
**CITY OF
DELRAY BEACH,
FLORIDA**

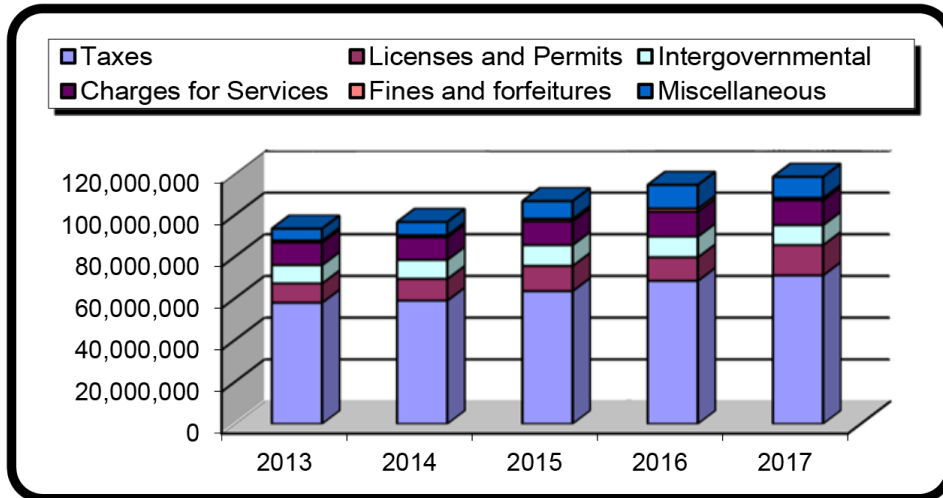


***2017 FINANCIAL
HIGHLIGHTS***

REVENUE AND EXPENSES

REVENUE

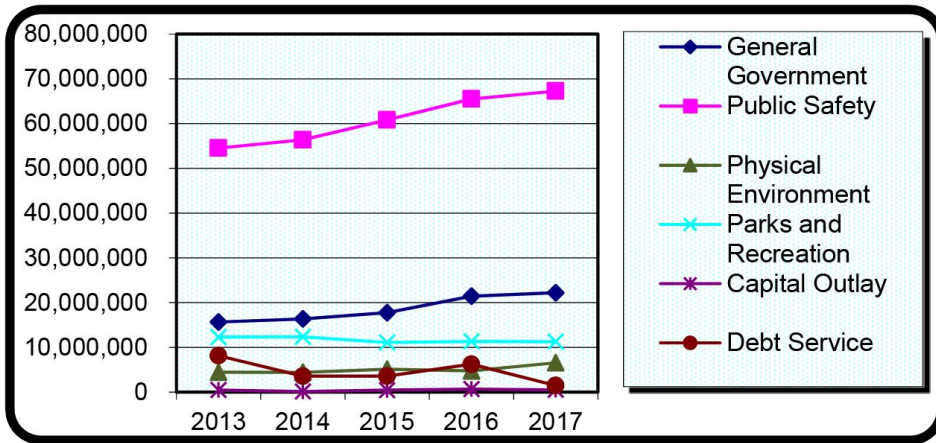
The following graph presents General Fund revenues of the City by source for the last five (5) years.



- Total General Fund revenues for the year ended September 30, 2017 were approximately \$118.4 million. This represents an increase of \$3.9 million, or 3.4%, compared with the prior year.
- Total General Fund revenues have increased approximately \$24.8 million, or 26.5%, from 2013. Increases in taxes (\$13,130,000), licenses and permits (\$5,277,000), intergovernmental revenues (\$792,000), charges for services (\$1,106,000), fines and forfeitures (\$184,000) and miscellaneous (\$4,323,000); account for the increase in total revenues.
- The total assessed value of real and personal property was \$12.441 billion for 2017, an increase of \$4.44 billion, or 55.5%, from 2013.
- The General Fund millage rate adopted for the 2016/2017 fiscal year (6.9611) has decreased 3.3% from 2013 (7.1992). The debt service millage rate decreased from .6041 in 2013 to .2496 in 2017.

EXPENDITURES

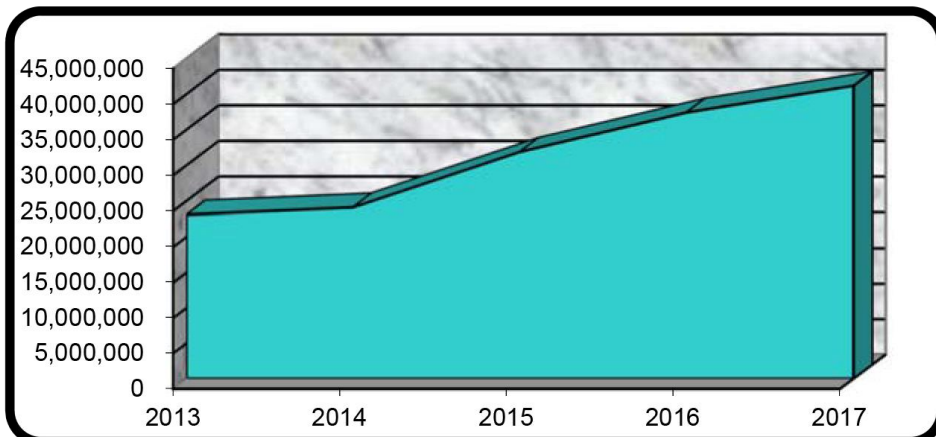
The following graph presents General Fund expenditures of the City by function for the last five (5) years.



- Total General Fund expenditures for the year ended September 30, 2017 were approximately \$109.3 million. This represents a decrease of approximately \$620,000, or .6%, compared with 2016.
- Expenditures over the last five years increased \$13.7 million or 14.3% in total and the City's population increased 6.5%. The increases from 2013 were \$6.5 million in General Government (41.8%), \$12.7 million in Public Safety (23.4%), \$2.1 million in Physical Environment (47.2%) and \$34,000 in Capital Outlay (7.1%), while Parks and Recreation decreased \$1.0 million (8.4%), and Debt Service decreased \$6.7 million (82.0%).
- Public Safety expenditures represent 61.6% of the City's total expenditures for 2017 as compared to 57.1% in 2013.
- Expenditures committed to debt service principal and interest represented 4.4% of total governmental expenditures for all funds in 2017 as compared to 10.4% in 2016 and 8.2% in 2013.

FUND BALANCE

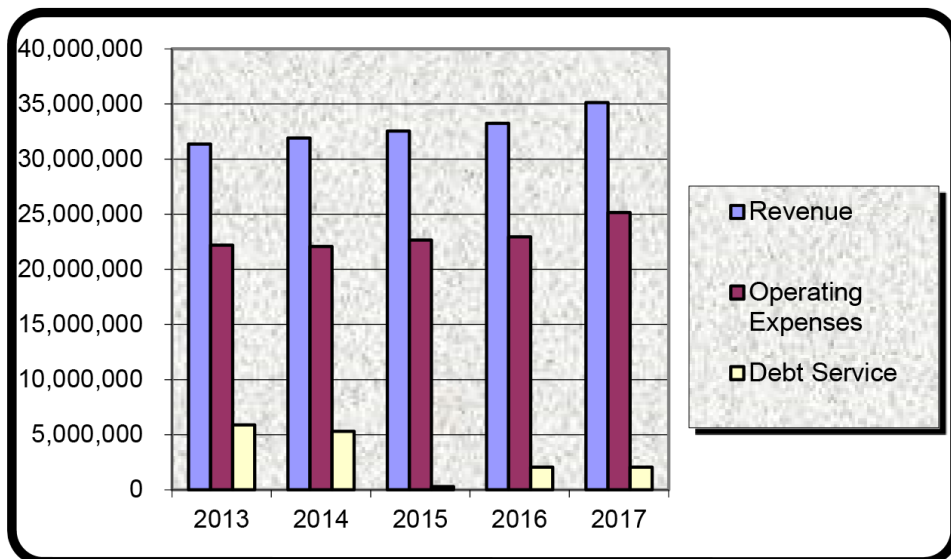
The following graph presents the trend in assigned and unassigned fund balance of the General Fund for the last five (5) years.



- Assigned and unassigned fund balance at September 30, 2017 was \$41,151,422 compared to \$37,384,767 at September 30, 2016.
- Unassigned fund balance was \$39,273,110 and represents 35.9% of the 2017 General Fund expenditures (33.7% in 2016), or approximately 131 days of working capital (123 days in 2016).
- Assigned and unassigned fund balance at September 30, 2017 increased \$18.1 million (78.3%) from 2013 and \$3.8 million (10.1%) from 2016.

WATER SYSTEM OPERATIONS

Operations of the water system are financed primarily by revenue from customer charges. The graph provided below compares water revenue, operating expenses, and debt service over the last five (5) years.



- The operating revenue of the utility system for 2017 increased \$1.9 million (5.6%) and operating expenses increased \$2.2 million (9.6%).
- The utility net revenue (excluding depreciation) was 6.5 times debt service for 2017, compared to required debt service coverage of 1.10. Coverage has typically exceeded the required debt service by 2 times, but increased after payment of the Capital Appreciation Bonds in 2014.
- The net cash provided by operations was approximately \$15.8 million for 2017.
- The water system received cash of approximately \$530,000 for new connections in 2017, compared to \$1,092,000 for 2016.
- Cash invested in capital facilities was approximately \$4.5 million in 2017 (\$8.1 million in 2016), which was financed primarily from the existing assets and revenue of the water and sewer system.
- The utility capital assets at September 30, 2017 were approximately \$91.3 million, an increase of \$8.4 million (10.1%) since 2013.

Comprehensive Annual Financial Report (CAFR)

- Introductory Section
- Financial Section
- Statistical Section
- Compliance Section

Financial Section

- **Unmodified Opinion on City** *Page 1*
- **Management's Discussion and Analysis (MD&A)** *Page 4*
- **Financial Statements**
 - Government-Wide Financial Statements *Page 17*
 - Fund Financial Statements *Page 19*
- **Notes to Financial Statements** *Page 28*
 - Note 13 Employee Retirement Plans *Page 61*
 - Summary of Net Pension Liability *Page 66*
- **Required Supplementary Information –**
 - Budgetary Comparison *Page 83*
 - Pension Funding Schedules *Page 86*
- **Combining Financial Statements and Other Information** *Page 96*

Compliance Section

- Report on Internal Control and Compliance – Material Weaknesses and Significant Deficiencies in Internal Control *Page 156*
- Schedule of Expenditures of Federal Awards – Total Awards \$1,198,118 *Page 158*
- Report on Single Audit Compliance and Internal Control – Qualified Opinion on Highway Grant *Page 160*
- Schedule of Findings and Questioned Costs *Page 163*
- Management Letter – 5 Repeated Findings and Current Year Findings *Page 196*
- Response to Management Letter *Page 206*

Questions



We appreciate the opportunity to serve the City
of Delray Beach, Florida.

*Should you have a question on the City's
Audited Financial Statements or any other
matters following the meeting, please feel
free to call me directly at 832-9292.*

*Scott Porter
Audit Partner*

 CALER, DONTEN, LEVINE,
COHEN, PORTER & VEIL, P.A.

CERTIFIED PUBLIC ACCOUNTANTS