

PRINCIPAL OFFICIALS

At September 30, 2018

Shelly Petrolia
Mayor

Adam Frankel
Vice-Mayor

Shirley Johnson
Deputy Vice-Mayor

Ryan Boylston
Commissioner

Bill Bathurst
Commissioner

Mark R. Lauzier
City Manager

Kimberly Ferrell, CPA
Finance Director

**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, please feel free to call me directly at
832-9292.*

Scott Porter
Audit Partner

The information presented has been derived from the City's Financial Statements and information provided by the City. It is not intended to be a complete financial report under U.S. generally accepted accounting principles.



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

© 2018 Caler, Donten, Levine, Cohen, Porter & Veil, P.A.
All rights reserved.

CITY OF DELRAY BEACH, FLORIDA



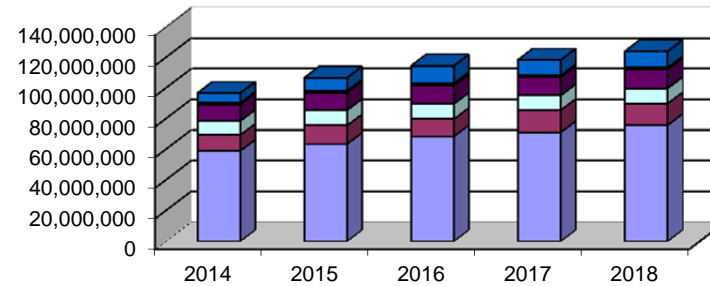
2018 FINANCIAL HIGHLIGHTS

REVENUE AND EXPENSES

REVENUE

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

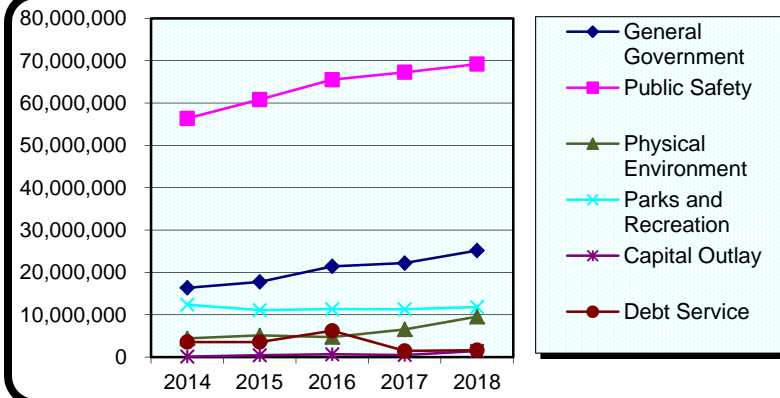
■ Taxes ■ Licenses and Permits ■ Intergovernmental
 ■ Charges for Services ■ Fines and forfeitures ■ Miscellaneous



- Total General Fund revenues for the year ended September 30, 2018 were approximately \$124.0 million. This represents an increase of \$5.6 million, or 4.7%, compared with the prior year.
- Total General Fund revenues have increased approximately \$27.2 million, or 28.1%, from 2014. Increases in taxes (\$16,783,000), licenses and permits (\$3,719,000), intergovernmental revenues (\$817,000), charges for services (\$1,441,000), fines and forfeitures (\$316,000) and miscellaneous (\$4,142,000); account for the increase in total revenues.
- The total assessed value of real and personal property was \$13.346 billion for 2018, an increase of \$4.64 billion, or 53.4%, from 2014.
- The General Fund millage rate adopted for the 2017/2018 fiscal year (6.8611) has decreased 4.2% from 2014 (7.1611). The debt service millage rate decreased from .3453 in 2014 to .2289 in 2018.

EXPENDITURES

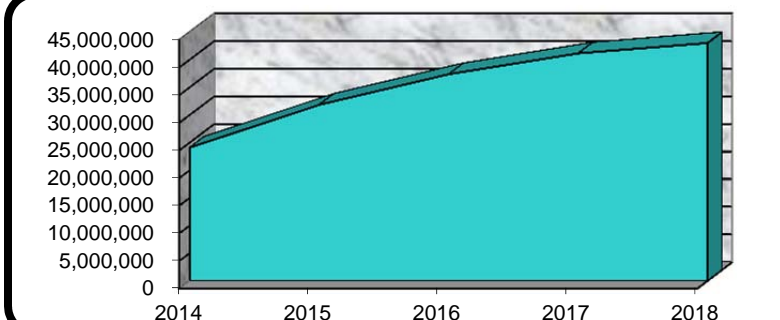
The following graph presents General Fund expenditures of the City by function for the last five (5) years.



- Total General Fund expenditures for the year ended September 30, 2018 were approximately \$118.8 million. This represents a increase of approximately \$9.5 million, or 8.7%, compared with 2017.
- Expenditures over the last five years increased \$25.6 million or 27.5% in total and the City's population increased 10.4%. The increases from 2014 were \$8.8 million in General Government (53.8%), \$12.8 million in Public Safety (22.7%), \$3.0 million in Physical Environment (116.4%) and \$1.3 million in Capital Outlay (1,000%), while Parks and Recreation decreased \$537,000 (4.3%), and Debt Service decreased \$1.9 million (54.1%).
- Public Safety expenditures represent 58.2% of the City's total expenditures for 2018 as compared to 60.5% in 2014.
- Expenditures committed to debt service principal and interest represented 6.6% of total governmental expenditures for all funds in 2018 as compared to 4.4% in 2017 and 6.9% in 2014.

FUND BALANCE

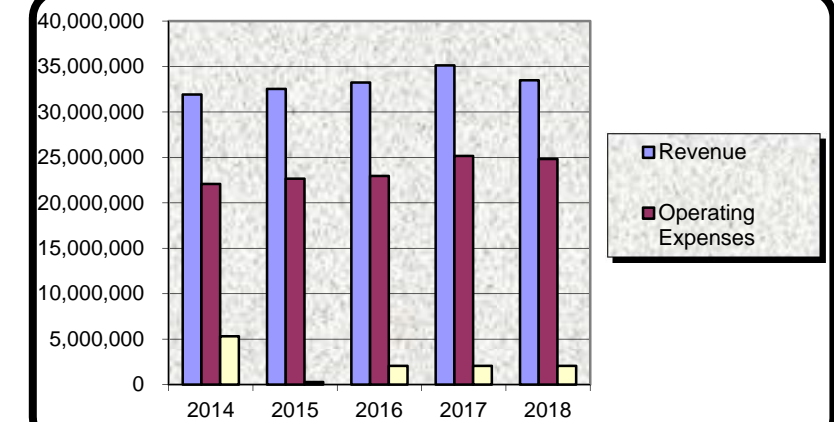
The following graph presents the trend in assigned and unassigned fund balance of the General Fund for the last five (5) years.



- Assigned and unassigned fund balance at September 30, 2018 was \$43,020,441 compared to \$41,151,422 at September 30, 2017.
- Unassigned fund balance was \$37,908,768 and represents 31.9% of the 2018 General Fund expenditures (35.9% in 2017), or approximately 117 days of working capital (131 days in 2017).
- Assigned and unassigned fund balance at September 30, 2018 increased \$18.9 million (78.7%) from 2014 and \$1.9 million (14.5%) from 2017.

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 2018 decreased \$1.6 million (4.6%) and operating expenses decreased \$324,000 (1.3%).
- The utility net revenue (excluding depreciation) was 6.3 times debt service for 2018, 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 \$9.2 million for 2018, as compared to \$15.8 million for 2017.
- The water system received cash of approximately \$349,000 for new connections in 2018, as compared to \$530,000 for 2017.
- Cash invested in capital facilities was approximately \$4.6 million in 2018 (\$4.5 million in 2017), which was financed primarily from the existing assets and revenue of the water and sewer system.
- The utility capital assets at September 30, 2018 were approximately \$93.3 million, an increase of \$10.1 million (12.2%) since 2014.