,700	9,300,000
2035	260,000	319,450	579,450	9,285,000
2036	275,000	306,450	581,450	9,270,000
2037	285,000	292,700	577,700	9,260,000
2038	300,000	278,450	578,450	9,245,000
2039	315,000	263,450	578,450	9,230,000
2040	330,000	247,700	577,700	9,215,000
2041	350,000	231,200	581,200	9,195,000
2042	360,000	217,200	577,200	9,185,000
2043	375,000	202,800	577,800	9,170,000
2044	390,000	187,800	577,800	9,155,000
2045	405,000	172,200	577,200	9,140,000
2046	425,000	156,000	581,000	9,120,000
2047	440,000	139,000	579,000	9,105,000
2048	460,000	121,400	581,400	9,085,000
2049	475,000	103,000	578,000	9,070,000
2050	495,000	84,000	579,000	9,050,000
2051	515,000	64,200	579,200	9,030,000
2052	535,000	43,600	578,600	9,010,000
2053	555,000	22,200	577,200	8,990,000
<b>Total</b>	<b>\$ 9,545,000</b>	<b>\$ 7,243,211</b>	<b>\$ 16,788,211</b>	<b>\$ 267,260,000</b>

# CITY OF DELRAY BEACH, FLORIDA

## SCHEDULE OF GENERAL OBLIGATION BONDS (SERIES 2024)

Fiscal Year Ending September 30,	Principal		Interest		Total	Balance Outstanding at End of Fiscal Year	Interest Rate
	July 1	January 1	July 1				
2025	\$ 155,000	\$ 214,386	\$ 209,725	\$ 579,111	\$ 16,209,100	5.00%	
2026	165,000	205,850	205,850	576,700	15,632,400	5.00%	
2027	175,000	201,725	201,725	578,450	15,053,950	5.00%	
2028	185,000	197,350	197,350	579,700	14,474,250	5.00%	
2029	195,000	192,725	192,725	580,450	13,893,800	5.00%	
2030	205,000	187,850	187,850	580,700	13,313,100	5.00%	
2031	215,000	182,725	182,725	580,450	12,732,650	5.00%	
2032	225,000	177,350	177,350	579,700	12,152,950	5.00%	
2033	235,000	171,725	171,725	578,450	11,574,500	5.00%	
2034	245,000	165,850	165,850	576,700	10,997,800	5.00%	
2035	260,000	159,725	159,725	579,450	10,418,350	5.00%	
2036	275,000	153,225	153,225	581,450	9,836,900	5.00%	
2037	285,000	146,350	146,350	577,700	9,259,200	5.00%	
2038	300,000	139,225	139,225	578,450	8,680,750	5.00%	
2039	315,000	131,725	131,725	578,450	8,102,300	5.00%	
2040	330,000	123,850	123,850	577,700	7,524,600	5.00%	
2041	350,000	115,600	115,600	581,200	6,943,400	4.00%	
2042	360,000	108,600	108,600	577,200	6,366,200	4.00%	
2043	375,000	101,400	101,400	577,800	5,788,400	4.00%	
2044	390,000	93,900	93,900	577,800	5,210,600	4.00%	
2045	405,000	86,100	86,100	577,200	4,633,400	4.00%	
2046	425,000	78,000	78,000	581,000	4,052,400	4.00%	
2047	440,000	69,500	69,500	579,000	3,473,400	4.00%	
2048	460,000	60,700	60,700	581,400	2,892,000	4.00%	
2049	475,000	51,500	51,500	578,000	2,314,000	4.00%	
2050	495,000	42,000	42,000	579,000	1,735,000	4.00%	
2051	515,000	32,100	32,100	579,200	1,155,800	4.00%	
2052	535,000	21,800	21,800	578,600	577,200	4.00%	
2053	555,000	11,100	11,100	577,200	--	4.00%	
Total	\$ 9,545,000	\$ 3,623,936	\$ 3,619,275	\$ 16,788,211			

Original Authorization – \$9,545,000  
 Issued – \$9,545,000 Serial Bonds  
 Date of Issue – June 6, 2024  
 Maturity Range – Serial Bonds: July 1, 2025 through July 1, 2053;  
 Principal Payment Date – July 1 of each year  
 Interest Payment Dates – July 1 and January 1 of each year

Projects: The bonds were issued for park improvement projects.



# CITY OF DELRAY BEACH, FLORIDA

## COMBINED SCHEDULE OF GOVERNMENTAL ACTIVITIES REVENUE BONDS DEBT SERVICE REQUIREMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2025	5,865,000	1,082,725	6,947,725	34,120,580
2026	6,050,000	890,526	6,940,526	27,180,054
2027	6,260,000	691,004	6,951,004	20,229,050
2028	2,855,000	573,500	3,428,500	16,800,550
2029	2,945,000	487,850	3,432,850	13,367,700
2030	3,030,000	399,500	3,429,500	9,938,200
2031	3,125,000	304,812	3,429,812	6,508,388
2032	3,225,000	203,250	3,428,250	3,080,138
2033	930,000	98,438	1,028,438	2,051,700
2034	960,000	67,050	1,027,050	1,024,650
2035	990,000	34,650	1,024,650	--
<b>Total</b>	<b>\$ 36,235,000</b>	<b>\$ 4,833,305</b>	<b>\$ 41,068,305</b>	

Note: Includes all CRA Tax Increment Redevelopment Revenue Bonds.

# CITY OF DELRAY BEACH, FLORIDA

## SCHEDULE OF CAPITAL IMPROVEMENT REVENUE BONDS (SERIES 2017)

Fiscal Year Ending September 30,	Serial Bond		Interest		Total	Balance Outstanding at End of Fiscal Year	Interest Rate
	Principal October 1		April 1	October 1			
2025	\$ 3,345,000	\$	100,303	\$ 67,522	\$ 3,512,825	\$ 7,025,730	1.96%
2026	3,410,000		67,522	34,104	3,511,626	3,514,104	1.96%
2027	3,480,000		34,104	--	3,514,104	--	1.96%
<b>Total</b>	<b>\$ 10,235,000</b>	<b>\$</b>	<b>201,929</b>	<b>\$ 101,626</b>	<b>\$ 10,538,555</b>		

Original Authorization	– \$31,500,000
Issued	– \$31,500,000 Serial Bonds
Date of Issue	– June 23, 2017
Maturity Range	– Serial Bonds: October 1, 2018 through October 1, 2026
Principal Payment Date	– October 1 of each year
Interest Payment Dates	– April 1 and October 1 of each year
Pledged Revenue	– Non-ad valorem tax revenues
Denomination	– N/A
Call Features	– Optional redemption for bonds maturing on or after June 1, 2026 at 100%
Paying Agent	– Bank of America
Ratings	– N/A

Projects: The bonds were issued to finance the costs of certain infrastructure capital projects.

# CITY OF DELRAY BEACH, FLORIDA

## SCHEDULE OF UTILITIES TAX REVENUE REFUNDING AND IMPROVEMENT BONDS (SERIES 2015)

Fiscal Year Ending September 30,	Serial Bond		Interest		Total	Balance	Interest Rate
	Principal		December 1	June 1		Outstanding at End of Fiscal Year	
	June 1						
2025	\$ 2,520,000	\$	457,450	\$ 457,450	\$ 3,434,900	\$ 27,094,850	5.00
2026	2,640,000		394,450	394,450	3,428,900	23,665,950	5.00
2027	2,780,000		328,450	328,450	3,436,900	20,229,050	5.00
2028	2,855,000		286,750	286,750	3,428,500	16,800,550	5.00
2029	2,945,000		243,925	243,925	3,432,850	13,367,700	5.00
2030	3,030,000		199,750	199,750	3,429,500	9,938,200	3.00
2031	3,125,000		152,406	152,406	3,429,812	6,508,388	3.00
2032	3,225,000		101,625	101,625	3,428,250	3,080,138	3.00
2033	930,000		49,219	49,219	1,028,438	2,051,700	3.13
2034	960,000		33,525	33,525	1,027,050	1,024,650	3.25
2035	990,000		17,325	17,325	1,024,650	--	3.25
<b>Total</b>	<b>\$ 26,000,000</b>	<b>\$</b>	<b>2,264,875</b>	<b>\$ 2,264,875</b>	<b>\$ 30,529,750</b>		

Original Authorization	– \$44,000,000
Issued	– \$39,020,000 Serial Bonds
Date of Issue	– April 1, 2015
Maturity Range	– Serial Bonds: June 1, 2016 through June 1, 2035
Principal Payment Date	– June 1 of each year
Interest Payment Dates	– June 1 and December 1 of each year
Pledged Revenue	– Utilities service tax revenues
Denomination	– N/A
Call Features	– Optional redemption for bonds maturing on or after June 1, 2026 at 100%
Paying Agent	– US National Association
Ratings	– S&P AA-, Moody's Aa3

Projects: The bonds were issued to refund a portion of the Utility Tax Revenue Bonds, Series 2007; to pay a portion of the Bond Anticipation Revenue Improvement Note, Series 2013; and, to finance the costs of rebuilding Fire Station No. 3 and certain beach amenity projects.

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## **STATISTICAL SECTION**

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# STATISTICAL SECTION

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

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Financial Trends.....	151-159
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*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 .....	160-162
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These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity.....	163-166
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information.....	167-168
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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 .....	169-171
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City of Delray Beach *provides and the activities it performs*.

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

# CITY OF DELRAY BEACH, FLORIDA

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 67,883,652	\$ 83,352,304	\$ 94,498,408	\$ 133,947,140	\$ 142,771,519	\$ 151,463,017	\$ 166,850,944	\$ 184,694,457	\$ 202,434,515	\$ 220,455,944
Restricted	2,991,799	3,102,189	5,747,894	9,743,679	10,201,536	7,084,293	27,350,234	8,658,205	11,365,928	38,036,928
Unrestricted (deficit)	(6,748,871)	(10,566,092)	(16,349,766)	(24,386,173)	(24,273,405)	(24,607,721)	(27,276,080)	(2,942,464)	11,557,213	21,454,502
<b>Total Governmental Activities Net Position</b>	<b>\$ 64,126,580</b>	<b>\$ 75,888,401</b>	<b>\$ 83,896,536</b>	<b>\$ 119,304,646</b>	<b>\$ 128,699,650</b>	<b>\$ 133,939,589</b>	<b>\$ 166,925,098</b>	<b>\$ 190,410,198</b>	<b>\$ 225,357,656</b>	<b>\$ 279,947,374</b>
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 88,760,143	\$ 97,070,159	\$ 100,024,904	\$ 104,384,378	\$ 107,509,243	\$ 107,576,983	\$ 108,687,933	\$ 109,285,531	\$ 106,858,746	\$ 108,587,424
Restricted	3,880,165	3,572,645	3,604,806	3,744,085	3,494,654	3,558,286	8,879,997	--	163,255	6,221,520
Unrestricted	50,522,734	53,312,727	57,526,842	57,215,688	59,051,311	62,960,813	58,378,089	64,373,734	68,246,608	64,918,942
<b>Total Business-type Activities Net Position</b>	<b>\$ 143,163,042</b>	<b>\$ 153,955,531</b>	<b>\$ 161,156,552</b>	<b>\$ 165,344,151</b>	<b>\$ 170,055,208</b>	<b>\$ 174,096,082</b>	<b>\$ 175,946,019</b>	<b>\$ 173,659,265</b>	<b>\$ 175,268,609</b>	<b>\$ 179,727,886</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 156,643,795	\$ 180,422,463	\$ 194,523,312	\$ 238,331,518	\$ 250,280,762	\$ 259,040,000	\$ 275,538,877	\$ 293,979,988	\$ 309,293,261	\$ 329,043,368
Restricted	6,871,964	6,674,834	9,352,700	13,487,764	13,696,190	10,642,579	36,230,231	8,658,205	11,529,183	44,258,448
Unrestricted	43,773,863	42,746,635	41,177,076	32,829,515	34,777,906	38,353,092	31,102,009	61,431,270	79,803,821	86,373,444
<b>Total Primary Government Net Position</b>	<b>\$ 207,289,622</b>	<b>\$ 229,843,932</b>	<b>\$ 245,053,088</b>	<b>\$ 284,648,797</b>	<b>\$ 298,754,858</b>	<b>\$ 308,035,671</b>	<b>\$ 342,871,117</b>	<b>\$ 364,069,463</b>	<b>\$ 400,626,265</b>	<b>\$ 459,675,260</b>

Note: GASB Statement No. 68 was adopted for 2015 resulting in the reduction of unrestricted net position by approximately \$74 million for net pension liabilities of the City's defined benefit pension plans.

# CITY OF DELRAY BEACH, FLORIDA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

Expenses	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
General government	\$ 18,050,754	\$ 22,968,532	\$ 26,679,900	\$ 31,680,429	\$ 35,617,235	\$ 34,027,104	\$ 34,363,721	\$ 45,145,274	\$ 49,337,385	\$ 48,618,645
Public safety	62,013,271	65,918,444	70,348,624	75,694,658	85,620,516	88,253,173	82,397,287	93,794,719	99,097,368	97,687,891
Physical environment	8,143,146	7,714,515	10,366,782	14,065,033	16,268,827	14,746,699	12,286,732	15,527,974	16,972,978	16,653,352
Parks and recreation	13,400,031	13,311,802	14,195,210	15,653,597	16,821,403	18,143,786	15,435,019	19,818,336	22,602,565	20,448,433
Economic development	--	--	--	11,244,955	10,920,391	20,293,239	20,002,537	11,885,823	12,778,978	9,058,721
Interest on long-term debt	3,259,673	2,229,468	2,306,897	2,806,144	2,592,730	2,333,202	2,058,988	1,794,690	1,470,834	1,590,010
<b>Total Governmental Activities Expenses</b>	<b>104,866,875</b>	<b>112,142,761</b>	<b>123,897,413</b>	<b>151,144,816</b>	<b>167,841,102</b>	<b>177,797,203</b>	<b>166,544,284</b>	<b>187,966,816</b>	<b>202,260,108</b>	<b>194,057,052</b>
Business-type activities:										
Water and Sewer	24,335,317	24,467,001	26,741,734	25,899,650	27,638,570	29,678,332	30,768,550	36,432,302	36,772,765	38,146,275
Stormwater	1,631,007	1,546,867	1,893,877	1,889,375	1,861,488	2,230,218	1,928,660	2,623,745	2,043,504	2,514,723
Sanitation	6,326,114	3,748,162	5,195,029	6,534,537	4,435,509	4,505,066	4,551,556	5,011,087	6,703,059	8,371,522
Municipal Golf Course	2,934,725	3,098,149	2,909,445	2,952,039	3,072,842	2,533,254	2,442,025	2,847,100	3,072,988	3,256,195
Lakeview Golf Course	556,711	566,898	563,587	593,209	626,703	591,710	663,202	718,357	865,054	1,092,431
City Marina	94,090	88,509	107,813	158,492	165,383	35,908	63,539	176,332	81,653	110,057
Cemetery	--	--	800	3,339	64,121	367,714	400,292	77,337	1,368	792
<b>Total Business-type Activities Expenses</b>	<b>35,877,964</b>	<b>33,515,586</b>	<b>37,412,285</b>	<b>38,030,641</b>	<b>37,864,616</b>	<b>39,942,202</b>	<b>40,817,824</b>	<b>47,886,260</b>	<b>49,540,391</b>	<b>53,491,995</b>
<b>Total Primary Government Expenses</b>	<b>\$ 140,744,839</b>	<b>\$ 145,658,347</b>	<b>\$ 161,309,698</b>	<b>\$ 189,175,457</b>	<b>\$ 205,705,718</b>	<b>\$ 217,739,405</b>	<b>\$ 207,362,108</b>	<b>\$ 235,853,076</b>	<b>\$ 251,800,499</b>	<b>\$ 247,549,047</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 7,583,178	\$ 7,378,380	\$ 10,451,376	\$ 10,051,233	\$ 10,692,718	\$ 8,896,565	\$ 12,048,045	\$ 18,441,201	\$ 24,208,553	\$ 17,332,001
Public safety	8,912,161	9,031,132	9,481,433	9,362,635	11,157,736	10,086,236	10,640,390	11,824,570	12,395,144	8,392,270
Physical environment	2,048,277	2,063,648	1,706,116	2,244,409	3,351,124	2,250,915	3,324,106	9,485,076	4,175,787	14,070,812
Parks and recreation	2,125,935	1,825,824	1,686,662	1,448,739	1,856,465	1,579,026	2,193,262	2,182,600	2,387,784	3,059,966
Economic development	--	--	--	424,354	161,313	125,106	143,469	177,097	227,037	1,616,779
Operating grants and contributions:										
General government	3,711,327	960,763	3,474,068	5,825,944	6,933,078	10,770,073	12,553,365	8,916,021	24,244,801	4,722,581
Public safety	2,717,267	2,604,202	2,123,336	2,310,771	2,405,993	3,587,887	3,879,956	2,218,288	2,833,116	2,909,918
Physical environment	--	--	--	--	--	--	--	528,692	483,284	4,179,145
Parks and recreation	102,871	210,948	24,990	81,561	171,519	168,846	847,352	110,500	126,198	262,612
Economic development	--	--	--	260,589	524,571	89,331	89,331	--	--	--
Capital grants and contributions:										
General government	615,926	944,673	429,737	2,467,808	328,922	199,779	431,800	3,335,517	2,830,420	1,164,172
Physical environment	--	--	--	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	11,044,131	9,001,868	2,337,835	--	--
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 27,816,942</b>	<b>\$ 25,019,570</b>	<b>\$ 29,377,718</b>	<b>\$ 34,478,043</b>	<b>\$ 37,583,439</b>	<b>\$ 48,797,895</b>	<b>\$ 55,152,944</b>	<b>\$ 59,557,397</b>	<b>\$ 73,912,124</b>	<b>\$ 57,710,256</b>

(Continued)

# CITY OF DELRAY BEACH, FLORIDA

## CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Program Revenues (continued)</b>										
Business-type activities:										
Charges for services:										
Water and Sewer	\$ 32,482,206	\$ 32,815,643	\$ 34,135,162	\$ 33,491,651	\$ 33,564,702	\$ 33,509,707	\$ 34,888,415	\$ 35,980,441	\$ 38,975,480	\$ 42,848,243
Stormwater	2,108,862	2,111,117	2,160,127	2,181,550	2,151,690	2,133,063	2,017,866	1,997,739	1,986,744	3,848,618
Sanitation	4,693,015	4,132,645	4,200,945	4,348,694	4,720,889	4,762,445	4,700,264	4,985,459	6,517,441	8,704,389
Municipal Golf Course	3,127,554	3,129,388	3,113,583	2,992,596	3,169,381	2,423,699	2,458,442	2,832,596	3,030,190	2,743,427
Lakeview Golf Course	662,453	610,903	646,391	637,666	732,439	665,559	850,341	987,121	1,026,763	917,679
City Marina	219,286	223,401	239,205	252,524	139,209	--	78,494	260,071	267,673	262,354
Cemetery	--	--	92,890	84,238	98,323	141,399	163,029	198,750	115,625	126,200
Operating grants and contributions:										
Water and Sewer	55,970	430,950	986,210	701,424	1,009	511,105	1,936	2,278	55,892	5,707
Stormwater	23,466	22,986	11,239	--	12,404	1,525,589	--	10,473	21,813	990
Sanitation	206,278	254,232	235,566	427,388	111,603	202,828	1,079,534	230,576	155,520	--
Municipal Golf Course	63,652	78,803	58,649	57,985	65,958	57,778	66,102	62,850	68,738	14,565
Lakeview Golf Course	5,378	8,544	5,649	5,010	5,435	4,616	5,809	5,869	7,171	12,958
City Marina	2,281	11,743	2,543	1,115	1,160	1,450	2,440	3,060	1,908	314
Cemetery	--	--	600	--	--	--	--	10	--	--
Capital grants and contributions:										
Water and Sewer	1,354,457	1,092,373	842,618	1,204,893	767,550	702,276	473,921	1,372,568	1,898,401	365,282
Stormwater	13,294	--	65,810	349,371	82,853	140,202	120,546	39,394	--	--
Municipal Golf Course	--	--	--	--	--	--	--	--	--	--
<b>Total Business-type Activities Programs Revenues</b>	<b>45,018,152</b>	<b>44,922,728</b>	<b>46,797,187</b>	<b>46,736,105</b>	<b>45,624,605</b>	<b>46,781,716</b>	<b>46,907,139</b>	<b>48,969,255</b>	<b>54,129,359</b>	<b>59,850,726</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 72,835,094</b>	<b>\$ 69,942,298</b>	<b>\$ 76,174,905</b>	<b>\$ 81,214,148</b>	<b>\$ 83,208,044</b>	<b>\$ 95,579,611</b>	<b>\$ 102,060,083</b>	<b>\$ 108,526,652</b>	<b>\$ 128,041,483</b>	<b>\$ 117,560,982</b>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (77,049,933)	\$ (87,123,191)	\$ (94,519,695)	\$ (116,666,773)	\$ (130,257,663)	\$ (128,999,308)	\$ (111,391,340)	\$ (128,409,419)	\$ (128,347,984)	\$ (136,346,796)
Business-type activities	9,140,188	11,407,142	9,384,902	8,705,464	7,759,989	6,839,514	6,089,315	1,082,995	4,588,968	6,358,731
<b>Total Primary Government Net Expense</b>	<b>\$ (67,909,745)</b>	<b>\$ (75,716,049)</b>	<b>\$ (85,134,793)</b>	<b>\$ (107,961,309)</b>	<b>\$ (122,497,674)</b>	<b>\$ (122,159,794)</b>	<b>\$ (105,302,025)</b>	<b>\$ (127,326,424)</b>	<b>\$ (123,759,016)</b>	<b>\$ (129,988,065)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 51,971,057	\$ 56,876,767	\$ 59,282,428	\$ 83,602,342	\$ 90,261,662	\$ 95,139,737	\$ 102,996,884	\$ 107,942,352	\$ 122,535,173	\$ 138,778,994
Franchise fees	5,269,680	5,132,170	5,209,446	5,240,982	5,317,253	5,114,526	5,898,386	6,218,454	6,930,375	6,687,991
Utility service taxes	9,462,152	9,383,744	9,468,782	9,842,605	10,032,079	9,926,040	10,336,932	10,580,371	11,841,404	12,198,897
Sales taxes	1,397,627	1,426,451	3,654,505	3,561,644	3,633,681	3,542,170	3,447,611	3,627,718	3,650,884	14,809,192
Local business tax	786,579	839,208	911,668	883,112	876,577	850,765	836,610	875,656	833,079	827,834
Intergovernmental, unrestricted	7,143,751	7,174,725	7,381,660	7,543,300	7,797,976	7,561,740	8,511,582	10,170,930	9,987,604	3,456,832
Investment earnings	308,589	306,237	873,235	1,852,523	4,205,582	2,552,908	224,418	976,616	3,053,661	8,589,922
Gain on disposal of capital assets	29,100	37,765	28,361	--	48,681	20,330	1,538,253	(1,152,186)	-	-
Miscellaneous	12,793,025	16,829,794	13,411,235	12,438,792	13,250,807	5,652,219	6,287,108	8,977,858	-	-
Transfers	3,562,620	878,151	2,306,510	3,475,651	4,228,369	3,878,812	4,299,065	3,676,750	4,463,262	5,586,852
<b>Total Governmental Activities</b>	<b>92,724,180</b>	<b>98,885,012</b>	<b>102,527,830</b>	<b>128,440,951</b>	<b>139,652,667</b>	<b>134,239,247</b>	<b>144,376,849</b>	<b>151,894,519</b>	<b>163,295,442</b>	<b>190,936,514</b>
Business-type activities										
Investment earnings	270,617	248,146	122,629	75,389	1,179,437	1,080,172	59,687	425,060	1,478,464	3,467,544
Gain (loss) on disposal of capital assets	--	15,352	--	--	--	--	--	(118,059)	5,174	23,297
Miscellaneous	--	--	--	--	--	--	--	--	--	196,557
Transfers	(3,562,620)	(878,151)	(2,306,510)	(3,475,651)	(4,228,369)	(3,878,812)	(4,299,065)	(3,676,750)	(4,463,262)	(5,586,852)
<b>Total Business-type Activities</b>	<b>(3,292,003)</b>	<b>(614,653)</b>	<b>(2,183,881)</b>	<b>(3,400,262)</b>	<b>(3,048,932)</b>	<b>(2,798,640)</b>	<b>(4,239,378)</b>	<b>(3,369,749)</b>	<b>(2,979,624)</b>	<b>(1,899,454)</b>
<b>Total Primary Government</b>	<b>\$ 89,432,177</b>	<b>\$ 98,270,359</b>	<b>\$ 100,343,949</b>	<b>\$ 125,040,689</b>	<b>\$ 136,603,735</b>	<b>\$ 131,440,607</b>	<b>\$ 140,137,471</b>	<b>\$ 148,524,770</b>	<b>\$ 160,315,818</b>	<b>\$ 189,037,060</b>

(Continued)



**CITY OF DELRAY BEACH, FLORIDA**

**CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
ACCRUAL BASIS OF ACCOUNTING**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Program Revenues (continued)</b>										
<b>Changes in Net Position</b>										
Governmental activities	\$ 7,657,361	\$ 15,674,247	\$ 11,761,821	\$ 8,008,135	\$ 11,774,178	\$ 9,395,004	\$ 5,239,939	\$ 23,485,100	\$ 34,947,458	\$ 54,589,718
Business-type activities	6,179,342	5,848,185	10,792,489	7,201,021	5,305,202	4,711,057	4,040,874	(2,286,754)	1,609,344	4,459,277
<b>Total Primary Government</b>	<b>\$ 13,836,703</b>	<b>\$ 21,522,432</b>	<b>\$ 22,554,310</b>	<b>\$ 15,209,156</b>	<b>\$ 17,079,380</b>	<b>\$ 14,106,061</b>	<b>\$ 9,280,813</b>	<b>\$ 21,198,346</b>	<b>\$ 36,556,802</b>	<b>\$ 59,048,995</b>

# CITY OF DELRAY BEACH, FLORIDA

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Taxes	Tax Increment Revenue <sup>(1)</sup>	Franchise Fees	Utility Service Taxes	Sales and Use Tax <sup>(2)</sup>	Local Business Tax	Total
2015	\$ 51,971,057	\$ ---	\$ 5,269,680	\$ 9,462,152	\$ 1,397,627	\$ 786,579	\$ 68,887,095
2016	56,876,767	--	5,132,170	9,383,744	1,426,451	839,208	73,658,340
2017	59,282,428	--	5,209,446	9,468,782	3,654,505	911,668	78,526,829
2018	63,702,987	19,899,355	5,240,982	9,842,605	3,561,644	883,112	103,130,685
2019	68,084,866	22,176,796	5,317,253	10,032,079	3,633,681	876,577	110,121,252
2020	71,371,233	23,768,504	5,114,526	9,926,040	3,542,170	850,765	114,573,238
2021	76,496,032	29,953,112	5,898,386	10,336,932	3,447,611	836,610	126,968,683
2022	80,357,911	31,212,159	6,218,454	10,580,371	3,627,718	875,656	132,872,269
2023	90,551,572	31,983,601	6,930,375	11,841,404	3,650,884	833,079	145,790,915
2024	102,517,690	36,261,304	6,687,991	12,198,897	14,809,192	827,834	173,302,908

(1) The tax increment revenue is from the Delray Beach Community Redevelopment Agency that became a blended component unit beginning in 2018.

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

# CITY OF DELRAY BEACH, FLORIDA

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund</b>										
Nonspendable:										
Inventories	\$ 20,467	\$ 20,091	\$ 18,465	\$ 52,610	\$ 74,653	\$ 14,064	\$ 19,844	\$ 14,499	\$ 25,128	\$ 29,352
Prepaid items	912,548	669,738	32,809	60,108	48,530	624,612	469,796	572,416	514,447	430,530
Long-term notes receivable	7,282,742	3,500	--	--	--	--	--	--	--	--
Restricted for:										
Capital improvements	5,984	5,985	5,984	5,985	5,985	5,985	5,985	5,985	5,985	5,985
Committed for:										
Economic development	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	500,000	500,000	500,000	500,000	500,000
Assigned to:										
General government	--	--	152,070	1,054,033	57,334	85,347	113,542	327,647	821,069	229,666
Public safety	--	--	578,755	399,084	267,151	133,608	175,757	357,772	360,893	764,368
Physical environment	--	--	1,110,890	466,039	501,087	276,013	376,106	280,343	511,279	427,435
Parks and recreation	--	--	36,597	44,076	4,748	145,125	130,761	135,136	138,102	284,673
Subsequent year's budget	--	400,000	--	3,148,441	1,034,959	5,235,823	5,235,823	2,500,000	7,257,403	--
Unassigned	31,843,644	36,984,767	39,273,110	37,908,768	42,538,044	37,992,606	42,914,320	47,672,066	48,668,206	50,784,442
<b>Total General Fund</b>	<b>\$ 41,065,385</b>	<b>\$ 39,084,081</b>	<b>\$ 42,208,680</b>	<b>\$ 44,139,144</b>	<b>\$ 45,532,491</b>	<b>\$ 45,013,183</b>	<b>\$ 49,941,934</b>	<b>\$ 52,365,864</b>	<b>\$ 58,802,512</b>	<b>\$ 53,456,451</b>
<b>All Other Governmental Funds</b>										
Nonspendable:										
Prepaid items	\$ 935	\$ 750	\$ --	\$ 29,314	\$ 81,886	\$ --	\$ 5,089	\$ 5,431	\$ 118,378	\$ 155,473
Long-term notes receivable	--	--	--	--	--	--	--	4,038,931	-	--
Restricted for:										
Debt service	1,514,496	1,512,898	1,555,006	1,549,816	1,530,068	1,564,902	1,593,479	1,622,104	1,654,401	11,272,247
Law enforcement	1,195,724	1,307,711	1,166,924	1,109,178	1,214,333	1,297,619	1,334,197	1,193,549	1,138,458	759,537
Capital improvements	275,595	275,595	34,519,980	36,078,700	35,421,150	27,200,787	23,534,371	22,571,567	21,603,867	15,812,642
Community development	1,890,147	1,995,011	1,618,720	1,715,729	1,637,261	1,614,749	961,892	5,458,000	13,994,302	81,419,563
Building improvements	--	--	--	--	--	--	--	--	--	11,783,228
Parks and recreation	--	--	--	--	--	--	--	--	--	803,229
Public safety	--	--	--	--	--	--	--	--	--	603,723
Committed for:										
Economic development	--	--	--	--	3,859,229	3,823,987	4,336,151	--	--	--
Assigned to:										
Public safety	124,615	137,876	178,284	192,590	174,553	192,709	285,132	206,665	205,673	--
Parks and recreation	1,586,977	1,773,431	302,628	281,695	489,693	1,058,823	976,659	1,283,709	805,037	--
Capital improvements	22,686,037	17,304,033	17,041,318	24,209,669	19,691,591	27,287,858	31,581,464	28,689,368	25,610,086	15,523,111
Subsequent year's budget	--	--	--	6,977,412	16,404,645	19,260,521	22,679,957	30,001,648	44,274,601	--
<b>Total all Other Governmental Funds</b>	<b>\$ 29,274,526</b>	<b>\$ 24,307,305</b>	<b>\$ 56,382,860</b>	<b>\$ 72,144,103</b>	<b>\$ 80,504,409</b>	<b>\$ 83,301,955</b>	<b>\$ 87,288,391</b>	<b>\$ 95,070,972</b>	<b>\$ 109,404,803</b>	<b>\$ 138,132,753</b>

# CITY OF DELRAY BEACH, FLORIDA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes	\$ 63,617,415	\$ 68,526,170	\$ 73,317,383	\$ 97,889,703	\$ 104,803,999	\$ 109,458,712	\$ 117,618,037	\$ 123,026,097	\$ 138,860,540	\$ 153,264,009
Licenses and permits	12,124,145	11,364,551	14,557,921	14,150,027	14,799,891	12,942,583	16,544,078	10,486,582	11,434,936	9,717,704
Intergovernmental	13,675,216	10,950,638	13,004,054	15,761,576	17,308,566	17,677,610	20,821,235	27,058,305	27,300,896	29,021,291
Charges for services	12,148,312	12,468,984	12,461,409	13,147,960	15,689,112	13,718,981	16,533,044	27,920,348	27,646,830	26,247,671
Fines and forfeitures	1,666,774	1,597,619	1,515,703	1,474,365	2,047,606	1,390,810	1,170,536	1,633,336	1,909,711	1,138,392
Miscellaneous	14,592,475	17,785,403	15,230,734	14,891,618	17,935,376	23,712,529	20,836,025	15,515,618	22,202,297	22,022,187
<b>Total Revenues</b>	<b>117,824,337</b>	<b>122,693,365</b>	<b>130,087,204</b>	<b>157,315,249</b>	<b>172,584,550</b>	<b>178,901,225</b>	<b>193,522,955</b>	<b>205,640,286</b>	<b>229,355,210</b>	<b>241,411,254</b>
<b>Expenditures</b>										
Current										
General government	18,948,238	23,125,406	24,211,901	28,034,121	31,145,975	30,291,065	34,293,485	41,086,122	44,189,855	48,630,739
Public safety	61,070,530	65,947,616	67,581,678	69,350,959	78,484,385	81,090,925	83,272,983	88,075,383	94,299,866	102,499,780
Physical environment	5,828,266	5,557,126	7,371,526	10,359,928	11,010,999	10,027,960	9,586,044	10,502,266	11,824,773	12,979,474
Parks and recreation	11,718,153	11,936,500	11,973,800	12,652,879	13,235,662	14,432,115	14,446,274	16,027,183	19,293,325	20,840,353
Economic development	--	--	--	11,244,955	10,920,391	20,051,187	20,002,537	11,885,823	12,778,978	9,178,416
Capital outlay	7,950,057	9,839,169	11,806,866	12,658,192	10,261,376	13,042,023	17,365,711	21,586,719	23,287,749	26,776,023
Debt service										
Principal retirement	14,676,629	11,197,870	3,468,713	7,390,732	8,533,634	8,108,299	8,994,808	8,890,243	10,744,084	10,783,766
Interest and other fiscal charges	2,157,085	2,350,249	2,151,910	2,750,170	2,693,240	2,477,899	2,211,804	1,959,236	1,797,640	1,485,922
Bond issue costs	620,925	--	70,560	--	--	--	--	--	--	237,650
<b>Total Expenditures</b>	<b>122,969,883</b>	<b>129,953,936</b>	<b>128,636,954</b>	<b>154,441,936</b>	<b>166,285,662</b>	<b>179,521,473</b>	<b>190,173,646</b>	<b>200,012,975</b>	<b>218,216,270</b>	<b>233,412,123</b>
<b>Excess of Revenues Over (Under)</b>										
<b>Expenditures</b>	(5,145,546)	(7,260,571)	1,450,250	2,873,313	6,298,888	2,873,313	(620,248)	5,627,311	11,138,940	7,999,131
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds	42,285,456	--	31,500,000	1,250,000	1,950,000	--	--	--	--	9,545,000
Premium on bond issued	--	--	--	--	--	--	--	--	--	450,381
Bond anticipation note issued	1,799,244	--	--	--	--	--	--	--	--	--
Installment agreement issued	--	--	--	1,004,607	--	--	1,011,144	--	--	--
Proceeds from the sale of capital assets	934	790	42,309	1,443,597	46,013	2,870	2,007,876	652,979	1,400	--
Leases (right of use assets) acquired	--	--	--	--	--	--	--	279,549	--	--
Subscriptions based financing arrangements	--	--	--	--	--	--	--	--	5,467,847	1,236,715
Redemption of bonds	(25,568,032)	--	--	--	--	--	--	--	--	--
Transfers in	6,159,463	10,953,739	13,395,520	12,559,561	9,498,922	9,147,019	12,206,146	13,854,787	14,758,212	19,779,875
Transfers out	(2,596,843)	(10,644,483)	(11,187,925)	(9,163,070)	(8,040,170)	(6,251,403)	(9,659,288)	(10,208,115)	(10,595,920)	(15,990,630)
<b>Total Other Financing Sources (Uses)</b>	<b>22,080,222</b>	<b>310,046</b>	<b>33,749,904</b>	<b>7,094,695</b>	<b>3,454,765</b>	<b>2,898,486</b>	<b>5,565,878</b>	<b>4,579,200</b>	<b>9,631,539</b>	<b>15,021,341</b>
<b>Net Change in Fund Balances</b>	<b>\$ 16,934,676</b>	<b>\$ (6,950,525)</b>	<b>\$ 35,200,154</b>	<b>\$ 9,968,008</b>	<b>\$ 9,753,653</b>	<b>\$ 5,771,799</b>	<b>\$ 4,945,630</b>	<b>\$ 10,206,511</b>	<b>\$ 20,770,479</b>	<b>\$ 23,020,472</b>
<b>Debt Service as a Percentage of Non-Capital Expenditures</b>	14.64%	11.28%	4.81%	7.15%	7.20%	6.36%	6.49%	6.08%	6.43%	5.94%

# CITY OF DELRAY BEACH, FLORIDA

## GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS MODIFIED ACCRUAL BASIS OF ACCOUNTING

Fiscal Year	Property Taxes	Tax Increment Revenue <sup>(1)</sup>	Utility Service Taxes	Sales and Use Tax <sup>(2)</sup>	Local Business Tax	Total
2015	\$ 51,971,057	\$ --	\$ 9,462,152	\$ 1,397,627	\$ 786,579	\$ 63,617,415
2016	56,876,767	--	9,383,744	1,426,451	839,208	68,526,170
2017	59,282,428	--	9,468,782	3,654,505	911,668	73,317,383
2018	63,702,987	19,899,355	9,842,605	3,561,644	883,112	97,889,703
2019	68,084,866	22,176,796	10,032,079	3,633,681	876,577	104,803,999
2020	71,371,233	23,768,504	9,926,040	3,542,170	850,765	109,458,712
2021	76,496,032	29,953,112	10,336,932	3,447,611	850,765	121,084,452
2022	80,357,911	31,212,159	10,580,371	3,627,718	875,656	126,653,815
2023	90,551,572	31,983,601	11,841,404	3,650,884	833,079	138,860,540
2024	102,517,690	36,261,304	12,198,897	14,809,192	827,834	166,614,917

(1) The tax increment revenue is from the Delray Beach Community Redevelopment Agency that became a blended component unit beginning in 2018.

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

# CITY OF DELRAY BEACH, FLORIDA

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Tax Roll Year	Just Value			Total	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Total Taxable Assessed Value as a % of Estimated Actual Value
		Real Property	Personal Property	Assessed Property						
2015	2014	\$ 9,466,869,392	\$ 313,309,504	\$ 4,639,408	\$ 9,784,818,304	\$ 2,545,422,652	\$ 7,239,395,652	7.4639	\$ 8,495,771,769	85.21%
2016	2015	10,791,342,859	335,931,328	4,706,897	11,131,981,084	3,156,786,813	7,975,194,271	7.3367	9,266,850,397	86.06%
2017	2016	12,078,341,921	350,472,163	5,116,264	12,433,930,348	3,634,745,822	8,799,184,526	7.2107	10,139,528,779	86.78%
2018	2017	13,031,532,052	308,798,636	5,280,088	13,345,610,776	3,735,290,382	9,610,320,394	7.0900	11,025,497,279	87.16%
2019	2018	13,745,764,634	326,159,163	5,440,000	14,077,363,797	3,661,522,344	10,415,841,453	6.9719	11,877,807,039	87.69%
2020	2019	14,520,154,928	331,487,068	7,773,129	14,859,415,125	3,769,536,808	11,089,878,317	6.8645	12,604,762,821	87.98%
2021	2020	15,254,469,718	370,020,858	7,313,944	15,631,804,520	3,743,436,842	11,888,367,678	6.8497	13,466,726,469	88.28%
2022	2021	16,033,087,922	379,233,767	6,918,805	16,419,240,494	3,917,331,096	12,501,909,398	6.8403	14,107,445,839	88.62%
2023	2022	21,078,209,053	419,832,627	7,769,645	21,505,811,325	7,101,609,935	14,404,201,390	6.6665	16,109,704,234	89.41%
2024	2023	25,362,140,490	468,593,190	8,709,865	25,839,443,545	9,506,517,453	16,332,926,092	6.4982	18,129,715,594	90.09%

Note: The basis of just value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

Source: Palm Beach County Property Appraiser-Form DR-403F (Revised Recapitulation of the Ad Valorem Assessment Rolls of Delray Beach, Palm Beach County, Florida).

# CITY OF DELRAY BEACH, FLORIDA

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

<b>Fiscal Year Ending September 30,</b>	<b>General Fund</b>	<b>Debt Service</b>	<b>Total City of Delray Beach</b>	<b>School District</b>	<b>Palm Beach County</b>	<b>Special Taxing Districts</b>	<b>Total All</b>
2015	7.1611	0.3028	7.4639	7.5940	4.9729	2.1732	22.2040
2016	7.0611	0.2756	7.3367	7.5120	4.9277	2.0974	21.8738
2017	6.9611	0.2496	7.2107	7.0700	4.9142	1.9453	21.1402
2018	6.8611	0.2289	7.0900	6.7690	4.9023	1.7818	20.5431
2019	6.7611	0.2108	6.9719	6.5720	4.8980	1.6920	20.1339
2020	6.6611	0.2034	6.8645	7.1640	4.8580	1.6873	20.5738
2021	6.6611	0.1886	6.8497	7.0100	4.8124	1.6753	20.3474
2022	6.6611	0.1792	6.8403	6.8750	4.8149	1.6386	20.1688
2023	6.5111	0.1554	6.6665	6.5190	4.7439	1.5390	19.4684
2024	6.3611	0.1371	6.4982	6.4570	4.5188	1.4258	18.8998

Tax rate limits	- Ten mills per Florida Statute 200.81 (one mill equals \$1 per \$1,000 of assessed valuation).
Scope of tax rate limit	- No municipality shall levy ad valorem taxes for real and tangible personal property in excess of ten mills of the assessed value, except for special benefits and debt service on obligations issued with the approval of those taxpayers subject to ad valorem taxes.
Taxes assessed	- January 1
Taxes due	- March 31
Taxes delinquent	- April 1
Discount allowed	- 4% November; 3% December; 2% January; 1% February
Penalties for delinquent	- 3% plus advertising costs after April 1
Tax collector	- Palm Beach County
Tax collector's commission	- None

# CITY OF DELRAY BEACH, FLORIDA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO SEPTEMBER 30, 2024

	2024				2015			
	Taxable Assessed Valuation	Taxes Levied	Rank	Percentage of Total Taxes Levied	Taxable Assessed Valuation	Taxes Levied	Rank	Percentage of Total Taxes Levied
Florida Power and Light Co.	\$ 168,412,325	3,073,210	1	2.88%	\$ 95,860,360	\$ 715,492	1	1.22%
Lifespace Communities Inc	141,395,231	2,838,377	2	2.66%	36,097,870	269,431	9	0.46%
Tenet Healthcare Corp	134,626,218	2,606,238	3	2.44%	56,909,119	424,764	3	0.73%
Edwards Atlantic Avenue LLC	120,110,040	2,354,842	4	2.20%	-	-	-	-
Citation Club Investors	103,662,103	1,956,544	5	1.83%	51,738,896	386,174	6	0.66%
MREI Delray Borrower LLC	104,736,293	1,934,955	6	1.81%	-	-	-	-
Granite Worthing LLC	94,233,108	1,851,013	7	1.73%	55,625,441	415,183	4	0.71%
CH Realty IX/MF Boca Raton	89,161,254	1,669,305	8	1.56%	-	-	-	-
Ocean Properties Ltd	68,864,357	1,519,530	9	1.42%	43,558,935	325,120	7	0.56%
Depot FL Partners LLC	74,520,772	1,398,119	10	1.31%	-	-	-	-
Linton Delray LLC	-	-	-	-	43,081,283	321,554	8	0.55%
Fairfield Spring Harbors LLC	-	-	-	-	63,214,652	471,828	2	0.81%
Alta Congress Owner LLC	-	-	-	-	53,340,065	398,125	5	0.68%
Morse Operations Inc.	-	-	-	-	32,984,382	246,192	10	0.42%
Totals	<u>\$ 1,099,721,701</u>	<u>\$ 21,202,134</u>		<u>19.85%</u>	<u>\$ 532,411,003</u>	<u>\$ 3,973,863</u>		<u>6.79%</u>

Source: Palm Beach County Property Appraiser's Office

### Net Tax Levy:

Fiscal Year	2024	106,831,275
Fiscal Year	2015	58,557,569

### City Millage Rate:

Fiscal Year	2024	6.4982
Fiscal Year	2015	7.4639



# CITY OF DELRAY BEACH, FLORIDA

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

<b>Fiscal Year Ending 30,</b>	<b>Net Tax Levy*</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Property Tax Collections</b>	<b>Collections as a Percent of Current Levy</b>
2015	\$ 58,557,569	\$ 56,789,971	96.98%	\$ 86,796	\$ 56,876,767	97.13%
2016	58,512,469	58,688,757	100.30%	593,671	59,282,428	101.32%
2017	63,449,113	63,527,367	100.12%	175,620	63,702,987	100.40%
2018	68,138,009	68,064,438	99.89%	20,428	68,084,866	99.92%
2019	72,618,995	67,980,754	93.61%	104,112	68,084,866	93.76%
2020	76,127,852	73,356,606	96.36%	107,922	73,464,528	96.50%
2021	81,433,074	78,552,211	96.46%	111,321	78,663,532	96.60%
2022	85,518,601	82,464,055	96.43%	57,985	82,522,040	96.50%
2023	96,146,015	92,537,948	96.25%	176,382	92,714,330	96.43%
2024	106,831,275	102,452,396	95.90%	65,294	102,517,690	95.96%

Note: All property taxes are assessed and collected by Palm Beach County without charge to the City.  
Collections are distributed in full as collected.

Source: Palm Beach County Tax Collector

# CITY OF DELRAY BEACH, FLORIDA

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					Business-type Activities				Total Primary Government	Total Debt as a Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Revenue Bonds	Obligation Under Installment Agreements	Leases (Right-of-use Assets)	Subscription Liability	Revenue Bonds	Capital Appreciation Bonds	Obligation Under Installment Agreements	Capital Leases			
2015	\$ 16,435,000	\$ 54,939,822	\$ 386,854	\$ --	\$ --	\$ 13,761,371	\$ --	\$ --	\$ --	\$ 85,523,047	2.78%	\$ 1,354
2016	14,845,000	45,259,291	267,429	--	--	11,448,036	--	109,439	--	71,929,195	2.29%	1,124
2017	13,205,000	74,849,925	1,618,610	--	--	9,555,316	--	239,215	--	99,468,066	2.96%	1,512
2018	11,505,000	75,524,364	2,170,939	--	--	7,613,016	--	180,420	--	96,993,739	2.81%	1,401
2019	9,755,000	70,666,611	1,804,068	--	--	5,624,999	--	115,066	--	87,965,744	2.51%	1,257
2020	7,935,000	64,326,172	1,460,400	--	--	3,805,000	--	48,168	--	77,574,740	2.16%	1,096
2021	6,055,000	52,745,000	1,452,612	--	--	1,925,000	--	9,772	--	62,187,384	1.70%	872
2022	4,110,000	51,087,558	923,551	177,063	--	--	--	--	169,433	56,467,605	1.67%	834
2023	2,095,000	44,168,287	378,829	86,221	3,766,167	--	--	--	126,665	50,621,169	1.37%	737
2024	9,545,000	38,126,000	--	11,977	3,197,901	--	--	--	82,182	50,963,060	1.34%	749

# CITY OF DELRAY BEACH, FLORIDA

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Assessed Value of Taxable Property</b>	<b>Debt as a Percentage of Assessed Value of Taxable Property</b>	<b>Population</b>	<b>General Bonded Debt Per Capita</b>
2015	\$ 16,435,000	\$ --	\$ 16,435,000	\$ 7,239,395,652	0.23%	63,175	260
2016	14,845,000	--	14,845,000	7,975,194,271	0.19%	63,972	232
2017	13,205,000	43,762	13,161,238	8,808,152,637	0.15%	65,804	200
2018	11,505,000	40,372	11,464,628	9,606,443,869	0.12%	69,228	166
2019	9,755,000	22,424	9,732,576	10,415,841,153	0.09%	69,957	139
2020	7,935,000	59,058	7,875,942	11,089,878,317	0.07%	70,767	111
2021	6,055,000	87,635	5,967,365	11,888,367,678	0.05%	71,309	84
2022	4,110,000	118,060	3,991,940	12,501,909,398	0.03%	67,744	59
2023	2,095,000	150,357	1,944,643	14,404,201,390	0.01%	68,650	28
2024	9,545,000	179,871	9,365,129	16,332,926,092	0.06%	68,019	138

**Note:** The basis of assessed value is approximately one hundred percent (100%) of actual value. For each fiscal year ending September 30, property is valued as of January 1st of the preceding calendar year.

# CITY OF DELRAY BEACH, FLORIDA

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT SEPTEMBER 30, 2024

	Total Outstanding	Percentage Applicable to City of Delray Beach <sup>(1)</sup>	Amount Applicable to City of Delray Beach
Direct:			
City of Delray Beach	\$ 50,963,060	100.00%	\$ 50,963,060
Overlapping:			
Palm Beach County	104,915,000	4.97%	5,214,276
Palm Beach County School District			
Certificates of Participation	1,416,740,000	5.63%	79,762,462
Total overlapping debt	1,521,655,000		84,976,738
<b>Total direct and overlapping debt</b>	<b>\$ 1,572,618,060</b>		<b>\$ 135,939,798</b>
Population			68,019
Total direct and overlapping debt per capita			\$ 1,980

<sup>(1)</sup> Estimates based on 2023 ratio of net assessed taxable values.

Note: The City of Delray Beach has no legal debt margin.

Overlapping debt is the proportionate share of the debt of local jurisdictions located in part within the City limits. This schedule is intended to demonstrate the total debt City property tax payers will be expected to pay. The amount of debt applicable to the City is computed by (a) determining what portion of total assessed value of the overlapping jurisdiction lies within the limits of the City and (b) applying this percentage to the total governmental activities debt of the overlapping jurisdiction.

Source: Finance Department, City of Delray Beach, Florida  
Palm Beach County Property Appraiser  
School Board of Palm Beach County

# CITY OF DELRAY BEACH, FLORIDA

## WATER AND SEWER PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

<b>Fiscal Year</b>		<b>Gross Revenue <sup>(1)</sup></b>	<b>Operating Expenses <sup>(2)</sup></b>	<b>Revenue Available for Debt Coverage</b>	<b>Current Debt Service (3)</b>	<b>Current Coverage</b>
2015	(4)	\$ 32,717,661	\$ 19,392,578	\$ 13,325,083	\$ 434,399	30.67
2016		33,402,805	19,693,777	13,709,028	2,057,854	6.66
2017		35,198,509	21,903,576	13,294,933	2,058,376	6.46
2018		34,240,093	21,342,061	12,898,032	2,058,364	6.27
2019		34,302,688	22,759,259	11,543,429	2,056,789	5.61
2020		34,695,476	24,598,927	10,096,549	1,937,403	5.21
2021		34,927,566	25,128,576	9,798,990	1,951,329	5.02
2022		36,224,251	31,055,522	5,168,729	--	N/A
2023		39,931,706	31,717,778	8,213,928	--	N/A
2024		44,996,561	34,337,704	10,658,857	--	N/A

(1) Includes interest revenue and rents (does not include capital contributions).

(2) Excludes depreciation expense, interest expense and amortization expense.

(3) Reduction of debt service for 2015 and thereafter due to final payment on September 30, 2014 for Series 1993 Capital Appreciation Bonds.

(4) Minimum debt service coverage requirement is 1.1.

# CITY OF DELRAY BEACH, FLORIDA

## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>Fiscal Year 2024</u>			<u>Fiscal Year 2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Palm Beach County School District	22,218	1	2.94%	22,000	1	3.39%
Florida Atlantic University	6,335	2	0.84%	2,655	6	0.41%
Palm Beach County BOCC	5,873	3	0.78%	5,507	3	0.85%
Tenet Coastal Division Palm Beach County	5,734	4	0.76%	6,100	2	0.94%
Next Era Energy	5,598	5	0.74%	3,854	4	0.59%
Baptist Health South Florida	3,135	6	0.41%	-	-	-
Veterans Health Administration	2,948	7	0.39%	2,501	8	0.39%
HCA Florida Healthcare	2,612	8	0.35%	2,714	5	0.42%
Jupiter Medical Center	2,540	9	0.34%	2,000	10	0.31%
The Breakers	2,300	10	0.30%	-	-	-
Boca Raton Regional Hospital	-	-	-	2,500	9	0.38%
Bethesda Regional Hospital	-	-	-	2,600	7	0.40%
Totals	<u>59,293</u>		<u>7.85%</u>	<u>52,431</u>		<u>8.08%</u>

Source: Business Development Board of Palm Beach County.  
Delray Beach Office of Economic Development

# CITY OF DELRAY BEACH, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	City Population <sup>(1)</sup>	County Population <sup>(1)</sup>	Per Capita Personal Income <sup>(2)</sup>	Estimated Total Personal Income <sup>(3)</sup>	Median Age <sup>(1)</sup>	School Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(1)</sup>
2015	63,175	1,378,417	\$ 48,706	\$ 3,077,001,550	45.1	7,760	6.4%
2016	63,972	1,391,741	49,193	3,146,974,596	44.9	7,473	4.4%
2017	67,645	1,447,457	49,684	3,360,874,180	44.8	7,139	3.2%
2018	69,228	1,471,150	49,940	3,457,246,320	45.1	7,259	3.1%
2019	69,957	1,498,187	50,181	3,510,512,217	45.4	7,121	2.8%
2020	70,767	1,541,961	50,683	3,586,683,861	45.0	7,139	7.4%
2021	71,309	1,594,618	51,190	3,650,307,710	45.0	7,240	3.8%
2022	67,744	1,516,419	49,955	3,384,151,520	47.6	7,127	5.5%
2023	68,650	1,527,592	53,852	3,696,939,800	47.4	7,123	3.1%
2024	68,019	1,532,718	56,068	3,813,689,292	48.7	7,200	3.3%

### Data Sources:

- (1) Business Development Board of Palm Beach County.  
Median Age for 2011 to current is for the City of Delray Beach, Florida. Prior years data is for Palm Beach County.
- (2) Bureau of Economic Analysis
- (3) Estimated based on County per capita personal income and City population.
- (4) The School Enrollment per the Palm Beach County School Board excluding the Delray Full Service Center.

# CITY OF DELRAY BEACH, FLORIDA

## FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	62.5	72.5	80.5	74	81	103	79	89	93	84
Public Safety										
Community Improvement	7.5	6	12	14	14	15	13	13	12	11
169	14	15	16	16.5	14	16	16	19	20	20
Building Inspection	14	19	20	20	22	20	24	28	30	31
Code Compliance	18.5	18	18	16.5	18	16	19	19	16	15
Law Enforcement	212.5	216.5	222	230.5	229	227	237	217	207	220
Fire Control	173	182.5	186	196	196	192	202	194	189	182
Community Development										
Block Grant	5	9.5	6	6	3	2	2	3	4	4
Insurance	3	4	2	2	2	3	3	3	3	3
City Garage	10	13	14.5	13	11	13	13	13	19	21
Physical Environment										
Public Works	21.5	20.5	22	36	39	32	39	58	56	59
Engineering	6	6	7	9	9	8	11	15	12	13
Sanitation	4	4	4	3	3	3	3	11	12	16
Stormwater Utility	5	7	6.5	5	6	6	7	5	7	7
Parks and Recreation	110.5	105	107	112.5	89	75	69	67	102	99
Water & Sewer Utility	111	114	111	92	102	103	102	102	78	104
<b>Total</b>	<b>778</b>	<b>813</b>	<b>835</b>	<b>846</b>	<b>838</b>	<b>834</b>	<b>839</b>	<b>856</b>	<b>860</b>	<b>889</b>



# CITY OF DELRAY BEACH, FLORIDA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Public Safety</b>										
<b>Police</b>										
Stations	3	3	2	2	1	1	1	1	1	1
Patrol units	209	212	206	214	223	228	212	213	213	206
<b>Fire</b>										
Fire stations <sup>(1)</sup>	6	6	6	6	6	6	6	6	6	5
Fire trucks	9	9	12	12	12	12	11	12	12	10
ALS rescue vehicles	9	9	12	12	12	12	11	11	11	9
<b>Leisure Services</b>										
Ballfields - lighted	15	15	15	15	15	15	15	15	15	15
Basketball courts	5	5	5	5	7	7	7	7	7	7
Football/Soccer fields <sup>(2)</sup>	7	7	7	7	7	7	7	7	7	7
Tennis courts	48	48	48	48	48	48	48	48	48	48
Parks	23	24	55	59	59	59	59	59	59	59
<b>Roads and Streets</b>										
Lane miles <sup>(3)</sup>	308	308	309	310	310	310	310	310	310	310

Sources: City of Delray Beach Departments

The following data is not available:

Sanitation  
Water/Sewer Utility

- (1) The total number of Fire Stations includes Highland Beach where the City provides Fire and EMS Service.
- (2) Soccer is played on the football fields. There are no separate soccer fields.
- (3) The number of lane miles is based on the City's GIS system.

# CITY OF DELRAY BEACH, FLORIDA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Public Safety</b>										
<b>Police</b>										
Physical arrests	2,014	1,793	2,262	2,097	2,361	2,146	1,753	1,761	1,516	1,621
Traffic violations	19,702	19,703	17,815	18,472	22,396	17,801	21,064	16,893	18,303	20,017
<b>Fire</b>										
Number of calls	13,255	12,136	16,404	15,877	16,383	16,397	16,214	17,094	17,116	17,311
<b>Parks and Recreation</b>										
<b>Library</b>										
Circulation	191,759	187,400	180,989	170,969	200,348	138,977	205,534	192,329	168,288	172,288
Programs offered	791	756	1,506	1,982	2,612	2,276	907	1,790	1,735	1,909
Program attendance	24,488	22,232	19,663	26,894	34,891	19,205	8,590	12,113	13,239	18,000
<b>Leisure Services [1]</b>										
Youth athletic participants	35,638	29,573	24,000	36,000	2,405	2,136	1,444	1,711	1,225	3,599
Camp program participants	2,021	1,845	953	900	364	58	250	247	2,364	941
Class participants	50,747	49,786	36,605	25,000	21,096	20,320	9,071	5,187	6,441	12,481
<b>Water/Sewer Utility</b>										
Water customers	22,132	22,212	20,392	22,556	20,985	21,761	21,738	22,219	22,530	22,624
Water main breaks	477	373	305	268	11	13	6	23	15	7
Sewer customers	20,784	20,329	20,475	19,413	19,686	20,625	20,637	20,956	21,188	20,238
Sewer main breaks	--	1	1	5	2	2	2	--	6	1
Avg daily water consumption (Million Gallon Day)	11,000	11,759	12,008	14,960	15,800	11,285	12,519	12,537	12,155	12,723

Sources: City Departments/Delray Beach Public Library

[1] The methodology for determining Leisure Services participants changed in 2019 from a participant to enrollment basis.

The following data is not available:

Public Safety  
Sanitation  
Roads & Streets

N/A Information is not available

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## **REPORTING SECTION**

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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Delray Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 29, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items SD 2024-001, SD 2024-002 and SD 2024-003 that we consider to be significant deficiencies.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***City's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### ***Purpose of This Report***

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

***CBIZ CPAs P.C.***

West Palm Beach, FL  
May 29, 2025

**Independent Auditors' Report on Compliance for Each Major  
Federal Program and Report on Internal Control over Compliance  
Required by the Uniform Guidance**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Delray Beach, Florida (the "City")'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200*, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

## ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*CBIZ CPAs P.C.*

West Palm Beach, FL  
May 29, 2025



**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/ Pass-through Grantor Program or Cluster Title	Assistance Listing Number	Grant Number/ Pass-through Entity Identifying Number	Federal Expenditures
<b>United States Department of Justice</b>			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	N/A 15PBJA-22-GG-02514-	\$ 27,869
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	JAGX	31,953
Indirect Program:			
Passed through Office of Community Oriented Policing Public Safety Partnership and Community Policing Grants Law Enforcement Mental Health and Wellness Act (LEMHWA) program	16.710	2020MHWXK022	61,022
<b>Total United States Department of Justice</b>			<b>120,844</b>
<b>U.S. Department of Environmental Protection Agency</b>			
Indirect Program:			
Passed through the State of Florida, Department of Environmental Protection Drinking Water State Revolving Fund	66.468	DW5020D0	159,147
<b>Total U.S. Department of Environmental Protection Agency</b>			<b>159,147</b>
<b>United States Department of Housing and Urban Development</b>			
Direct Programs:			
CDBG - Entitlement/Special Purpose Grants Cluster			
Community Development Block Grants/Entitlement Grants (CDBG-CV)	14.218	B-20-MW-12-0033	21,042
Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-12-0033	99,741
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-12-0033	31,128
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-12-0033	83,150
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-12-0033	12,979
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-12-0033	18,926
Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-12-0033	292,228
<b>Total CDBG/Entitlement Grants</b>			<b>559,194</b>
<b>Total CDBG - Entitlement/Special Purpose Grants Cluster</b>			<b>559,194</b>
<b>Total United States Department of Housing and Urban Development</b>			<b>559,194</b>
<b>United States Department of Transportation</b>			
Indirect Programs:			
Passed through Florida Department of Transportation Highway Planning and Construction (Federal-Aid Highway Program)	20.205	G1K33	441,556
<b>Total Highway Planning and Construction</b>			<b>441,556</b>
Passed through Florida Department of Transportation Highway Safety Cluster			
State and Community Highway Safety	20.600	G2P59	130,689
National Priority Safety Program	20.616	G2R20	70,000
<b>Total Highway Safety Cluster</b>			<b>200,689</b>
<b>Total United States Department of Transportation</b>			<b>642,245</b>

*See notes to schedule of expenditures of federal awards.*

**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor/ Pass-through Grantor Program or Cluster Title	Assistance Listing Number	Grant Number/ Pass-through Entity Identifying Number	Federal Expenditures
<b>United States Department of Homeland Security</b>			
Indirect Program:			
Passed through Florida Division of Emergency Management:			
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters) Coronavirus - Covid 19	97.036	4486	\$ 101,154
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters) Hurricane Irma	97.036	Z1118	423,716
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters) Hurricane Isaia	97.036	Z2529	89,653
Disaster Grants - Public Assistance			
(Presidentially Declared Disasters) Hurricane Matthew	97.036	17-PA-U5-10-60-01-111	220,984
<b>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</b>			<b>835,507</b>
Homeland Security Grant Program	97.067	EMW-2021-SS-00056-S01	21,804
Homeland Security Grant Program	97.067	EMW-2022-SS-00029-S01	73,000
<b>Total Homeland Security Grant Program</b>			<b>94,804</b>
<b>Total United States Department of Homeland Security</b>			<b>930,311</b>
<b>United States Department of Treasury</b>			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Fund Award	21.027	N/A	2,025,758
<b>Total United States Department of Treasury</b>			<b>2,025,758</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 4,437,499</b>

Note: No amounts were provided to subrecipients.

N/A - None available

*See notes to schedule of expenditures of federal awards.*

**CITY OF DELRAY BEACH, FLORIDA**

**NOTES TO SCHEDULE OF EXENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) presents the expenditure activity of all federal awards of the City of Delray Beach, Florida (the “City”) for the fiscal year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City. Expenditures of State financial assistance for the fiscal year ended September 30, 2024 did not exceed the \$750,000 threshold for a Florida Single Audit.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 - INDIRECT COST RATE**

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

**NOTE 4 - SUBRECIPIENTS**

No amounts were provided to subrecipients during the fiscal year ended September 30, 2024.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

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SECTION I - SUMMARY OF AUDITORS' RESULTS

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?

       Yes   X   No

Significant deficiency(ies) identified?

  X   Yes        None reported

Noncompliance material to financial statements noted?

       Yes   X   No

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?

       Yes   X   No

Significant deficiency(ies) identified?

       Yes   X   None reported

Type of auditor's report issued on compliance for major federal programs:

*Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a).

       Yes   X   No

**Identification of major federal programs:**

Major federal award programs:

Assistance Listing No.

United States Department of Treasury – Coronavirus State and  
Local Fiscal Recovery Funds

21.027

United States Department of Homeland Security – Disaster Grants  
Public Assistance (Presidentially Declared Disasters)

97.036

Dollar threshold used to distinguish between Type A and  
Type B Federal award programs:

\$ 750,000

Auditee qualified as low-risk auditee?

  X   Yes        No

**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**SECTION II - FINANCIAL STATEMENT FINDING**

***SIGNIFICANT DEFICIENCIES***

**SD 2024-001 (PREVIOUSLY REPORTED AS SD 2021-001) – INTERNAL CONTROLS OVER PAYROLL PROCESS (REPEAT FINDING)**

***Criteria***

An accurate time and attendance system should be in place so complete and accurate time sheets are submitted for all employees and controls should be in place to automate the payroll process and provide a proper audit trail.

***Condition***

The City's external auditor randomly selected 40 employees and pay periods for testing payroll expenditures during fiscal years 2019 and 2020. In fiscal year 2020, it was noted that the hours reported on one timesheet did not agree to the hours paid as recorded in the payroll register. The timesheet reported six hours of overtime, which were not recorded on the payroll register and were not paid. In addition, two employee timesheets were not signed by supervisors to document their review and approval as required by City policy, and two additional employee timesheets were missing and could not be provided for our review. This condition was reported as Management Letter Comment 2019-001 (Payroll Processing) in both fiscal years 2019 and 2020. Subsequently, an Internal Audit Report was released by the City's Internal Auditor on May 12, 2022 that reported findings and recommendations to improve payroll processing. The payroll software ERP system as currently configured for payroll, is lacking the adequate audit trail and automation of many sub-processes within payroll are manual processes which increases the possibility of errors. The City utilizes a manual (Excel) timesheets for some employees which require manual input by the various City departments. There was also a lack of formal policies and procedures manuals for payroll processing.

On August 16, 2022, the City Commission approved an agreement with a third-party vendor for time and attendance solutions and services for effective workforce management. Implementation of the time and attendance software will allow the City to eliminate the manual timesheets that are currently in place. Furthermore, the City also intends to integrate Telestaff with the time and attendance software system which will eliminate the manual entry of payroll data for the Police and Fire departments. The City went live in Dimensions UKG with the implementation of Phase 1 (administrative and non-shift personnel) in January 2024, Phase 2 (employees utilizing time clocks) in February 2024 and Phase 3 (Public Works, Utilities, Development Services) in May 2024. The final phase (Phase 4 - Police and Fire departments) is currently ongoing and testing is tentatively scheduled for July/August 2025.

**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

***SIGNIFICANT DEFICIENCIES (CONTINUED)***

**SD 2024-001 (PREVIOUSLY REPORTED AS SD 2021-001) – INTERNAL CONTROLS OVER PAYROLL PROCESS (REPEAT FINDING) (CONTINUED)**

***Cause***

It appears that inaccurate or incomplete timesheets are being submitted by employees in various City departments for processing. After the payroll is processed, revised or corrected timesheets are submitted and the reported hours for the subsequent pay period are modified to make the corrections. The financial software system as currently configured for payroll, is lacking the adequate audit trail and automation of many sub-processes within payroll, which are in turn defaulted to manual processing and review by staff. Another cause could be the lack of formal policies and procedures for payroll processing.

***Effect***

Payroll payments could be incorrectly calculated based on incorrect timesheets. Significant documentation and effort are required by the finance department to reconcile and process payroll entered by the various departments which increases the risk of errors in the City's payroll.

***Recommendation***

We recommend that management review the current payroll processes and consider actions to ensure that employee timesheets are complete, accurate and timely when submitted to Finance for processing. City's Management is also encouraged to implement a time and attendance system to eliminate the manual timesheets currently in place. The City should consider implementing the same timesheet template for all employees to facilitate the processing of payroll (ex: some departments use TeleStaff, others use Call-Out forms but the hours marked on these forms are not shown on the timesheets, etc.).

***Views of Responsible Officials and Planned Corrective Action***

See accompanying Corrective Action Plan.

**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

***SIGNIFICANT DEFICIENCIES (CONTINUED)***

**SD 2024-002 – LACK OF FINANCIAL CLOSE PROCEDURES**

***Criteria***

The City utilizes a pooled cash system in which all cash from the multiple funds are combined into a single pool for management and investment purposes, enhancing efficiency and potentially increasing returns. The City reports the combined pooled cash amount as single line item across the funds with each fund reporting its *equity in the pool* as an asset. Each fund's share of the pooled cash is tracked and represents its share of the overall pool.

The City's Police Officers', Firefighters' and General Employees' Pension Plans ("Plans") participate in the City's pooled cash account, and the City is currently reflecting/tracking the Plan's interest in the City's pooled cash account to keep record of Due From/Due To activity between the City and the Plans.

Due From/Due To activity arises from services provided by the City to the Plans or from charges and reimbursement activity between the City and Plans for costs covered by the City on behalf of the Plans.

Any negative balances in the pooled cash accounts in the funds at fiscal year end September 30<sup>th</sup> should be adjusted against the interfund due from/due to accounts at fiscal year-end for proper financial reporting.

***Condition***

As part of our audit procedures, we noted the trial balance of the Plans as of fiscal year end September 30, 2024, provided to the auditor by management, did not include required reclassifying journal entries from Pooled Cash to Due From/Due To accounts. The Plans typically only have separate bank accounts for the Plans to ensure resources are protected from the City's creditors and/or external parties.

It was also noted that there were eleven (11) funds that reported negative pooled cash of approximately \$18 million which the auditor proposed reclassification journal entries from Pooled Cash to Due From/Due To accounts at fiscal yearend September 30, 2024.

***Cause***

Lack of effective controls over financial close process over pooled cash balances.

**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

***SIGNIFICANT DEFICIENCIES (CONTINUED)***

**SD 2024-002 – LACK OF FINANCIAL CLOSE PROCEDURES (CONTINUED)**

***Effect***

Lack of timely reconciliation procedures for negative pooled cash balance increases the risk of inaccurate financial reporting.

***Recommendation***

We recommend management review such account activity before providing the trial balance to the auditor, to ensure necessary reclassifying entries, if any, are recorded. Additionally, management should review and analyze the cash position of the Plans within the City's pooled cash system and determine the benefits and/or requirements of establishing separate bank cash accounts for the Plans to ensure resources are protected from the City's creditors and/or external parties rather than recording such activity through Due To/Due From accounts between the Plans and the City. Additionally, management should review and analyze on a monthly basis, the cash position of the other funds that have a negative cash position in the City's pooled cash account and adjust any negative pooled cash balances to the Due To/Due From accounts.

***Views of Responsible Officials and Planned Corrective Action***

See accompanying Corrective Action Plan.



**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)**

***SIGNIFICANT DEFICIENCIES (CONTINUED)***

**SD 2024-003 – UTILITY BILLING/WATER FUND UNBILLED ACCOUNT**

***Criteria***

Proper accrual calculations should be made for accounts receivable and revenues at fiscal year end in accordance with generally accepted accounting principles.

***Condition***

During testing of Unbilled Accounts Receivable for the Water Fund, the auditor noticed an error in the Unbilled Accounts Receivable and Revenue amounts. Upon investigation, it was discovered that an incorrect billing cycle report was used by City staff to prepare the Unbilled Accounts Receivable calculation at September 30, 2024. An adjustment was made for \$1,205,904 to correct the Unbilled Accounts Receivable and related revenue amounts to the correct balance as of September 30, 2024.

***Cause***

Inadequate controls over preparation and review of journal entry recording related to unbilled revenue amounts as of year-end.

***Effect***

The lack of review of the utility billing calculation accrual increases the risk of incorrect receivable and revenue amounts being reported.

***Recommendation***

We recommend that the City review current internal controls over the utility billing process and the utility unbilled calculation. The City should establish a formal process for the year end reconciliation and closing procedures over the utility unbilled receivables and revenues and ensure these accounts and the year end adjusting entries are reviewed and approved by management.

***View of Responsible Officials***

See accompanying Corrective Action Plan.

**CITY OF DELRAY BEACH, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None

**CITY OF DELRAY BEACH, FLORIDA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**NOTE I – PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

SD 2024-001 (Previously Reported as SD 2021-001) – Internal Controls Over Payroll Process has not been adequately addressed and is repeated.

**NOTE II – PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None.

**Management Letter in Accordance with the  
Rules of the Auditor General for the State of Florida**

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

***Report on the Financial Statements***

We have audited the financial statements of the City of Delray Beach, Florida (the “City”), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 29, 2025.

The Delray Beach Community Redevelopment Agency, a blended component unit and major governmental fund of the City, the Delray Beach Downtown Development Authority, a discretely presented component unit, and the City of Delray Beach Firefighters’ Retirement System and the City of Delray Beach Police Officers’ Retirement System, which are fiduciary funds of the City, issue separate stand-alone audit reports. This management letter does not include the results of the testing of internal control over financial reporting or compliance and other matters that are reported on separately in the stand-alone audit reports for those entities.

***Auditors’ Responsibility***

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

***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated May 29, 2025, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The uncorrected audit finding and recommendation reported in the preceding annual financial audit report is summarized in the table below:

Tabulation of Uncorrected Audit Findings		
Current Year Finding No.	2023-22 FY Finding No.	2022-21 FY Finding No.
2024-001	2021-001	2021-001
2024-002		
2024-003		

Finding SD 2024-001, previously reported as SD 2021-001, is a repeat finding.

### ***Official Title and Legal Authority***

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements. Also, as discussed in Note 1, the City included the Delray Beach Community Redevelopment Agency and Delray Beach Downtown Development Authority as component units of the City.

### ***Financial Condition and Management***

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the fiscal year ended September 30, 2024.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City as of September 30, 2024. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. The results of our procedures disclosed no matters that are required to be reported. Our assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any additional recommendations, other than those noted above in the prior audit findings section of this letter.

### ***Property Assessed Clean Energy (PACE) Program***

Section 10.554(1)(i)6.a., Rules of the Auditor General, requires a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. There was no PACE Program operating within the City's geographical boundaries.

### ***Special District Component Units***

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

### ***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Delray Beach Community Redevelopment Agency (the "CRA") required information is reported in the Other Information section of the CRA's stand-alone financial statements for the fiscal year ended September 30, 2024.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Delray Beach Downtown Development Authority (the "DDA") required information is reported in the Other Information section of the DDA's stand-alone financial statements for the fiscal year ended September 30, 2024.

### ***Additional Matters***

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### ***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and the City Commission and management of the City of Delray Beach, Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*CBIZ CPAs P.C.*

West Palm Beach, FL  
May 29, 2025



CBIZ CPAs P.C.

525 Okeechobee Boulevard  
Suite 750  
West Palm Beach, FL 33401

P: 561.653.7300

**Independent Accountants' Report on Compliance**  
**Pursuant to Section 218.415, Florida Statutes**

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

We have examined the City of Delray Beach, Florida (the "City") compliance with Section 218.415, Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2024. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the City complied, in all material respects, with Section 218.415, Florida Statutes, as of and for the fiscal year ended September 30, 2024.

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

*CBIZ CPAs P.C.*

West Palm Beach, FL  
May 29, 2025

## **CORRECTIVE ACTION PLAN**

### **SD 2024-001 – Internal Control over Payroll Process**

Management concurs with the findings. The City has signed an agreement with a third-party provider for time and attendance software. Software has been implemented in phases, with the final phase (Police and Fire) expected to test and go live before December 31, 2025. Implementation will be the joint responsibility of the Fire, Police and IT Departments with the Payroll Division of the Finance Department.

### **SD 2024-002 – Lack of Financial Close Procedures**

Management concurs with the findings. By next fiscal year, a closing entry will be prepared annually by the Accounting Division balancing out pooled cash balances such that the Pooled Cash balances in all funds will be positive or zero.

### **SD 2024-003 – Utility Billing / Water Fund Unbilled Account**

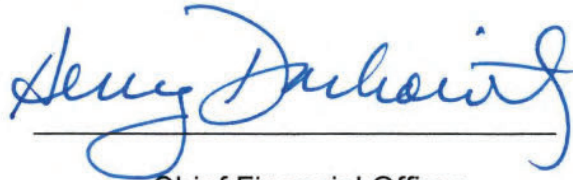
Management concurs with the findings. By next fiscal year, closing accrual entries affecting accounts receivable and revenue will be prepared annually by the Accounting Division with data input from the Utility Billing Department to properly account for unbilled services and receivables.



BEFORE ME, the undersigned authority, personally appeared Henry M. Dachowitz who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of City of Delray Beach which is a local Municipality of the State of Florida;
2. City of Delray Beach adopted Ordinance No. 9.92 implementing an impact fee; and
3. City of Delray Beach has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.



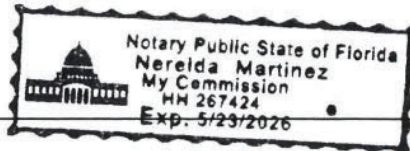
Chief Financial Officer

City of Delray Beach

STATE OF FLORIDA

COUNTY OF PALM BEACH

SWORN TO AND SUBSCRIBED before me this 9<sup>th</sup> day of April, 2025.



NOTARY PUBLIC

Print Name Nereida Martinez

Personally known x or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires: 5/23/2026



***Village By the Sea***

100 NW 1<sup>st</sup> Ave Delray Beach, FL 33444  
(561) 243-7000  
[MyDelrayBeach.com](http://MyDelrayBeach.com)