NEW ISSUE - BOOK-ENTRY ONLY

RATINGS:
S&P: "AAA"(*stable outlook*)
Moody's: "Aa1"
See "RATINGS" herein

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2024 Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes and, further, interest on the Series 2024 Bonds will not be an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2024 Bonds is not excluded from the determination of adjusted financial statement income. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2024 Bonds. Bond Counsel is further of the opinion that the Series 2024 Bonds and the interest thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.

$9,545,000
CITY OF DELRAY BEACH, FLORIDA
General Obligation Bonds, Series 2024
(Parks Projects)

Dated: Date of Delivery **Due: July 1, as shown on inside cover**

The City of Delray Beach, Florida General Obligation Bonds, Series 2024 (Parks Projects) (the "Series 2024 Bonds") will be issued by the City of Delray Beach, Florida (the "City") as fully registered bonds in denominations of $5,000 and integral multiples thereof. Interest on the Series 2024 Bonds is due semiannually on each January 1 and July 1, commencing January 1, 2025, and such interest will be paid by check or draft of U.S. Bank Trust Company, National Association, a national banking association organized under the laws of the United States, as Paying Agent to the registered holders. In lieu of payment by check or draft, at the request and expense of an owner of $1,000,000 or more in aggregate principal amount of Series 2024 Bonds, payment may be made by bank wire transfer in the manner described in the herein defined Bond Resolution.

The Series 2024 Bonds initially will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2024 Bonds. Series 2024 Bonds will be available to purchasers under the book-entry system maintained by DTC through brokers and dealers who are, or act through, Direct Participants (as defined herein). Purchasers of the Series 2024 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. Ownership by the Beneficial Owners of the Series 2024 Bonds will be evidenced by book-entry only. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal and interest will be made directly to such registered owner which will in turn remit such payments to the Direct Participants and Indirect Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. See "DESCRIPTION OF THE SERIES 2024 BONDS - Book-Entry Only System" herein.

The Series 2024 Bonds are being issued for the purpose of providing funds to (i) finance a portion of the costs of certain improvements to the Catherine Strong Park, the Miller Park and certain other City-owned parks (collectively, the "Parks Projects") and (ii) pay certain costs and expenses relating to the issuance of the Series 2024 Bonds. See "INTRODUCTION - Purpose of the Series 2024 Bonds" herein.

The Series 2024 Bonds are being issued pursuant to and under the authority of the Florida Constitution and laws of the State of Florida (the "State"), Chapter 166, Florida Statutes, as amended and supplemented, the Charter of the City, as amended and supplemented, and other applicable provisions of law. The Series 2024 Bonds are also being issued pursuant to Resolution No. 154-22 adopted by the City Commission of the City (the "City Commission") on September 19, 2022 (the "Referendum Resolution") and Resolution No. 56-24 adopted by the City Commission on March 5, 2024 (the "Bond Resolution").

On March 14, 2023, a referendum to issue not to exceed $20,000,000 of general obligation bonds for the purpose of financing the Parks Projects (the "Referendum") was presented to the qualified voters of the City pursuant to the terms of the Referendum Resolution. The Referendum was duly held and conducted in all respects according to law, and a majority of qualified electors casting a ballot voted in favor of the issuance of such bonds for such purpose.

Certain of the Series 2024 Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturities, as more particularly described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS - Redemption Provisions" herein.

The Series 2024 Bonds are general obligations of the City. The principal of and interest on the Series 2024 Bonds are payable from and secured by a lien and pledge of ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the City (excluding exemptions as provided by applicable law) in the manner provided in the Bond Resolution. **THE FULL FAITH, CREDIT AND TAXING POWER OF THE CITY HAVE BEEN IRREVOCABLY PLEDGED TO THE PUNCTUAL PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2024 BONDS.**

This cover page and the inside cover page contains certain information for quick reference only. They are not, and are not intended to be, a summary of this issue. Investors must read this entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Series 2024 Bonds are offered when, as and if issued and received by the underwriter, subject to the unqualified opinion as to legality by Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel. Certain legal matters will be passed upon for the City by Lynn Gelin, Esquire, City Attorney, and certain disclosure matters will be passed upon by Greenberg Traurig, P.A., West Palm Beach, Florida, as Disclosure Counsel to the City. PFM Financial Advisors LLC, Orlando, Florida, is acting as Financial Advisor for the City. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about June 27, 2024.

Dated: June 6, 2024

$9,545,000
CITY OF DELRAY BEACH, FLORIDA
General Obligation Bonds, Series 2024
(Parks Projects)

Maturity (July 1)	Principal Amount	Interest Rate	Yield	Price	Initial CUSIP No.**
2025	$155,000	5.00%	3.30%	101.676	247271 JL4
2026	165,000	5.00	3.23	103.419	247271 JM2
2027	175,000	5.00	3.13	105.333	247271 JN0
2028	185,000	5.00	3.10	107.114	247271 JP5
2029	195,000	5.00	3.10	108.755	247271 JQ3
2030	205,000	5.00	3.10	110.346	247271 JR1
2031	215,000	5.00	3.10	111.890	247271 JS9
2032	225,000	5.00	3.10	113.386	247271 JT7
2033	235,000	5.00	3.10	114.837	247271 JU4
2034	245,000	5.00	3.10	116.245	247271 JV2
2035	260,000	5.00	3.10	116.245*	247271 JW0
2036	275,000	5.00	3.13	115.964*	247271 JX8
2037	285,000	5.00	3.20	115.314*	247271 JY6
2038	300,000	5.00	3.27	114.668*	247271 JZ3
2039	315,000	5.00	3.33	114.118*	247271 KA6
2040	330,000	5.00	3.43	113.207*	247271 KB4
2041	350,000	4.00	3.87	101.070*	247271 KC2
2042	360,000	4.00	3.92	100.656*	247271 KD0
2043	375,000	4.00	3.97	100.245*	247271 KE8
2044	390,000	4.00	4.00	100.000	247271 KF5

$2,205,000 4.00% Term Bond due July 1, 2049, Price 100.000, Yield 4.00%, CUSIP No. 247271 KL2
$2,100,000 4.00% Term Bond due July 1, 2053, Price 99.150, Yield 4.00%, CUSIP No. 247271 KQ1

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* Priced to first optional call date of July 1, 2034.

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CITY OF DELRAY BEACH, FLORIDA

CITY COMMISSION

Mayor Thomas F. Carney, Jr.
Vice-Mayor Juli Casale
Deputy Vice-Mayor Rob Long
Commissioner Angela Burns
Commissioner Tom Markert

CITY MANAGER
Terrence Moore, ICMA-CM

CHIEF FINANCIAL OFFICER
Hugh Dunkley, CPA, CPFO, CGFO

CITY ATTORNEY
Lynn Gelin, Esq.

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
Marcum LLP
West Palm Beach, Florida

FINANCIAL ADVISOR
PFM Financial Advisors LLC

BOND COUNSEL
Greenberg Traurig, P.A.

DISCLOSURE COUNSEL
Greenberg Traurig, P.A.

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No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement neither constitutes an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the City, The Depository Trust Company (as to itself and its book-entry only system), and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the City. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the affairs of the City since the date hereof.

All summaries herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Series 2024 Bonds are qualified in their entirety by reference to the form thereof included in the aforesaid documents and agreements.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2024 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") OR WITH ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE CITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, Rule 15c2-12 of the Securities and Exchange Commission.

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as

amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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OFFICIAL STATEMENT
Relating to

$9,545,000
CITY OF DELRAY BEACH, FLORIDA
General Obligation Bonds, Series 2024
(Parks Projects)

INTRODUCTION

This introduction is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement and should not be considered to be a complete statement of the facts material in making an investment decision. The offering by the City of Delray Beach, Florida (the "City") of its $9,545,000 General Obligation Bonds, Series 2024 (Parks Projects) (the "Series 2024 Bonds"), to potential investors is made only by means of this entire Official Statement, including all appendices attached hereto.

Capitalized terms used but not defined herein have the same meaning as when used in the hereinafter described Bond Resolution (as herein defined), unless the context would clearly indicate otherwise. A description of certain terms and conditions of the Series 2024 Bonds are set forth in the Bond Resolution, a copy of which is contained in APPENDIX C of this Official Statement. The descriptions of the Series 2024 Bonds, the documents authorizing and securing the same, and the information from various reports and statements contained herein are not comprehensive or definitive. All references herein to such documents, reports and statements are qualified by the entire, actual content of such documents, reports and statements.

The City

The City, located on Florida's Gold Coast, is the fourth largest city in Palm Beach County (the "County") with an estimated population of 68,650 for 2023, with an estimated 8,925 seasonal residents and 16 square miles within its municipal boundaries. Lying 18 miles south of West Palm Beach and 50 miles north of Miami along the Atlantic Ocean, the City has been able to participate in the growth of South Florida and benefit from economic growth in this area in general. The City is primarily a residential community with a balance of commercial, light industrial and government complexes. It is a mature community with 100% build-out and, therefore, its focus is not upon growth, but upon quality development of remaining vacant areas and redevelopment. For additional information regarding the City, see APPENDIX A - "GENERAL INFORMATION CONCERNING THE CITY AND PALM BEACH COUNTY, FLORIDA" attached hereto.

Purpose of the Series 2024 Bonds

The Series 2024 Bonds are being issued for the purpose of providing funds to (i) finance a portion of the costs of certain improvements to the Catherine Strong Park, the Miller Park and certain other City-owned parks (collectively, the "Parks Projects") and (ii) pay certain costs and expenses relating to the issuance of the Series 2024 Bonds.

Authority for the Series 2024 Bonds

The Series 2024 Bonds are being issued pursuant to and under the authority of the Florida Constitution and laws of the State of Florida (the "State"), Chapter 166, Florida Statutes, as amended and supplemented, the Charter of the City, as amended and supplemented, and other applicable provisions of law. The Series 2024 Bonds are also being issued pursuant to Resolution No. 154-22 adopted by the City Commission of the City (the "City Commission") on September 19, 2022 (the "Referendum Resolution") and Resolution No. 56-24 adopted by the City Commission on March 5, 2024 (the "Bond Resolution").

On March 14, 2023, a referendum to issue not to exceed $20,000,000 of general obligation bonds for the purpose of financing the Parks Projects (the "Referendum") was presented to the qualified voters of the City pursuant to the terms of the Referendum Resolution. The Referendum was duly held and conducted in all respects according to law, and a majority of qualified electors casting a ballot voted in favor of the issuance of such bonds for such purpose.

Description of the Series 2024 Bonds

The Series 2024 Bonds shall be dated the date of their delivery and shall be issued by the City as fully registered bonds in the name of Cede & Co., as Bondholder and securities depository nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases will be made in book entry form only through DTC in the denomination of $5,000 or any integral multiple thereof. Interest on the Series 2024 Bonds is payable on January 1, 2025 and semiannually on each July 1 and January 1 thereafter. Payments of principal and interest on the Series 2024 Bonds will be made to purchasers by DTC through Direct Participants and Indirect Participants (as such terms are herein defined). U.S. Bank Trust Company, National Association, Jacksonville, Florida, will serve as Paying Agent and Registrar for the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS" herein.

Security for the Series 2024 Bonds

The Series 2024 Bonds are general obligations of the City. The principal of and interest on the Series 2024 Bonds are payable from and secured by a lien and pledge of ad valorem taxes assessed, levied and collected, without limitation as to rate or amount, on all taxable property within the corporate limits of the City (excluding exemptions as provided by applicable law) in the manner provided in the Bond Resolution. In each year in which the Series 2024 Bonds are outstanding and unpaid, the City shall assess, levy and collect a tax on all taxable property within the City, sufficient in amount to pay all principal and interest on the Series 2024 Bonds as the same shall become due. The full faith, credit and taxing power of the City is pledged to the payment of debt service on the Series 2024 Bonds. See "SECURITY FOR THE SERIES 2024 BONDS" herein.

Redemption Provisions

Certain of the Series 2024 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS - Redemption Provisions" herein.

Amendment of Bond Resolution

Pursuant to the Bond Resolution, the City is granted the right to make certain amendments to the Bond Resolution without the consent of the holders of the Series 2024 Bonds. See APPENDIX C - "COPY OF THE BOND RESOLUTION" hereto.

Continuing Disclosure

The City has covenanted in the Bond Resolution for the benefit of the Bondholders to provide certain financial information and operating data relating to the City and the Series 2024 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events, in accordance with Rule 15c2-12 of the Securities and Exchange Commission. See "CONTINUING DISCLOSURE" herein.

Additional Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. This Official Statement contains certain information concerning DTC and its book-entry-only system of registration. Such information has been provided by DTC and the City does not certify as to the accuracy or sufficiency of the disclosure practices or content of information provided by DTC and is not responsible for such information.

THE PARKS PROJECTS

The Series 2024 Bonds are being issued for the purpose of providing funds to (i) finance a portion of the costs of certain improvements to the Catherine Strong Park, the Miller Park and certain other City-owned parks (collectively, the "Parks Projects") and (ii) pay certain costs and expenses relating to the issuance of the Series 2024 Bonds.

Catherine Strong Park Improvements, including, without limitation, an artificial multi-purpose practice field, basketball and pickleball courts, walking trails, SplashPad improvements, City staff and meeting room facilities, restroom facilities and lighting improvements.

Miller Park Improvements, including, without limitation, the addition of an outdoor covered pickleball court facility with lighting improvements.

Other Miscellaneous Park Improvements, including, without limitation, artificial sports fields, walking trails, City staff and meeting room facilities, restroom facilities and lighting improvements.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2024 Bonds are expected to be applied as follows:

SOURCES OF FUNDS	
Proceeds of Series 2024 Bonds	$9,545,000.00
Plus Net Original Issue Premium	450,380.60
TOTAL SOURCES OF FUNDS	$9,995,380.60
USES OF FUNDS	
Deposit to Parks Improvement Fund(1)	$9,726,139.16
Deposit to Cost of Issuance Cost Center of Parks Improvement Fund(2)	122,092.00
Underwriter's Discount	147,149.44
TOTAL USES OF FUNDS	$9,995,380.60

(1) To be applied to finance and/or reimburse costs relating to the Parks Project.

(2) To be applied to pay financial advisory and legal fees and expenses, rating agency fees, and other miscellaneous costs of issuance.

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DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds will be issued initially as fully registered bonds and, when executed and delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2024 Bonds. Individual purchases of beneficial interests in the Series 2024 Bonds may be made only in book-entry-only form in denominations of $5,000 or integral multiples of $5,000. Purchasers of beneficial interests in the Series 2024 Bonds will not receive physical delivery of bond certificates. As long as Cede & Co. is the registered owner of the Series 2024 Bonds, payments of principal and interest with respect to the Series 2024 Bonds will be made to such registered owner who will in turn remit such principal and interest payments to DTC participants for subsequent disbursement to the Beneficial Owners. For further information, see "- Book-Entry Only System" below. Interest on the Series 2024 Bonds will be payable semi-annually on January 1 and July 1 of each year commencing on January 1, 2025. Principal on the Series 2024 Bonds shall be payable on each July 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement.

Book-Entry Only System

THE FOLLOWING INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM DTC AND OTHER SOURCES THAT THE CITY BELIEVES TO BE RELIABLE AND THE CITY DOES NOT TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF.

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2024 Bonds and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2024 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2024 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2024 BONDS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED), INDIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2024 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2024 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2024 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE CITY NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of The Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2024 Bonds, as the case may be, to be redeemed. Beneficial Owners of the Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, defaults, and proposed amendments to the Series 2024 Bond documents. For example, Beneficial Owners of the Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent and Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or with securities registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent for the Series 2024 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the book-entry transfers through DTC (or a successor securities depository). In that event and upon compliance with applicable DTC procedures, Series 2024 Bond certificates will be printed and delivered.

Transfer of Series 2024 Bonds

So long as the Series 2024 Bonds are registered in the name of DTC or its nominee, the following paragraphs relating to transfer and exchange of beneficial ownership interests in the Series 2024 Bonds will not apply to the Series 2024 Bonds and the transfer and registration of beneficial ownership interests in the Series 2024 Bonds will be governed by the rules and procedures of DTC as generally described under "DESCRIPTION OF THE SERIES 2024 BONDS - Book-Entry Only System," above.

Except as otherwise provided in the Bond Resolution, at the option of the registered owner thereof and upon surrender thereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its duly authorized attorney and upon payment by such Owner of any charges which the Registrar may make as provided in the Bond Resolution, the Series 2024 Bonds may be exchanged for Bonds of the same maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Series 2024 Bonds and for the registration of transfers of Series 2024 Bonds. The Series 2024 Bonds shall be transferable by an Owner thereof in person or by its attorney duly authorized in writing only upon the books of the City kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Owner or his duly authorized attorney. Upon the transfer of any such Series 2024 Bond, the City shall issue in the name of the transferee a new Series 2024 Bond or Series 2024 Bonds.

The City, the Paying Agent and the Registrar shall deem and treat the person in whose name any Series 2024 Bond shall be registered upon the books kept by the Registrar as the absolute Owner of such Series 2024 Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Owner or upon his or her order shall be valid and effectual to satisfy and discharge the liability such Bond to the extent of the sum or sums so paid, and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Series 2024 Bonds or transferring Series 2024 Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Series 2024 Bonds in accordance with the provisions of the Bond Resolution. All Series 2024 Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Registrar and canceled by the Registrar. There shall be no charge for any such exchange or transfer of the Series 2024 Bonds, but the City or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required to transfer or exchange Series 2024 Bonds for a period commencing on a Record Date and ending on the next ensuing Interest Payment Date.

All Series 2024 Bonds paid at or before maturity, shall be delivered to the Registrar when such payment is made, and such Series 2024 Bonds, together with all Series 2024 Bonds purchased by the City with the intent of cancellation, shall thereupon be promptly canceled. Series 2024

Bonds so canceled may at any time be destroyed by the Registrar, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers described by the Series 2024 Bonds so destroyed, and one executed certificate shall be filed with the City and the other executed certificate shall be retained by the Registrar.

Redemption Provisions

Optional Redemption.

The Series 2024 Bonds maturing on or prior to July 1, 2034 are not subject to optional redemption. The Series 2024 Bonds maturing on or after July 1, 2035 are subject to redemption prior to maturity, at the option of the City, in whole or in part on any date on or after July 1, 2034, and if in part, in such order of maturities and in such amounts as the City shall select and by lot within a maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, and without premium.

Mandatory Sinking Fund Redemption.

The Bonds maturing on July 1, 2049 are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on July 1, 2045, and on July 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:

Year	**Amount**
2045	$405,000
2046	425,000
2047	440,000
2048	460,000
2049*	475,000

*Final Maturity

The Bonds maturing on July 1, 2053 are subject to mandatory sinking fund redemption, in part by lot, prior to maturity, on July 1, 2050, and on July 1 of each year thereafter, at a price of par plus accrued interest to the date of redemption, in the years and amounts as follows:

Year	**Amount**
2050	$495,000
2051	515,000
2053	535,000
2053*	555,000

*Final Maturity

Notice of Redemption

Notice of redemption shall be given by deposit in the U.S. mail, postage prepaid, at least thirty (30) days before the redemption date to all registered owners of the Series 2024 Bonds or portions of the Series 2024 Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions of the Bond Resolution hereof. Failure to mail any such notice to a registered owner of a Series 2024 Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Series 2024 Bonds or portion thereof with respect to which no failure or defect occurred. The foregoing notwithstanding, if it is determined that the giving of notice by U.S. mail is not feasible, any other industry-accepted means of giving notice, including, but not limited to, facsimile or electronic transmission, may be utilized for the giving of notice, provided that it can be established that the notice was in fact given by such other means.

Such notice shall set forth the date fixed for redemption, the rate of interest borne by each Series 2024 Bond being redeemed, the date of publication, the name and address of the Registrar and Paying Agent, the redemption price to be paid and, if less than all of the Series 2024 Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Series 2024 Bonds to be redeemed and, in the case of Series 2024 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Series 2024 Bond is to be redeemed in part only, the notice of redemption which relates to such Series 2024 Bond shall also state that on or after the redemption date, upon surrender of such Series 2024 Bond, a new Series 2024 Bond or Series 2024 Bonds in a principal amount equal to the unredeemed portion of such Series 2024 Bond may be issued upon request of the Owner. Conditional Notice of Redemption (as such term is defined in the Bond Resolution) is authorized to be given for any optional redemption.

The Registrar also shall mail (by certified mail, return receipt requested) a copy of such notice for receipt not less than the second Business Day prior to the date the notice of redemption is mailed to the registered Holders of the Series 2024 Bonds to the following: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or such other securities depository designated by the City; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Series 2024 Bonds.

A second notice of redemption shall be given sixty (60) days after the redemption date in the manner required above to the registered owners of redeemed Series 2024 Bonds which have not been presented for payment within thirty (30) days after the redemption date.

Notwithstanding the above, so long as the Series 2024 Bonds are held in a book-entry only system maintained by Securities Depository, such notice of redemption shall only be sent to Securities Depository or its nominee.

Any notice mailed or otherwise provided by such other means, all as described herein, shall be conclusively presumed to have been duly given, whether or not the owner of such Series 2024 Bond receives such notice.

Payment of Redeemed Series 2024 Bonds

Notice having been given in the manner and under the conditions described above, the Series 2024 Bonds or portions of Series 2024 Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption for such Series 2024 Bonds or portions of Series 2024 Bonds on such date; provided, however, that the Series 2024 Bonds or portions of the Series 2024 Bonds called for optional redemption for which a Conditional Notice of Redemption was given, shall not become due and payable on the redemption date if sufficient moneys to pay the redemption price of such Series 2024 Bonds or portions of such Series 2024 Bonds have not been received by the Paying Agent on or prior to the redemption date. On the date so designated for redemption, moneys for payment of the redemption price being held in a separate account by the Paying Agent in trust for the registered owners of the Series 2024 Bonds or portions thereof to be redeemed, all as provided in the Bond Resolution, interest on the Series 2024 Bonds or portions of the Series 2024 Bonds so called for redemption shall cease to accrue, such Series 2024 Bonds and portions of Series 2024 Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution and shall be deemed paid hereunder, and the registered owners of such Series 2024 Bonds or portions of Series 2024 Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the Bond Resolution, to receive Series 2024 Bonds for any unredeemed portions of the Series 2024 Bonds.

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DEBT SERVICE SCHEDULE

The following table sets forth the annual debt service requirements with respect to the Series 2024 Bonds:

Bond Year Ending (July 1)	Principal	Interest	Annual Debt Service
2025	$155,000	$424,110.56	$579,110.56
2026	165,000	411,700.00	576,700.00
2027	175,000	403,450.00	578,450.00
2028	185,000	394,700.00	579,700.00
2029	195,000	385,450.00	580,450.00
2030	205,000	375,700.00	580,700.00
2031	215,000	365,450.00	580,450.00
2032	225,000	354,700.00	579,700.00
2033	235,000	343,450.00	578,450.00
2034	245,000	331,700.00	576,700.00
2035	260,000	319,450.00	579,450.00
2036	275,000	306,450.00	581,450.00
2037	285,000	292,700.00	577,700.00
2038	300,000	278,450.00	578,450.00
2039	315,000	263,450.00	578,450.00
2040	330,000	247,700.00	577,700.00
2041	350,000	231,200.00	581,200.00
2042	360,000	217,200.00	577,200.00
2043	375,000	202,800.00	577,800.00
2044	390,000	187,800.00	577,800.00
2045	405,000	172,200.00	577,200.00
2046	425,000	156,000.00	581,000.00
2047	440,000	139,000.00	579,000.00
2048	460,000	121,400.00	581,400.00
2049	475,000	103,000.00	578,000.00
2050	495,000	84,000.00	579,000.00
2051	515,000	64,200.00	579,200.00
2052	535,000	43,600.00	578,600.00
2053	555,000	22,200.00	577,200.00
Totals	$9,545,000	$7,243,210.56	$16,788,210.56

SECURITY FOR THE SERIES 2024 BONDS

Levy of Ad Valorem Taxes

The Series 2024 Bonds are general obligations of the City. The principal of and interest on the Series 2024 Bonds are payable from and secured by a pledge of the full faith, credit and taxing power of the City on all taxable property in the City. Pursuant to the Bond Resolution, the City is obligated to levy ad valorem taxes on all taxable property in the City, in each year, at a rate as shall be necessary to provide for the prompt payment of all principal and interest on the Series 2024 Bonds. The Bond Resolution requires that provision shall be included and made in the annual budget and tax levy for the levy of the taxes as described above. Such Ad Valorem Taxes (as described below) shall be levied and collected at the same time, and in the same manner, as other ad valorem taxes of the City and the County are assessed, levied and collected.

General Obligation

The Series 2024 Bonds shall be payable from and secured by a lien upon and pledge of the Pledged Revenues which consist of (i) the Ad Valorem Taxes (defined in the Bond Resolution as all ad valorem taxes levied on all taxable property in the City without limitation as to rate or amount which are authorized to be levied pursuant to the Referendum deposited in the Debt Service Fund created and established under the Bond Resolution, (ii) investment income received from the investment of moneys in the Debt Service Fund established under the Bond Resolution, and (iii) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with the repayment of the Series 2024 Bonds. The Series 2024 Bonds are general obligations of the City and the full faith, credit and taxing power of the City is pledged to the payment of debt service on the Series 2024 Bonds.

No Debt Service Reserve

The City has <u>not</u> created any debt service reserve fund or account to secure the repayment of the Series 2024 Bonds.

AD VALOREM TAXATION

General

Under Florida law, the assessment of all properties and the collection of all county, school district, special taxing district, and municipal property taxes are consolidated in the offices of the county property appraiser and county tax collector. The Florida Constitution limits the aggregate rate of ad valorem taxes that may be levied on real and personal property. The limitation, except as noted below, is ten (10) mills each for all county and municipal purposes. A mill is equal to one-tenth of one cent of one dollar or $1.00 for every $1,000 of assessed value. Notwithstanding the foregoing, no limitation exists as to the rate or amount of ad valorem taxes that may be levied for the payment of indebtedness approved by referendum. Consequently, limitations otherwise applicable to the amount of ad valorem taxes that can be levied do not apply to taxes required to be levied to pay debt service on the City's general obligation bonds, including the Series 2024 Bonds.

The millage rate of each taxing authority, except as limited by law, is established on the basis of estimates of revenue needs and total taxable property valuations within each taxing authority's jurisdiction. Ad valorem taxes are not levied in excess of actual budget requirements. In setting millage rates, the applicable governmental unit is required by State law to assume not less than ninety-five percent (95%) of the taxable value of the property within its jurisdiction, as certified by the county property appraiser.

In 1973, the State enacted legislation to encourage public awareness of spending and taxing decisions made by local elected officials. That legislation was amended in 1980 by the Truth in Millage or "TRIM BILL," now codified as Section 200.065, Florida Statutes. The legislation provides that, if the tax rate established by the governing board exceeds the rolled-back rate, the taxing authority shall publish notice of the proposed tax increase prior to the public hearing required to be held for the adoption of the final budget and millage rate. Under Section 200.065, a "rolled-back rate" is defined as the millage rate that would produce the same amount of ad valorem taxes in each current year as were levied in the prior year, exclusive of any increase in assessments resulting from new construction and geographic boundary changes.

In 2007, the State Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local government (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 fiscal year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in fiscal year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by 0% to 9%. In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future fiscal years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

Procedure for Property Assessment

Real and personal property valuations are determined each year as of January 1 by the office of the County Property Appraiser. That office certifies the tax rolls and mails to each property owner a notice of proposed property taxes indicating the assessed property value as well as the rollback rate, which is the millage rate that would produce the same ad valorem tax revenue for each taxing unit in the County as was levied during the prior year, exclusive of new construction, additions to structures, deletions, and property added due to geographic boundary changes. The property owner has the right to file an appeal with the Clerk of the Value Adjustment Board if the assessed property value, as determined by the County Property Appraiser, is inconsistent with the value determined by the property owner. All appeals of such valuation determinations are heard by the Value Adjustment Board, which consists of members of the Palm Beach County School Board and the Board of County Commissioners of the County. The Value Adjustment Board certifies the assessment roll upon completion of the hearing of all appeals so filed. Millage rates are then computed by the various taxing authorities and certified to the County Property Appraiser, who applies the millage rates to the final assessment roll. This procedure creates the tax roll that is then annually delivered to the County Tax Collector on or about the first Monday in October of each year.

State law requires that all non-exempt property be assessed at one hundred percent (100%) of fair market value, with certain exceptions. The following uses of real property are generally exempt from ad valorem taxation: religious, educational, charitable, scientific, literary and governmental. In addition, there are a variety of special exemptions, including but not limited to, for widows, hospitals, homesteads, working waterfronts, nursing homes, certain disabled persons homesteads, homes for the aged, disabled veterans and low-income senior citizens and first responders. The general "homestead exemption" exempts from taxation the first $25,000 of the assessed valuation of a residence occupied by the owner on a permanent basis, as of January 1 of the year of valuation. Agricultural land, noncommercial recreational land, inventory and livestock are assessed at less than one hundred percent (100%) of fair market value. In addition, several amendments to the Florida Constitution have been made to provide homeowners additional exemptions from taxation for certain homestead properties. See also "AD VALOREM TAXATION - Constitutional Amendments and Legislative Initiatives Affecting Ad Valorem Taxes" herein.

The taxes of all governmental units, including the City, are billed together and each landowner in the County is required to pay all such taxes without preference as to any particular increment. Under current administrative rules, the County Tax Collector cannot accept partial payment of a tax bill.

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Historical and Current Millages

The following table contains the tax millage rates of the City for the last ten fiscal years shown below:

City of Delray Beach, Florida
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ending September 30,	General Fund	Debt Service	Total City of Delray Beach	School District	Palm Beach County	Special Taxing Districts	Total All
2014	7.1611	0.3453	7.5064	7.5859	4.9902	2.2800	22.3625
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

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
Tax Collector - Palm Beach County
Tax Collector's commission - None

Source: Palm Beach County Tax Collector.

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Procedures for Tax Collection and Distribution

In October, the Tax Collector mails a notice to each property owner on the tax roll for the taxes levied by the County, the School District, municipalities within the County and other taxing authorities. All real and tangible personal property taxes are due and payable on November 1 of each year, or as soon thereafter as the tax roll is certified and delivered to the Tax Collector. Taxes may be paid upon receipt of such notice, with discounts at the rate of 4% if paid in the month of November; 3% if paid in the month of December; 2% if paid in the month of January and 1% if paid in the month of February. Taxes paid in the month of March are without discount. All unpaid taxes on real and personal property become delinquent on April 1 of the year following the year in which taxes were levied. Delinquent real property taxes bear interest at the rate of 18% per year from April 1 until a tax certificate is sold at auction, from which time the interest rate shall be as bid by the buyer of the tax certificate. Delinquent tangible personal property taxes also bear interest at the rate of 18% per year from April 1 until paid. Delinquent personal property taxes must be advertised within 45 days after delinquency, and after May 1, the property is subject to warrant, levy, seizure and sale.

On or before June 1 or the 60th day after the date of delinquency, whichever is later, the Tax Collector must advertise once each week for three weeks and must attempt to sell tax certificates on all real property with delinquent taxes. The tax certificates are sold to those bidding the lowest interest rate to be borne by the certificates. Such certificates include the amount of delinquent taxes, the penalty interest accrued thereon and the cost of advertising. Delinquent tax certificates not sold at auction become the property of the County. Florida law provides that real property tax liens are superior to all other liens, except prior Internal Revenue Service liens.

To redeem a tax certificate, the owner of the property must pay all delinquent taxes, the interest that accrued prior to the date of the sale of the tax certificate, charges incurred in connection with the sale of the tax certificate, omitted taxes, if any, and interest at the rate shown on the tax certificate (or interest at the rate of 5%, whichever is higher) from the date of the sale of the tax certificate to the date of redemption. If such tax certificates or liens are not redeemed by the property owner within two years, the holder of the tax certificates can cause the property to be sold to pay off the outstanding certificates and the interest thereon. Provisions are also made for the collection of delinquent tangible personal property taxes, but in a different manner which includes the possible seizure of the tangible personal property.

At any time after two years have elapsed since April 1 of the year of the issuance of a tax certificate and before the expiration of seven years, the holder of the tax certificate may apply for a tax deed with respect to any tax certificate it holds. Two years after such April 1, the City may make application for a tax deed with respect to any tax certificate it holds. Upon receipt of such applications, a public sale is advertised and held (unless the tax certificate is redeemed), and the highest bidder a such sale receives a tax deed for the property.

Florida law requires the Tax Collector to distribute the taxes collected to each governmental unit levying the tax, including the City. Such distribution is to be made four times during the first two months after the tax roll comes into its possession, and once per month thereafter.

Assessed Value of Taxable Property

The following table sets forth the assessed value of taxable property in the City for the last ten Fiscal Years:

City of Delray Beach, Florida
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

		Just Value								
Fiscal Year Ending September 30,	Tax Roll Year	Real Property	Personal Property	Centrally Assessed Property	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
2014	2013	$ 8,394,493,799	$303,495,744	$3,999,617	$ 8,701,989,160	$2,107,124,944	$ 6,594,864,216	7.5064	$7,834,736,483	84.17%
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	3,150,639,602	7,981,341,482	7.3367	9,266,850,397	86.13%
2017	2016	12,078,341,921	350,472,163	5,116,264	12,433,930,348	3,632,397,474	8,799,184,526	7.2107	10,139,528,779	86.78%
2018	2017	13,031,532,052	308,798,836	5,280,088	13,345,610,976	3,735,290,582	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	15,254,496,718	370,020,858	7,313,944	15,631,831,520	3,743,463,842	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%

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, Florida).

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Ad Valorem Tax Levies and Collections

The following table sets forth the amounts billed and the percent collected for ad valorem property taxes levied by the City for the last ten Fiscal Years:

City of Delray Beach, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ending September 30,	Net Tax Levy*	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
2014	$54,077,708	$51,832,318	95.85%	$138,739	$51,971,057	96.10%
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	63,449,114	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

Note: All property taxes are assessed and collected by Palm Beach County without charge to the City. Collections are distributed in full as collected.

*Net Tax Levy is for City ad valorem taxes and excludes tax increment revenues received by the CRA.

Source: Palm Beach County Tax Collector

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Principal Taxpayers

The following table sets forth the principal property taxpayers in the City:

City of Delray Beach, Florida
Principal Property Taxpayers
Current Year and Nine Years Ago

	2023				2014			
	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.	$159,570,112	$3,025,452	1	3.15%	$86,404,167	$648,584	1	1.20%
Tenet Healthcare Corp	136,327,411	2,733,538	2	2.84	44,582,660	334,655	5	0.62
Lifespace Communities Inc	132,042,941	2,781,890	3	2.89	32,940,779	247,267	9	0.46
Edwards Atlantic Avenue LLC	116,253,864	2,318,328	4	2.41				0.00
Citation Club Investors	101,019,111	2,006,334	5	2.09	48,216,312	361,931	4	0.67
CO BB Delray Owner LLC	102,220,648	1,960,825	6	2.04				
Granite Worthing LLC	91,007,389	1,862,647	7	1.94	49,737,378	373,349	3	0.69
CH Realty IX/MF Boca Raton	86,215,593	1,690,459	8	1.76				
Depot FL Partners LLC	68,409,593	1,377,099	9	1.43				
Linton Delray LLC	53,482,505	4,421,982	10	1.48	38,772,011	291,038	8	0.54
Fairfield Spring Harbors LLC					56,301,788	422,624	2	0.78
Alta Congress Owner LLC					40,757,372	305,941	6	0.57
Ocean Properties Ltd					39,455,700	296,170	7	0.55
Morse Operations Inc.					28,654,649	215,093	10	0.40
Totals	$1,056,549,167	$21,178,554		22.03%	$465,822,816	$3,496,652		6.48%

Source: Palm Beach County Property Appraiser.

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Constitutional Amendments and Legislative Initiatives Affecting Ad Valorem Taxes

Several amendments to the Florida Constitution and Florida legislative initiatives affecting ad valorem taxes have been approved by voters in the past including the following.

Save Our Homes Amendment. By voter referendum held on November 3, 1992, Article VII, Section 4 of the Florida Constitution was amended by adding thereto a subsection which, in effect, limits the increases in assessed just value of homestead property to the lesser of (1) three percent of the assessment for the prior year, or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. Further, the amendment provides that (a) no assessment shall exceed just value, (b) after any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status, (c) new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead, and (d) changes, additions, reductions or improvements to homestead shall initially be assessed as provided for by general law, and thereafter as provided in the amendment. The amendment is known as the "Save Our Homes" amendment. The effective date of the amendment was January 1, 1993 and, pursuant to a ruling by the Supreme Court of the State of Florida, it began to affect homestead property valuations commencing January 1, 1995 with 1994 assessed values being the base year for determining compliance.

Historic Preservation. By voter referendum held on November 3, 1992, Article VII, Section 3 of the Florida Constitution was amended to provide that any county or municipality may, for the purpose of its respective tax levy and subject to the provisions of the State Constitution and general law, grant historic preservation ad valorem tax exemptions to owners of historic properties. This exemption may be granted only by ordinance of the county or municipality. The amount or limits of the amount of this exemption and the requirements for eligible properties must be specified by general law. State law provides that such exemption may be for an amount up to 50% of the assessed value of the property. The period of time for which this exemption may be granted may continue until the ordinance is repealed or the property no longer qualifies for the exemption. This exemption does not apply to the levy of taxes for the payment of bonds (such as the Series 2024 Bonds). The effective date of the amendment was January 1, 1993. The City enacted Ordinance No. 50-96 on November 19, 1996, granting the exemption described in this paragraph.

Constitutional amendments Related to Ad Valorem Exemptions. On January 29, 2008, in a special election held in conjunction with Florida's presidential primary, the requisite number of voters approved amendments to the State Constitution exempting certain portions of a property's assessed value from taxation. The amendments were effective beginning with the 2008 tax year. The following is a brief summary of certain important provisions contained in such amendments:

- Provides for an additional exemption for the assessed value of homestead property between $50,000 and $75,000, thus doubling the existing general homestead exemption for property with an assessed value equal to or greater than $75,000. See "AD VALOREM TAXATION - General" herein for a description of the general $25,000 homestead exemption.

- Permits owners of homestead property to transfer their Save Our Homes benefit (up to $500,000) to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead. As discussed above, the Save Our Homes amendment generally limits annual increases in ad valorem tax assessments for those properties with homestead exemptions to the lesser of 3% or the annual rate of inflation.

- Exempts from ad valorem taxation $25,000 of the assessed value of property subject to tangible personal property tax.

- Limits increases in the assessed value of non-homestead property to 10% per year, subject to certain adjustments. The cap on increases is in effect for a 10-year period, subject to extension by an affirmative vote of electors. See "- *Extending the Limitation on Assessed Values of Non-Homesteaded Real Property*" below for information concerning another approved constitutional amendment to extend the 10% cap on increases of non-homesteaded properties.

Homestead Exemption Increase for Low-Income Seniors and Disabled Veterans. In the November 7, 2006 general election, the voters of Florida approved amendments to the State Constitution, which provide for an increase in the homestead (ad valorem tax) exemption to $50,000 from $25,000 for certain low-income seniors effective January 1, 2007 and provide a discount from the amount of ad valorem taxes for certain permanently disabled veterans effective December 7, 2006, respectively.

Homestead Portability Amendment. During the 2020 State legislative session, a constitutional amendment was proposed by the State legislature which would extend the period for a homestead property owner to transfer a prior Save Our Homes benefit to a new homestead from two years to three years (the "Portability Amendment"). Specifically, the Portability Amendment allows a homeowner who establishes a new homestead as of January 1 to have the new homestead assessed at less than just value if the homeowner received a prior homestead exemption as of January 1 of any of the immediately preceding three years. The Portability Amendment was approved by voters on November 3, 2019 and such amendment took effect on January 1, 2021.

Exemptions for Certain Property Uses. In the November 4, 2008 general election, the voters of the State approved amendments to the State Constitution providing the Florida Legislature with authority to enact exemptions or special assessment protections for certain types of property subject to ad valorem taxation including exemptions for conservation lands and residential wind damage resistance and renewable energy source improvements, and restrictions on the assessment of working waterfront properties. Thereafter, legislation was enacted which creates an exemption for land used exclusively for conservation purposes. Such exemption applies to property tax assessments made on or after January 1, 2011.

Exemption for Deployed Military Personnel. In the November 2010 general election, voters approved a constitutional amendment which provides an additional homestead exemption for deployed military personnel. The exemption equals the percentage of days during the prior calendar year that the military homeowner was deployed outside of the United States in support of military operations designated by the legislature. This constitutional amendment took effect on January 1, 2011.

Exemption for Disabled Veterans. In the November 2012 general election, voters approved a constitutional amendment which allows totally or partially disabled veterans who were not Florida residents at the time of entering military service to qualify for the combat-related disabled veteran's ad valorem tax discount on homestead property. The amendment became effective on January 1, 2013.

A military veteran who was honorably discharged, is a resident of the State, and is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a $5,000 reduction in the assessed value of their property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran's surviving spouse may be entitled to carry over these exemptions.

Real property used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real property used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Exemption for Surviving Spouse of Veterans. In the November 2012 general election, voters approved a constitutional amendment which allows the State Legislature to provide ad valorem tax relief to the surviving spouse of a veteran who died from service-connected causes while on active duty as a member of the United States Armed Forces and to the surviving spouse of a first responder who died in the line of duty. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. The amendment became effective on January 1, 2013. During the 2020 State legislative session, a constitution amendment was proposed by the State legislature which would extend the discount on ad valorem taxes provided to certain honorably discharged veterans to their surviving spouses (the "Surviving Spouse Exemption"). Specifically, the Surviving Spouse Exemption allows the same ad valorem tax discount on a homestead property for combat disabled veterans age 65 or older to transfer to the surviving spouse of a veteran receiving the discount if the surviving spouse holds the legal or beneficial title to the homestead, permanently resides thereon, and does not remarry. The amendment was approved by voters on November 3, 2019 and such amendment took effect on January 1, 2021.

Exemption for Low Income Seniors. In the November 2012 general election, voters approved a constitutional amendment which allows the State Legislature by general law to permit counties and municipalities, by ordinance, to grant an additional homestead tax exemption equal to the assessed value of homestead property to certain low income seniors. To be eligible for the

additional homestead exemption, the county or municipality must have granted the exemption by ordinance, the property must have a just value of less than $250,000, the owner must have title to the property and maintained his or her permanent residence thereon for at least 25 years, the owner must be age 65 years or older and the owner's annual household income must be less than $36,614. The City enacted Ordinance No. 34-23 on September 18, 2023, granting a $25,000 exemption for qualifying property owners. This additional homestead tax exemption does not apply to school property taxes.

Economic Development. In the November 2012 general election, voters approved a constitutional amendment which provides that any county or municipality may for the purpose of its respective tax levy and subject to the State Constitution and general law, grant community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law. Such an exemption may be granted only by ordinance of the county or municipality, and only after the electors of the county or municipality voting on such question in a referendum authorize the county or municipality to enact such ordinance. An exemption so granted shall apply to improvements to real property made by or for the use of a new business and improvements to real property related to the expansion of an existing business and shall also apply to tangible personal property of such new business and tangible personal property related to the expansion of an existing business. The amount or limits of the amount of such exemption shall be specified by general law (up to 100% in certain circumstances) and the period of time for which such exemption may be granted to a new business or expansion of an existing business shall be determined by general law. State law provides that the authority to grant such exemption shall expire ten years from the date of approval by the electors of the county or municipality, and may be renewable by referendum as provided by general law and that exemptions may be granted for up to 10 or 20 years depending on the use of the applicable facility This exemption does not apply to the levy of taxes for the payment of bonds (such as the Series 2024 Bonds). The City has not enacted an ordinance granting the exemption described in this paragraph.

In the November 2016 general election, voters approved a constitutional amendment changing the existing homestead tax exemption for low-income seniors so that the value of property owned by eligible senior citizens with a household income of $20,000 or less could be assessed when they first apply for the exemption. The measure was designed to ensure eligible seniors' ability to be able to keep their tax exemption even if their home value exceeded $250,000 in the future. The amendment took effect on January 1, 2017 but is retroactive to January 1, 2013, meaning a senior who qualified for the exemption in 2013, but lost it, would regain the exemption.

Various Changes to Ad Valorem Assessment, Exemptions and Definitions. During its 2013 Regular Session, the Florida Legislature passed Senate Bill 1830 ("SB 1830"), which was signed into law by the Governor and creates a number of changes affecting ad valorem taxation which became effective as of July 1, 2013. First, SB 1830 provides long-term lessees the ability to retain their homestead exemption and related assessment limitations and exemptions in certain instances and extends the time for property owners to appeal value Adjustment Board decisions on transfers of assessment limitations to conform with general court filing time frames. Second, SB 1830 inserts the term "algaculture" in the definition of "agricultural purpose" and inserts the term "aquacultural crops" in the provision specifying the valuation of certain annual agricultural crops, nonbearing fruit trees and nursery stock. Third, SB 1830 allows for an automatic renewal for

assessment reductions related to certain additions to homestead properties used as living quarters for a parent or grandparent and aligns related appeal and penalty provisions to those for other homestead exemptions. Fourth, SB 1830 deletes a statutory requirement that the owner of Florida real property permanently reside upon such property in order to qualify for a homestead exemption. This change conforms the statute at issue with the Florida Constitution by allowing non-resident owners of property to claim a homestead exemption if a person legally or naturally dependent upon the owner permanently resides on such property. Fifth, SB 1830 clarifies a drafting error regarding the property tax exemptions counties and cities may provide for certain low-income persons age 65 and older. Sixth, SB 1830 removes a residency requirement that a senior disabled veteran must have been a Florida resident at the time they entered the service to qualify for certain property tax exemptions. Seventh, SB 1830 repeals the ability for limited liability partnerships with a general partner that is a charitable 501(c)(3) organization to qualify for the affordable housing property tax exemption. Finally, SB 1830 exempts from property taxes property used exclusively for educational purposes when the entities that own the property and the educational facility are the same natural persons.

Assessment of Renewable Energy Devices Upon Residential Property. Also during the Florida Legislature's 2013 Regular Session, the Florida Legislature passed House Bill 277 ("HB 277"), which provides that certain renewable energy devices are exempt from being considered when calculating the assessed value of residential property. HB 277 only applies to devices installed on or after January 1, 2013. HB 277 took effect on July 1, 2013.

Reclassification of Agricultural Lands. Also during the Florida Legislature's 2013 Regular Session, the Florida Legislature passed House Bill 1193 ("HB 1193"), which eliminated three ways in which the Property Appraiser had authority to reclassify agricultural land as non-agricultural land. Additionally, HB 1193 relieves the value Adjustment Board of the authority to review the Property Appraisers' classifications of land upon its own motion. HB 1193 applies retroactively as of January 1, 2013.

Exemption and Assessment of Renewable Energy Devices Upon all Real Property. In the August 2016 primary election, the voters in the State approved a constitutional amendment exempting the assessed value of certain renewable energy devices from the ad valorem tax on tangible personal property and prohibiting certain renewable energy devices from being considered when calculating the assessed value of all real property, not just real property used for residential purposes as provided for in HB 277 described above. This constitutional amendment took effect on January 1, 2018 and expires on December 31, 2037.

Exemption for Disabled First Responders. In the November 2016 general election, voters approved a constitutional amendment authorizing first responders who are totally and permanently disabled as a result of injuries sustained in the line of duty to receive ad valorem tax relief on the homestead property. The amount of tax relief, to be defined by general law, can equal the total amount or a portion of the ad valorem tax otherwise owed on the homestead property. Florida defines first responders as law enforcement officers, correctional officers, firefighters, emergency medical technicians and paramedics. This amendment took effect on January 1, 2017.

Extending the Limitation on Assessed Values of Non-Homesteaded Real Property. In the November 2018 general election, voters approved a constitutional amendment removing the

scheduled January 1, 2022 repeal of the limitation prohibiting the increase in the assessed value of non-homestead property to 10% per year. The limitation does not apply to property taxes levied by school districts. This amendment took effect on January 1, 2019.

Exempting Assessed Value of a Renewable Energy Device. During the Florida Legislature's 2017 Regular Session, the Florida Legislature passed SB 90 ("SB 90") implementing Amendment 4, which was approved by the voters in August 2016. SB 90 exempts the assessed value of a renewable energy device from tangible personal property tax and the installation of those devices from determining the assessed value of real property, both residential and non-residential, for the purpose of ad valorem taxation. SB 90 also revises the definition of "renewable energy source device" to include power conditioning and storage devices, wiring, structural support and other components used as integral parts of such systems. The changes made by SB 90 expire on December 31, 2037.

2023 Legislative Initiatives. During the 2023 State legislative session, the State Legislature passed CS/SB 102 which went into effect on July 1, 2023. Among other things, CS/SB 102 provides an (i) ad valorem tax exemption for land owned by a non-profit entity leased for 99 or more years for the purpose of affordable housing, (ii) ad valorem tax exemption for newly constructed or substantially rehabilitated developments with 70 or more units dedicated to providing affordable low to moderate-income housing (portion of the property dedicated to "moderate income" housing (between 80% and 120% Area Median Income) will receive a 75% exemption while those serving low-income residents (less than 80% Area Median Income) will receive a full exemption) and (iii) permits local governments to offer an additional local option ad valorem tax exemption to property owners who dedicate units to extremely-low income or very-low income residents if certain qualifications are satisfied.

2024 Proposed Constitutional Amendments. During the 2024 State legislative session, the State Legislature passed CS/HJR 7017 to require an annual adjustment for inflation to the value of current or future homestead exemptions that apply to levies, except school taxes. CS/HJR 7017 will be considered by the electorate at the next general election in November 2024, and take effect January 1, 2025. The State Constitution requires 60% voter approval for passage of a proposed constitutional amendment. The City cannot predict whether CS/HJR 7017 will be approved by the voters.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or otherwise restricted the ability of local governments in the State to levy ad valorem taxes at current levels. There can be no assurance that similar or additional legislative or other proposals will not be introduced or enacted in the future that would have a material adverse effect upon the collection of ad valorem taxes by the City, the City's finances in general or the City's ad valorem taxing power.

INVESTMENT POLICY

The City adopted a detailed written investment policy on September 4, 2001, which has been amended from time to time. The City's current investment policy is effective as of October 28, 2021 (the "Investment Policy"). The Investment Policy was adopted in compliance with Section 218.415, Florida Statutes, as amended. The City Commission establishes the overall investment policies and objectives, and has delegated to the Chief Financial Officer, the responsibility of implementing such policies.

The Investment Policy applies to all cash and investments held or controlled by the City with the exception of pension funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds and funds held by State agencies (e.g., the Department of Revenue).

The objectives of the Investment Policy are: (i) safety of principal, (2) maintenance of liquidity and (3) return on investment, with safety of principal being expressly stated as the foremost objective and return on investment the least important of the three (3) objectives. The City may engage an investment advisor to assist in managing the City's investment portfolio. Such investment advisor must be registered under the Investment Advisors Act of 1940.

The Investment Policy provides a list of the types of securities in which the City's funds may be invested, with limitations provided for certain categories of investment and for each type of security listed, including limitations as to maximum allowable percentages, minimum rating requirements and maximum maturities. After the Chief Financial Officer or the City's investment advisor have determined the approximate maturity date based on cash flow needs and market conditions, and has analyzed and selected one or more optimal types of investments, in accordance with the authorizations and limitations set forth in the Investment Policy, all investment transactions shall be subject to competitive bid, either electronically or manually, and a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers on the securities in question. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

The Investment Policy also provides a list of investments which are not permitted. The City is not permitted to invest in derivative products or reverse repurchase agreements. A "derivative" is any financial instrument in which the value of that financial instrument or security is dependent on another security, an underlying security, or an index. The City can invest in Florida PRIME (a State administered investment pool), intergovernmental investment pools, and authorized money market mutual funds provided such funds do not contain derivatives.

The Investment Policy may be modified from time to time by the City Commission.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

General

The City has three single-employer defined-benefit pension plans covering substantially all full-time City employees: (1) the General Employees' Pension Fund ("GEPF"), (2) the Delray Beach Police Officers' Retirement System ("PORS") and (3) the Delray Beach Firefighters'

Retirement System ("FFRS"). The GEPF 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. The PORS covers all police officers and the FFRS covers all firefighters. Each plan is administered by an independent board of trustees and is 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.

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 enacted 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 of trustees for each retirement system and changes to the retirement benefits of police officers and firefighters. Accordingly, during the fiscal year ended September 30, 2017, the assets of the Legacy Plan were allocated to the respective new PORS and FFRS 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 PORS and 52.569% of the Legacy Plan assets to the new FFRS. 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.

General Employees' Pension Fund

The benefit provisions and all other requirements of GEPF are established by ordinance of the City which is codified in the City's Code of Ordinances at Chapter 35, Sec. 35.085-35.110 and are summarized in the City's Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2023, which is attached hereto as APPENDIX B.

Under the vesting provisions of the GEPF, employees are entitled to fifty percent (50%) of normal retirement benefits after five (5) years of service, plus ten percent (10%) after each additional year, up to one hundred (100%) at ten years. Normal retirement eligibility changed effective October 5, 2010, upon enactment of Ordinance No. 33-10, from the earlier of age 60 within 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 does not apply to members who were within ten years of normal retirement eligibility as of October 5, 2010. Normal retirement eligibility for employees hired after October 5, 2010, is age 65 with ten years of service.

Employees with ten years of credited service and eligible for normal retirement have the option of entering the Deferred Retirement Option Plan (the "DROP"). Each participant of the GEPF in DROP will not terminate employment with the City, but will cease accruing a pension benefit, and the monthly benefit under the applicable plan as of the election date will be directed to a 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 $4,162,632 at September 30, 2023.

Contributions to the GEPF is a combination of employee contributions and City contributions. Effective October 5, 2010, the employee contributions amounts changed from 2.5% of the employee's basic annual compensation to 3.05%. If the employee choses 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 to the employee or the designated beneficiary. City contributions are based upon actuarially determined amounts, which together with earnings and employee contributions, are sufficient to fund the GEPF.

Police Officers' Retirement System

The benefit provisions and all other requirements of PORS are established by ordinance of the City which is codified in the City's Code of Ordinances at Chapter 33, Sec. 33.59-33.72 and are summarized in Note 12 to the City's Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2023, which is attached hereto as APPENDIX B.

Under the vesting provisions of the PORS, police officers are entitled to one hundred percent (100%) of normal retirement benefits after ten (10) years of service. Police officers hired on or before July 7, 2015 are eligible to retire at the earlier of twenty (20) years of service, regardless of age, or at age fifty-five (55), with ten (10) years of service. Police officers hired after July 7, 2015 are eligible to retire at the earlier of twenty-five (25) years of service, regardless of age, or at age fifty-five (55), with ten (10) years of service.

The annual retirement benefit for police officers is based on the date of hire.

(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; (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).

(C) Police officers hired after July 7, 2015 receive 2.75% times the police officer's average final compensation times all years of credited service (subject to a maximum annual benefit of $108,000 and further subject to a maximum of 68.75% of their average final

compensation (but in no event less than 2% times average final compensation for each year of service).

(D) Police officers hired after April 9, 2013 may not elect the enhanced multiplier.

Police officers who have met normal retirement eligibility have the option of entering the DROP. Each participant of the PORS in the DROP, will continue employment with the City, but will cease accruing a pension benefit under the plan, and the monthly benefit as of the election date will be directed to a 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 $11,362,806 at September 30, 2023.

Contributions to the PORS are a combination of employee contributions, City contributions and State appropriations. Police officers are required to contribute 9.0% of annual compensation. If a police officer leaves covered employment or dies prior to vesting, contributions are refunded to the police officer or designated beneficiary with interest. Pursuant to Chapter 185, 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 PORS. Chapter 185 tax monies up to $606,595 annually will be used to offset the City's contributions. City contributions are based upon actuarially determined amounts which, together with earnings, employee and State contributions, are sufficient to fund the PORS plan.

Firefighters' Retirement System

The benefit provisions and all other requirements of the FFRS are established by ordinance of the City which is codified in the City's Code of Ordinances at Chapter 33, Sec. 33.73-33.92 and are summarized in Note 12 to the City's Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2023, which is attached hereto as APPENDIX B.

Under the vesting provisions of the FFRS, firefighters are entitled to one hundred percent (100%) of normal retirement benefits after ten (10) years of service. Firefighters hired on or before October 4, 2016 are eligible to retire at the earlier of twenty (20) years of service, regardless of age, or at age fifty-five (55), with ten (10) years of service. Firefighters hired after October 4, 2016 are eligible to retire at the earlier of twenty-five (25) years of service, regardless of age, or at age fifty-five (55), with ten (10) years of service

The annual retirement benefit for police officers is based on the date of hire.

(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, 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, 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, but not less than 2.0% times average final compensation for each year of credited service).

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

Firefighters who have met normal retirement eligibility have the option of entering the DROP. Each participant of the FFRS in the DROP, will continue employment with the City, but will cease accruing a pension benefit under the plan, and the monthly benefit as of the election date will be directed to a 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 $14,916,287 at September 30, 2023.

Contributions to the FFRS are a combination of employee contributions, City contributions and State appropriations. Police officers are required to contribute 9.0% of annual compensation. If a police officer leaves covered employment or dies prior to vesting, contributions are refunded to the police officer or designated beneficiary with interest. Pursuant to Chapter 175, 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 FFRS. Chapter 175 tax monies up to $1,206,994 annually will be used to offset the City's contributions. City contributions are based upon actuarially determined amounts which, together with earnings, employee and State contributions, are sufficient to fund the FFRS plan.

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The components of the net pension liability (asset) for the City's pension plans as of September 30, 2023 are shown in the following table:

Net Pension Liability

Fiscal Year	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Total pension liability	$159,692,599	$185,316,912	$203,684,126
Less Plan fiduciary net position	(160,334,071)	(123,729,648)	(143,361,621)
Net pension liability (asset)	(641,472)	61,587,264	60,322,505
Plan fiduciary net position as a percentage of the total pension liability	100.4%	66.8%	70.4%

For the Fiscal Year ended September 30, 2023, the City recognized pension expense of approximately $3,285,959, $11,105,749 and $12,149,499 for the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, respectively. For the Fiscal Year ended September 30, 2022, the City recognized pension expense of approximately $3,900,574, $12,557,330 and $11,761,030 for the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, respectively.

Membership, actuarial method and significant assumptions concerning the GEPF, the PORS and the FFRS may be found under Note 12 to the City's Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2023, which is attached hereto as APPENDIX B.

Other Post-Employment Benefits

General

Of the total compensation offered to attract and retain qualified employees, some benefits, such as salaries and active employee health care, are distributed while the employees are in active service. Other elements of the compensation package are distributed after retirement from active service, when the employees' active service has ended. Many state and local governments, including the City, provide retirees with retirement benefits and separate other post-employment benefits such as medical and nominal life insurance.

General Employees OPEB

The City administers a single-employer defined other post-employment benefits 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.

In accordance with Section 112.0801, Florida Statutes, the City allows retirees to buy healthcare coverage at the same group insurance rates as current employees, resulting in an implicit healthcare benefit. 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.

Police, Firefighters & Paramedics OPEB

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.

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.

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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 in the following table.

OPEB Plan Membership

	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	801	321
Total Members	879	506

Source: City of Delray Beach, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2023.

The City's total Other Post-Employment Benefits ("OPEB") liability, deferred outflows/inflows of resources related to OPEB and OPEB expense for City's OPEB Plan and the Retiree Benefit Fund as of September 30, 2023, is summarized in the following table:

Total OPEB Liability

	City OPEB Plan	Retiree Benefit Plan	Total
Net OPEB liability	$11,763,420	$7,698,713	$19,462,133
Deferred outflows of resources	4,192,694	722,443	4,915,137
Deferred inflows of resources	12,304,299	703,994	13,008,293
OPEB expense	$591,716	$1,045,152	$1,636,868

Source: City of Delray Beach, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2023.

As of September 30, 2023, the City's total OPEB liability was $19,462,133, 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. For the fiscal year ended September 30, 2023, the City recognized OPEB expense of $591,716 and $1,045,152 for the City OPEB Plan and the Retiree Benefit Fund, respectively.

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CERTAIN INVESTMENT CONSIDERATIONS

The purchase of the Series 2024 Bonds involves a degree of risk, as is the case with all investments. Factors that could affect the market price of the Series 2024 Bonds or the City's ability to perform its obligations under the Bond Resolution, including the timely payment of principal of and interest on the Series 2024 Bonds, include, but are not limited to, the following:

Climate Change

The State of Florida is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on communities including the City. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change, generally discussed in below under this heading), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the City. The economic impacts resulting from such extreme weather events could include a loss of revenue, interruption of service, and escalated recovery costs.

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels may rise, extreme temperatures may become more common, and extreme weather events may become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels may continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Coastal areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. If this were to happen, the City could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced, and the City could be required to mitigate these effects at a potentially material cost. The City is unable to predict whether sea level rise or other impacts of climate change will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City. Additionally, climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels (including but not limited to air, water, hazardous substances and waste regulations) that could have a material adverse effect on the operations and/or financial condition of the City.

The City's Office of Sustainability and Resilience (OSAR) seeks to reduce the City's carbon footprint, promote the conservation and efficient use of resources and to implement resilience measures to help ensure a vibrant future for the City. To meet its sustainability goals, OSAR promotes initiatives that increase the quality of life for both the community and environment. Areas of focus include environmental education and awareness, reducing energy, water and waste, sustainable development, environmental justice, and habitat enhancement.

Resilience efforts include a broad range of actions and planning efforts, which will better prepare the City to handle the effects of climate change, including heavier rainfall events, stronger tropical storms, and higher sea levels. In everyday life in South Florida, the terms sustainability

and resilience have direct application and often overlap, as many sustainable practices make for a more resilient community. Sustainability and resilience are important concepts in addressing the challenges related to climate change; the reduced consumption and reduced carbon emissions associated with sustainable activities, may help to moderate the impacts that will occur due to climate change. As climate change is a scientifically proven fact, resilience measures must be taken to protect and mitigate the impacts from climate change that our community will encounter.

The City's coastal neighborhoods and vibrant downtown economy are key assets, and features that will be increasingly challenged as the community confronts the various impacts of climate change. Managing, mitigating, and preparing for the interrelated hydrological issues caused by sea level rise, intense rain events, tropical storms, coastal and inland flooding, storm surge and saltwater intrusion are critical to maintaining the quality of life that undergirds the City's success.

In 2014, the City Commission tasked the Rising Water Task Force, a citizen-lead group of local environmental experts and concerned residents to assess the City's challenges with respect to hydrological climate change impacts and make recommendations to advance resilience. The task force published its report in April 2017 and was presented to City Commission in June 2017. Several of the report's recommendations have since been advanced.

In 2019, the City's Public Works Department completed a comprehensive update to its Stormwater Master Plan, identifying drainage basins that will be impacted by intermittent flooding and capital improvement projects needed over the long term horizon to address flooding issues. The Public Works Department also completed a Seawall Vulnerability Assessment that identified the height and condition of both public and privately-owned seawalls within the City boundaries.

The City is actively engaged in climate mitigation and adaptation discussions with partners statewide and nationally. The City's Sustainability Office is part of the Palm Beach County Coastal Resilience Partnership ("CRP"), a collaboration among nine (9) coastal jurisdictions collectively developing a community vulnerability assessment. The CRP's initial work has been funded with a small Florida Department of Environmental Protection grant. The initial Climate Change Vulnerability Assessment (the "Climate Change Vulnerability Assessment") was completed in 2021, following the Florida Legislature's enactment of the "Act Relating to Statewide Flooding and Sea Level Rise Resilience" and establishment of the Resilient Florida Grant Program now codified as Section 380.093, Florida Statutes, as amended. The legislation required vulnerability assessments to use specific sea level rise projections. The Florida Department of Environmental Protection funded another grant to update the Climate Change Vulnerability Assessment, which was completed in 2022. The City is an active member of Resiliency Florida and the Washington-based American Flood Coalition.

The City is committed to doing its part to reduce greenhouse gas ("GHG") emissions. In 2017, Delray Beach joined the Climate Mayors' pledge to uphold the tenets of the Paris Climate agreement, and supported the Sierra Club's Ready for 100 Campaign for a transition to 100% clean and renewable energy.

In October 2022, the City completed its second Greenhouse Gas Inventory (the "Greenhouse Gas Inventory") after participating in a cohort led by ICLEI-Local Governments for

Sustainability (ICLEI) USA. Data from multiple sources, for the calendar year 2019 was compiled for the report, to better assess how much emission is attributed to the City and its operations. Data sources for the Greenhouse Gas Inventory included the Solid Waste Authority of Palm Beach County, City Accounts Payable Office, City Utilities Department, South Central Regional Wastewater Treatment Plant, ICLEI USA (Florida Power and Light, Google Environmental Insights Explorer transportation model), and City Fire and Rescue Department. GHG emissions data calculations revealed contributions from sectors including Transportation and Mobile Sources (52%), Residential Energy (24%), Commercial Energy (20%), Industrial Energy (2%), Solid Waste (1%), Water & Wastewater (1%), and Process and Fugitive Emissions (<1%). Total community-wide GHG emissions was 549,032.50 metric tons CO2 equivalents. A summary of the Greenhouse Gas Inventory report was presented to the City Commission in a public meeting on May 16, 2023. The report and the presentation included a recommendation to reduce overall GHG emissions 50% by 2030, and to reach net zero emissions by 2050.

On September 18, 2023, a presentation was made to the City Commission in a public meeting, which laid out GHG emissions reduction strategies for transportation, and residential and commercial buildings. The presentation recommended the preparation of a Climate Action Plan to guide sustainability and resilience efforts including GHG emissions reduction.

On November 7, 2023, the City Commission adopted Resolution No. 201-23, endorsing the Southeast Florida Climate Action Pledge. The resolution pledges to support the implementation of the Regional Climate Action Plan, version 3 (RCAPv3), through integration of its recommendations and strategies into existing and future relevant planning, program, policy, and project development, as appropriate. The RCAPv3 incorporates the collaboration of more than 150 subject matter experts, organized by the Southeast Florida Regional Climate Change Compact.

The City's Sustainability Officer and OSAR work with multiple City departments and the public to implement projects and educate residents, as well as staff on sustainability practices. The City continues to actively work towards greater levels of energy conservation, efficiency and production, through improvements to its transportation infrastructure, aggressive management of the water supply and waste water, recycling expansion effort, and planting more trees that sequester carbon. Internal and external outreach is underway, to inform the community regarding the impacts of climate change, and to obtain input on what actions or strategies should be prioritized to address the impacts of climate change.

Cybersecurity

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to department operations and the provision of citizen services. Increasingly, governmental entities are being targeted by cyberattacks (including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems) seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may

introduce new vulnerabilities and avenues that attackers/hackers can exploit in attempts to cause breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Additionally, the City's computer networks and systems routinely interface and rely on third party systems that are also subject to the risks previously described. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The City's Information Technology Department manages existing and emerging technologies and monitors and protects electronic assets and sensitive data stored on and transmitted through the City's networks and servers in support of City government operations and public services.

The City's Information Technology Department is also responsible for data processing, output distribution, security, data integrity, e-mail, e-government, internet usage, business process automation, hardware and software acquisition and maintenance, LAN administration, system security, virus protection, systems analysis and design plus disaster recovery. The City's Information Technology Department continuously updates its plans to accommodate changes to the existing infrastructure based on trends and issues within the industry, business objectives, and growth. The City has adopted a written administrative policy and procedural manual, including a formal, Security, Education, Training, and Awareness ("SETA") program. The SETA program requires all users to be proficient in understanding security policies, procedures, and technical security controls. The policy promotes continuous employee training around data security and privacy education. The City utilizes KnowBe4 for Phishing Campaigns and Security Training. Additionally, the City relies on, among other protections, a combination of industry leading diligent firewall monitoring, network access controls, intrusion detection, vulnerability management, encryption, proactive security evaluation of new software prior to launching them on the City's networks and servers, and annual cybersecurity training for City employees. Cybersecurity protocols are reviewed by the City frequently to stay abreast of emerging and effective procedures and measures. Despite the City's efforts in this area, no assurances can be given that any cyberattacks, if successful, will not have a material adverse effect on the operations or financial condition of the City.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given that such measures will continue to protect against all cybersecurity threats or attacks. Cybersecurity breaches could damage or compromise the City's computer network and the confidentiality, integrity, or availability of the City's computer system or information. The potential disruption, access, modification, disclosure or destruction of information could result in the interruption of City commerce, the initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, and the loss of confidence in City functions, which could adversely affect City revenues or cause a material disruption in the City's operations or the appropriate provision of City services. Further, the litigation to which the City could be exposed following a cybersecurity breach could be significant, which could cause the City to incur material costs related to such legal claims or proceedings.

Infectious Disease Outbreak

The outbreak of the COVID-19 pandemic in March 2020, along with various governmental measures taken to protect public health in light of the pandemic, generally had a disruptive financial impact on global financial markets and economies, including financial markets and

economic conditions in the United States. The impact of the COVID-19 pandemic on the U.S. economy has been broad based and has negatively impacted national, state and local economies, including fueling inflation and supply chain issues.

COVID-19 was considered a Public Health Emergency of International Concern by the World Health Organization. This led to quarantine and other "social distancing" measures throughout the United States. These measures included recommendations and warnings to limit non-essential travel and promote telecommuting. The Governor has made public statements indicating the State will not shut down as it did in 2020 as a result of COVID-19. There can be no guarantee that State and/or local shut downs or closures similar to those implemented in 2020 will not happen in the future. Although many of the effects of COVID-19 were temporary, the pandemic altered the behavior of businesses and people in a manner that continues to affect global and local economies, including, without limitation, the supply of certain goods and services, labor issues and inflation. In addition, while the foregoing describes certain effects related to the COVID-19 pandemic, similar effects could result from an outbreak of some other contagious disease, epidemic or pandemic. No assurance can be given that the changes produced by the outbreak of COVID-19, if the negative impact continued, would not materially adversely affect State and local government finances, including those of the City.

Prospective purchasers of the Series 2024 Bonds should review carefully all of the provisions of the Bond Resolution. See APPENDIX C - "COPY OF THE BOND RESOLUTION" attached hereto.

LITIGATION

There is no litigation or controversy of any nature now pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds or in any way contesting the validity of the Series 2024 Bonds or any proceedings of the City taken with respect to the authorization, sale or issuance of the Series 2024 Bonds or the pledge or application of the moneys provided for the payment of the Series 2024 Bonds which, if successful, would materially financially affect the City.

The City is a party to other routine litigation, claims and various legal proceedings including, but not limited to, developer related land use and inverse condemnation claims. Individually these are not expected to have a material adverse effect on the City's operations or financial condition, but may, in the aggregate, have a material impact thereon. In the opinion of the City Attorney, however, the City will either successfully defend such actions or otherwise resolve such matters without any material adverse consequences on the financial condition of the City or the City's ability to make payments on the Series 2024 Bonds.

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DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the county except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Banking and Finance (the "Department"). Pursuant to the Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the county, and certain additional financial information, unless the county believes in good faith that such information would not be considered material by a reasonable investor. The City is not and has not been in default on any bond issued since December 31, 1975 which it believes would be considered material by a reasonable investor of the Series 2024 Bonds.

LEGAL MATTERS

Certain legal matters in connection with the authorization, issuance and sale of the Series 2024 Bonds are subject to the approval of Greenberg Traurig, P.A., West Palm Beach, Florida, Bond Counsel, whose form of approving opinion is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the City by Lynn Gelin, Esquire, City Attorney, and by Greenberg Traurig, P.A., West Palm Beach, Florida, Disclosure Counsel to the City.

The legal opinions of Bond Counsel, Disclosure Counsel and the Office of the City Attorney are based on existing law, which is subject to change. Such legal opinions are further based on factual representations made to Bond Counsel, Disclosure Counsel and the Office of the City Attorney as of the date thereof. Bond Counsel, Disclosure Counsel and the Office of the City Attorney assume no duty to update or supplement their respective opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Bond Counsel's opinion included herein is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date hereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the City must continue to meet after the issuance of the Series 2024 Bonds in order that the interest on the Series 2024 Bonds be and remain excludable from gross income for federal income tax purposes. The City's failure to meet these requirements may cause the interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024 Bonds. The City has covenanted in the Bond Resolution to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2024 Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications of the City, and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2024 Bonds is excludable from gross income of the holders thereof for federal income tax purposes and, further, interest on the Series 2024 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2024 Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2024 Bonds and the interest thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors as to the status of interest on the Series 2024 Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2024 Bonds will be based on and will assume the accuracy of certain representations and certifications of the City, and compliance with certain covenants of the City to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2024 Bonds will be and will remain obligations, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2024 Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2024 Bonds, or the ownership or disposition of the Series 2024 Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2024 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2024 Bonds, (iii) the inclusion of the interest on the Series 2024 Bonds in the earnings of certain foreign corporations doing business in the

United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2024 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (v) the inclusion of interest on the Series 2024 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance of the Series 2024 Bonds. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

Original Issue Discount and Premium

Certain of the Series 2024 Bonds ("Discount Bonds") were offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2024 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2024 Bonds ("Premium Bonds") were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result,

an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one (1) or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2024 Bonds, adversely affect the market price or marketability of the Series 2024 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2024 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2024 Bonds and proceeds from the sale of Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Bonds. This withholding generally applies if the owner of Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2024 Bonds upon an event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the

federal bankruptcy code and the Bond Resolution may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or by such principles of equity as the court having jurisdiction may impose with respect to certain remedies which require or may require enforcement by a court of equity.

RATINGS

S&P Global Ratings, a division of S&P Global Inc. and Moody's Investors Service have assigned municipal bond ratings of "AAA" (stable outlook) and "*Aa1*," respectively, to the Series 2024 Bonds. Such ratings reflect the views of the respective rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041 and Moody's Investors Service, 7 World Trade Center, 250 Greenwich St, New York, NY 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency concerned, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect upon the market price of the Series 2024 Bonds.

COMPETITIVE SALE

The Series 2024 Bonds are being purchased at competitive sale by J.P. Morgan Securities LLC (the "Purchaser") at a price equal to $9,848,231.16 (taking into account the par amount of the Series 2024 Bonds, plus net original issue premium on the Series 2024 Bonds of $450,380.60, less an underwriter's discount of $147,149.44). The Purchaser's obligations are subject to certain conditions precedent described in the Official Notice of Sale, and the Purchaser will be obligated to purchase all of the Series 2024 Bonds if any Series 2024 Bonds are purchased.

CONTINGENT FEES

The City has retained Bond Counsel, Disclosure Counsel, and the Financial Advisor with respect to the authorization, sale, execution and delivery of the Series 2024 Bonds. Payment of the fees of Bond Counsel, Disclosure Counsel, and the Financial Advisor and an underwriting discount to the Underwriter are each contingent upon the issuance of the Series 2024 Bonds.

CONTINUING DISCLOSURE

In accordance with the continuing disclosure requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC"), the City has agreed pursuant to the terms of the Bond Resolution as follows:

(1) The City undertakes and agrees to provide to the Municipal Securities Rulemaking Board (the "MSRB"), through its Electronic Municipal Market Access ("EMMA") and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (i) the

City's financial statements generally consistent with the financial statements presented in APPENDIX B to this Official Statement relating to the Series 2024 Bonds, and (ii) update the information in this Official Statement regarding the City's Ad Valorem Taxes set forth in the Official Statement under the heading "AD VALOREM TAXATION" or at the discretion of the City, any other information under such other heading related to the operations of the City. The information referred to in clauses (i) and (ii) is herein collectively referred to as the "Annual Information."

(2) The Annual Information described in clause (i) of paragraph (1) above in audited form (for as long as the City provides such financial information in audited form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2025 for the fiscal year ending on the preceding September 30, 2024. The Annual Information referred to in clause (i) of paragraph (1) above in unaudited form (if the audited financial statements are not available or if the City no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. Notwithstanding the foregoing, if the City is not able to deliver audited financial statements by March 31 of any year, such audited financial statements must be provided to the MSRB, through EMMA and the SID, if any, by June 1 of such year. The City also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Series 2024 Bonds who request such information and pays to the City its costs and reproduction and transmission of such Annual Information. The City agrees to provide to the MSRB, through EMMA and the SID, if any, timely notice of its failure to provide the Annual Information. As long as the City files the unaudited financials by March 31 of any year, if the audited financials are not available, and the audited financial statements by June 1 of that same year, no notice shall be required to be filed. Such notice shall also indicate the reason for such failure and when the City reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure. All filings with EMMA shall be in EMMA Compliant Format.

(3) The Annual Information referred to in clause (i) of paragraph (1) above and presented in this Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

(4) If, as authorized by paragraph (6) below, the City's undertaking with respect to paragraph (1) above requires amending, the City undertakes and agrees that the Annual Information described in clause (i) of paragraph (1) above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described in paragraph (3) above. The City agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

(5) The City undertakes and agrees to provide to the MSRB, through EMMA, and to the SID, if any, within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)), notice of the occurrence of any of the following events with respect to the Series 2024 Bonds, if material or deemed material:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on any debt service reserve account reflecting financial difficulties;*

(d) unscheduled draws on credit enhancements reflecting financial difficulties;*

(e) substitution of credit or liquidity providers, or their failure to perform;*

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds;

(g) modifications to rights of Bondholders, if material;

(h) Series 2024 Bond calls if material, and tender offers;

(i) defeasances of the Series 2024 Bonds;

(j) release, substitution, or sale of property securing repayment of the Series 2024 Bonds, if material;

(k) rating changes;

(l) any failure on the part of City to comply with its undertaking;

(m) bankruptcy, insolvency, receivership or similar event of the City or any other obligated person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City or any other obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City or any other obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or

* Not applicable to the Series 2024 Bonds.

jurisdiction over substantially all of the assets or business of the City or any other obligated person);

(n) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(o) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(p) incurrence of a Financial Obligation* of the City or any other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City or any other obligated person, which affect security holders, if material;

(q) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the City or any other obligated person, which reflect financial difficulties; and

(r) any amendment to the accounting principles to be followed by the City in preparing its financial statements, as required by the Bond Resolution.

Events described in clauses (a), (f), (i), (k), (l), (m), and (q) shall always be deemed material.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Series 2024 Bonds.

(6) Notwithstanding any other provision of the Bond Resolution to the contrary regarding amendments or supplements, the City undertakes and agrees to amend and/or supplement its undertaking (including the amendments referred to in paragraph (4) above) only if:

(a) the amendment or supplement is made only in connection with a change in circumstances existing at the time the Series 2024 Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule, or (iv) a change in the nature of the City's collection of its Ad Valorem Taxes;

(b) the City's undertaking, as amended, would have complied with the requirements of the Rule at the time the Series 2024 Bonds were originally issued after

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* "Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Series 2024 Bonds as determined by Bond Counsel or by a majority of the registered owners of the Series 2024 Bonds.

In the event of an amendment or supplement under the Bond Resolution, the City shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

(7) City's undertaking set forth in the Bond Resolution shall terminate if and when the Series 2024 Bonds are paid or deemed paid.

(8) The City acknowledges that its undertaking pursuant to the Rule set forth in the Bond Resolution is intended to be for the benefit of the registered holders and Beneficial Owners of the Series 2024 Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of this undertaking shall not be or constitute a covenant or monetary default with respect to the Series 2024 Bonds under the Bond Resolution.

(9) The City reserves the right to satisfy its obligations under the Bond Resolution through agents; and the City may appoint such agents without the necessity of amending the Bond Resolution. The City may also appoint one or more employees of the City to monitor and be responsible for the City's undertaking hereunder.

Within the last five (5) years the City has complied in all material respects with its previous undertakings made with respect to the Rule and is currently in compliance in all material respects with such undertakings. Any failure to comply with the provisions of the Continuing Disclosure Commitment shall not constitute a default under the Bond Resolution and any failure of the City to comply with its previous continuing disclosure undertakings are not defaults under the authorizing resolutions or continuing disclosure commitments pursuant to which prior continuing disclosure undertakings were created.

In order to provide certain continuing disclosure with respect to the Series 2024 Bonds in accordance with the Rule, the City will retain the services of Digital Assurance Certification, L.L.C. ("DAC") to serve as Dissemination Agent pursuant to the City's Continuing Disclosure Commitment. The obligation of DAC to deliver information at the times and with the contents described in the Continuing Disclosure Commitment is limited by, and in all respects subject to, the receipt by DAC of such information from the City in the time periods required for its delivery.

FINANCIAL STATEMENTS

The City's Annual Comprehensive Financial Report for the Fiscal Year ended September 30, 2023 and the report of the Independent Certified Public Accountants related thereto are attached hereto as APPENDIX B. Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and consent from the City's auditor was not requested.

FINANCIAL ADVISOR

The City has retained PFM Financial Advisors LLC, Orlando, Florida, as Financial Advisor in connection with the City's financing plans and with respect to the authorization and issuance of the Series 2024 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to independently verify or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2024 Bonds, the security for and the source for repayment for the Series 2024 Bonds and the rights and obligations of the holders thereof. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as such term is defined in, the Rule.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of this Official Statement, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter, except with regard to information provided by them.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

AUTHORIZATION OF OFFICIAL STATEMENT

The delivery of this Official Statement has been duly authorized by the City Commission. At the time of delivery of the Series 2024 Bonds, the undersigned or other authorized officers will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement (other than the information provided by DTC and the Underwriter) did not as of its date and does not as of the date of the delivery of the Series 2024 Bonds contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements herein, in light of the circumstances in which they were made, not misleading.

CITY OF DELRAY BEACH, FLORIDA

By: *\/s/ Thomas F. Carney, Jr.*
Mayor

By: *\/s/ Terrence Moore, ICMA-CM*
City Manager

APPENDIX A

GENERAL INFORMATION CONCERNING THE CITY AND PALM BEACH COUNTY, FLORIDA

The following information concerning the City of Delray Beach, Florida (the "City") and Palm Beach County, Florida (the "County") is included only for the purposes of providing general background information. The Series 2024 Bonds are payable from and secured by the ad valorem taxes on all taxable property within the City without limitation as to rate or amount. The full faith, credit and taxing power of the City is irrevocably pledged to the payment of the principal and interest on the Series 2024 Bonds as the same become due and payable.

CITY OF DELRAY BEACH, FLORIDA

Introduction

The City, approximately 16 square miles in area, is located in the southeast portion of the State of Florida ("State"), in the southeast section of the County. Incorporated May 11, 1927, the City has an estimated permanent population of 68,650 and an additional estimated seasonal population of 8,925 as of 2023.

City Government

The City operates under a City Commission-Manager form of government. The City Commission is the principal legislative and governing body of the City. The Mayor, elected every two years, presides over a board of four commission members who are elected to two-year alternating terms by the community at large. The City Commission appoints the City Manager, City Attorney and certain general advisory boards. Major departments of the City include: City Clerk, Development Services, Finance, Fire Rescue, Human Resources, Information Technology, Parks and Recreation, Planning and Zoning, Police, Public Works and Utilities.

The chief administrative official of the City is the City Manager. The City Manager is responsible for implementing City Commission policies, overseeing all departmental activities, enabling, and supporting the City's departments. The City Manager is also responsible to the Commission for preparation of the City's budget and for control of expenditures throughout the budget year.

Climate

The climate of the City is best described as semi-tropical, characterized by hot and humid summers with abundant rain fall and short, warm winters. The average year-round temperature is 75.5 degrees. Rainfall occurs year-round, but is heaviest in the summer; the average rainfall is 64.26 inches. The mild climate is primarily a result of the proximity to the Gulf Stream and the prevailing ocean breezes.

Parks and Recreation

The City's Parks and Recreation Department operates over 40 developed parks and recreational facilities including two pools, a splash park, athletic fields, skate park, and one and a half miles of public beach that is guarded 365 days a year.

The Delray Beach Tennis Center is a full service public tennis facility with 14 clay courts, 4 hard courts, 8 pickleball courts and an 8,200 seat stadium. The Delray Beach Tennis Center features an upstairs pavilion and conference room, pro shop with locker rooms, racquet stringing and merchandise. The tennis club offers a wide variety of adult and junior programs, leagues, clinics and camps.

Education

The City is served by six elementary schools, one middle school, one high school, and two schools that serve all grades, all operated by the Palm Beach County School District. The Palm Beach County School District is the fifth largest in Florida and the 10th largest nationwide with more than 189,000 students enrolled in more than 192 K-12 schools.

Higher education is offered at five Palm Beach State College campus sites, two Florida Atlantic University sites (State University System), Palm Beach Atlantic University, Lynn University and Barry University.

The Palm Beach County Public Library System (the "Library System") provides library services for residences in the unincorporated areas of the County and 24 cities through a main library, 16 branch libraries, and a logistical support center. Storytimes, the Summer Reading Program, and special events are provided to build children's confidence, reading skills, and a sense of community. Outreach services include a Bookmobile, Talking Books, Books-by-Mail, Adult Literacy Tutoring, and Outreach to Daycare programs. The Library System promotes economic vitality and individual achievement by offering access and training on the internet, adult programs on literature and other topics, and by providing additional services to migrant workers and adult non-readers.

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City of Delray Beach
Demographic and Economic Statistics

The following table shows the City population estimates, school enrollment and unemployment rates for the past ten fiscal years.

Fiscal Year	City Population[1]	County Population[1]	Per Capita Personal Income[2]	Estimated Total Personal Income[3]	Median Age[1]	School Enrollment[4]	Unemployment Rate[1]
2014	62,700	1,360,238	$48,224	$3,023,644,800	45.7	8,059	6.4%
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	65,804	1,414,144	34,728	2,285,241,312	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	6,478	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

(1) Business Development Board of Palm Beach County.
Median Age for 2011 to current is for the City of Delray Beach, Florida. 2010 data is for Palm Beach County.

(2) Bureau of Economic Analysis
Per Capita Personal Income for the current fiscal year is estimated at a 1% growth rate from the previous year.

(3) Estimated based on County per capita personal income and City population.

(4) The School Enrollment is from the Palm Beach County School Board.

Source: City of Delray Beach Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2023

City of Delray Beach
Building Permit Activity

	Industrial and Commercial Construction		Residential Construction	
Fiscal Year	No. of Permits	Value	No. of Units	Value
2014	25	$22,996,311	283	$50,277,519
2015	9	15,367,546	342	71,253.245
2016	6	5,607,685	411	54,651,269
2017	13	45,554,848	139	43,979,679
2018	19	72,245,543	54	26,094,641
2019	16	48,818,865	124	68,429,356
2020	7	38,837,846	183	65,414,450
2021	5	11,277,940	259	79,865,635
2022	8	170,921,397	492	172,050,203
2023	5	28,940,547	639	191,803,679

Source: City of Delray Development Services Department.

PALM BEACH COUNTY, FLORIDA

General Information

Palm Beach County, Florida (the "County") was founded in 1909 and encompasses an area of 2,385 square miles. It is located on the lower east coast of the Florida peninsula with 47 miles of Atlantic Ocean frontage and 25 miles of frontage on Lake Okeechobee. The County has a semi-tropical climate with an average temperature of 74 degrees and an average rainfall of 62 inches per year. These and other natural amenities, including 87 local, State of Florida (the "State") and Federal recreational areas of more than 10 acres and 163 golf courses, have enabled the County to develop a year-round tourism industry.

There are 39 municipalities within the County, twelve of which have a population in excess of 25,000. West Palm Beach is the County seat and is the largest city in the County, with a 2023 estimated population of 1,527,592.

County Culture and Recreation

The County's Parks and Recreation Department operates 87 developed parks that encompass over 8,500 acres and include a wide variety of amenities, including two water parks, six swimming pools, five golf facilities, four equestrian facilities, three outdoor amphitheaters, 145 athletic fields, and much more. In addition, the department manages 3.51 miles of beachfront property and over 1.5 million County residents and visitors safely enjoy the County's fourteen guarded beach parks in 2023.

The County is the home of the Professional Golfers Association (PGA), located in the City of Palm Beach Gardens, often referred to as "The Golf Capital of the World." There are in excess of 160 golf courses located in the County.

The Village of Wellington is the site of one of the finest equestrian centers in the country, providing a venue for polo, Grand Prix jumping events and the National Horse Show.

Cultural amenities include the Florida Ballet, Opera Societies, the Royal Poinciana Playhouse, Watson B. Duncan Theater, Henry Morrison Flagler Museum, Norton Gallery of Art, the Kravis Center for the Performing Arts, and the Morikami Museum and Japanese Gardens, among others.

Transportation

Surface transportation is provided in the County by the Florida East Coast and CSX railroads. A network of Federal, State and local highways, including the Florida Turnpike and Interstate 95, traverse the County. The County operates a bus system (Palm-Tran) and shares in the operation of the Tri-County Commuter Rail System, which serves Miami-Dade and Broward Counties, as well as the County. A 60,000 sq. ft. train system – Brightline, operates in the County and travels through Miami, Aventura, Fort Lauderdale, Boca Raton, West Palm Beach and Orlando.

The Port of Palm Beach operates ship terminal facilities on approximately 165 acres of

land located in Riviera Beach and fronting on Lake Worth. A 33-foot deep and 300-foot wide channel to the Lake Worth Inlet provides access to the port facilities. The Port of Palm Beach is the fourth busiest container port in Florida and the eighteenth busiest in the continental United States. Imports consist primarily of bulk cement and Bunker-C petroleum while exports include diesel fuel, molasses, liquid asphalt, and other bulk commodities bound for the Caribbean. A foreign trade zone has been designated near the Port.

Commercial air service is provided at Palm Beach International Airport ("PBIA") by thirteen major and commuter airlines. For the twelve months ended December 2023, passenger traffic at PBIA was 7.8 million, up 17% over the previous twelve month period; aircraft operations at PBIA for this period totaled 58.8 thousand, up 13.2% from the prior twelve month period. PBIA also serves general aviation traffic, and there are four general aviation airports in the County. The Fort Lauderdale-Hollywood International Airport and the Miami International Airport are respectively within 40 and 50 miles to the south of the City.

Population

In 2020, the County was the third largest county in the State in terms of population. Its population increased 65.3% in the 1970-80 decade, 49.7% in the 1980-1990 decade, 31% in the period 1990-2000, 16.7% from 2000-2010, and 12.9% from 2011-2020.

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Population Growth
2014-2023

	Palm Beach County		Florida		United States	
	Population	Change	Population	Change	Population	Change
2014	1,398,518	1.6%	19,888,741	1.6%	318,386,421	0.7%
2015	1,422,789	1.7	20,244,914	1.8	320,742,673	0.7
2016	1,443,810	1.5	20,612,439	1.8	323,071,342	0.7
2017	1,471,150	1.9	20,984,400	1.8	325,147,121	0.6
2018	1,485,941	1.0	21,299,325	1.5	327,167,434	0.6
2019	1,496,770	1.0	21,477,737	1.0	328,239,523	1.0
2020	1,510,660	0.9	21,733,312	1.2	329,484,123	0.4
2021	1,502,495	1.0	21,898,945	1.0	332,031,554	0.2
2022	1,518,152	1.0	22,276,132	1.0	333,287,557	0.4
2023	1,527,592	1.0	22,634,867	1.6	335,445,435	0.6

Source: Population Division, U.S. Census Bureau.
University of Florida, Bureau of Economic and Business Research.

Employment

Education and healthcare are the leading sources of employment. Agriculture, manufacturing of electronics, aircraft engines, and other high technology products, and business and financial services also play an important role in the County's economy.

The data on County unemployment in the following table represents annual averages.

Palm Beach County
Annual Average Labor Force and Unemployment Estimates

	Palm Beach County	Unemployment Rates		
Year	**Civilian Labor Force**	**Palm Beach County**	**Florida**	**United States**
2014	683,721	6.0%	6.4%	6.2%
2015	693,582	5.2	5.5	5.3
2016	711,609	4.7	4.9	4.9
2017	716,528	4.3	4.3	4.4
2018	721,422	3.7	3.7	3.9
2019	728,819	3.4	3.2	3.7
2020	715,415	8.3	8.3	8.1
2021	734,056	4.3	4.6	5.4
2022	762,722	2.7	2.9	3.6
2023	789,172	2.9	2.8	3.4

Source: U.S. Bureau of Labor Statistics, Unemployment in States and Local Areas (all other areas), State Employment and Unemployment, Employment Situation.

Largest Employers (Excludes Agricultural)

The following table shows employment at the ten largest employers in the County as of September 30, 2023.

Company	Product/Service	Employees
Palm Beach County School District	Education	22,218
Palm Beach County Government	County Government	12,719
Tenant Healthcare Group Coastal Division(2)	Healthcare	5,734
NextEra Energy (Florida Power & Light)	Utilities	5,598
Florida Atlantic University(2)	Higher Education	5,059
Boca Raton Regional Hospital(2)	Healthcare	3,135
Veterans Health Administration	Healthcare	2,948
Jupiter Medical Center	Healthcare	2,540
Hospital Corporation of America (HCA)(1)	Healthcare	2,612
The Breakers(2)	Hotel	2,300
		64,863

Source: Business Development Board of Palm Beach County
except for Palm Beach County Government, where the source is the Office of Financial Management and Budget

(1) Formerly Columbia Palm Beach Health Care System, Inc.
(2) 2023 updated figures unavailable at the time of publication

Tourism

Visitors to the Palm Beaches have a significant economic impact on the County. According to the Florida Department of Business and Professional Regulation, there are over 200 licensed hotels and motels in the County, having a total of approximately 20,000 rooms and significant non-hotel (Airbnb/VRBO) offerings. The Tourism Development Council of Palm Beach County estimates that over 7 million people visited the County in 2021 generating a significant economic impact to the County. Continued growth in hotel room occupancy coupled with growth in average daily room rates for the County provides continuing increases in revenue per available room, attracting increased investment in the County's hospitality industry hotels and cultural attractions.

Agriculture

Agriculture, together with the related service industries, is a core component of the County's economy. The "Glades" region of the County is one of the nation's most productive agricultural areas. The County leads the State, and all counties east of the Mississippi River, in agricultural proceeds. It ranks third in Florida in nursery production with an estimated $375 million per year in economic activity. The County is the largest agricultural county in Florida, with annual sales in excess of $1.4 billion.

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APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended

September 2023

CITY OF DELRAY BEACH

DELRAYBEACHFL.GOV

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF DELRAY BEACH, FLORIDA

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by the

Finance Department

CITY OF DELRAY BEACH, FLORIDA

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CITY OF DELRAY BEACH, FLORIDA

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CITY OF DELRAY BEACH, FLORIDA

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INTRODUCTORY SECTION

CITY OF DELRAY BEACH
100 N.W. 1st AVENUE • DELRAY BEACH, FLORIDA 33444 • 561/243-7000

April 30, 2024

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, 2023. 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.

Marcum LLP, Certified Public Accountants, have issued unmodified opinions on the financial statements of the City of Delray Beach for the fiscal year ended September 30, 2023. 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 68,650 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 amongst this year's list of winners, following recent efforts to increase digital citizen engagement and access to information about city services and programs. During the fiscal year, the City was also designated one of the first two Blue Flag designations in the continental United States. 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. Fire protection, emergency medical services, and 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 post-pandemic, sound fiscal controls and appropriate balances maintained in the City's reserve fund. For fiscal year 2023, taxable values increased to $14.4 billion, representing a 15.2% increase over the 2022 taxable values of $12.5 billion. The City's total property tax rate for fiscal year 2023 decreased from 6.8403 to 6.6665. S&P Global Ratings recently assigned its 'AAA' long-term rating to the City's yet-to-be-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 2022-23:

- Design Services for Pompey Park Community Center and Campus
- Atlantic Dunes Park Seawalls
- Island Drive Bridge Rehabilitation
- Osceola Park Neighborhood Improvements – Phase II
- Reclaimed Water Main for Area 10
- SE 8th Court Drainage Improvements
- Public Right-of-Way Accessibility Improvements
- Implementation of Electronic Plan Review Software

Economic Development During fiscal year 2023, the City continued its robust pace of office, hotel and commercial redevelopment. Some of the dynamic projects taking shape in the downtown area, include: Sundy Village, a mixed-use development totaling approximately 129,000 gross square feet of lifestyle, retail, amenitized office and 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. On Linton Boulevard, The Linton, a redevelopment of an existing commercial/retail plaza to incorporate residential component to create a mixed-use development; and along South Congress Avenue, the Parks at Delray, a residential community consisting of 693 apartments in garden-style four-and five-story buildings and 54 townhomes for a total of 747 multifamily units is under construction. 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.

LONG-TERM STRATEGIC PLANNING

During fiscal year 2023, 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, 2023 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, 2022. This was the 40th 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 41st 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, 2023. 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 current award represents the 28th 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. Laura Thezine, Assistant Finance Director; Ms. Carmen Aleman, Chief Accounting 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,

Hugh B. Dunkley, CPA, CPFO, CGFO
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, 2022

Christopher P. Morrill

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, 2022

Christopher P. Morrill

Executive Director

LIST OF PRINCIPAL OFFICIALS

September 30, 2023

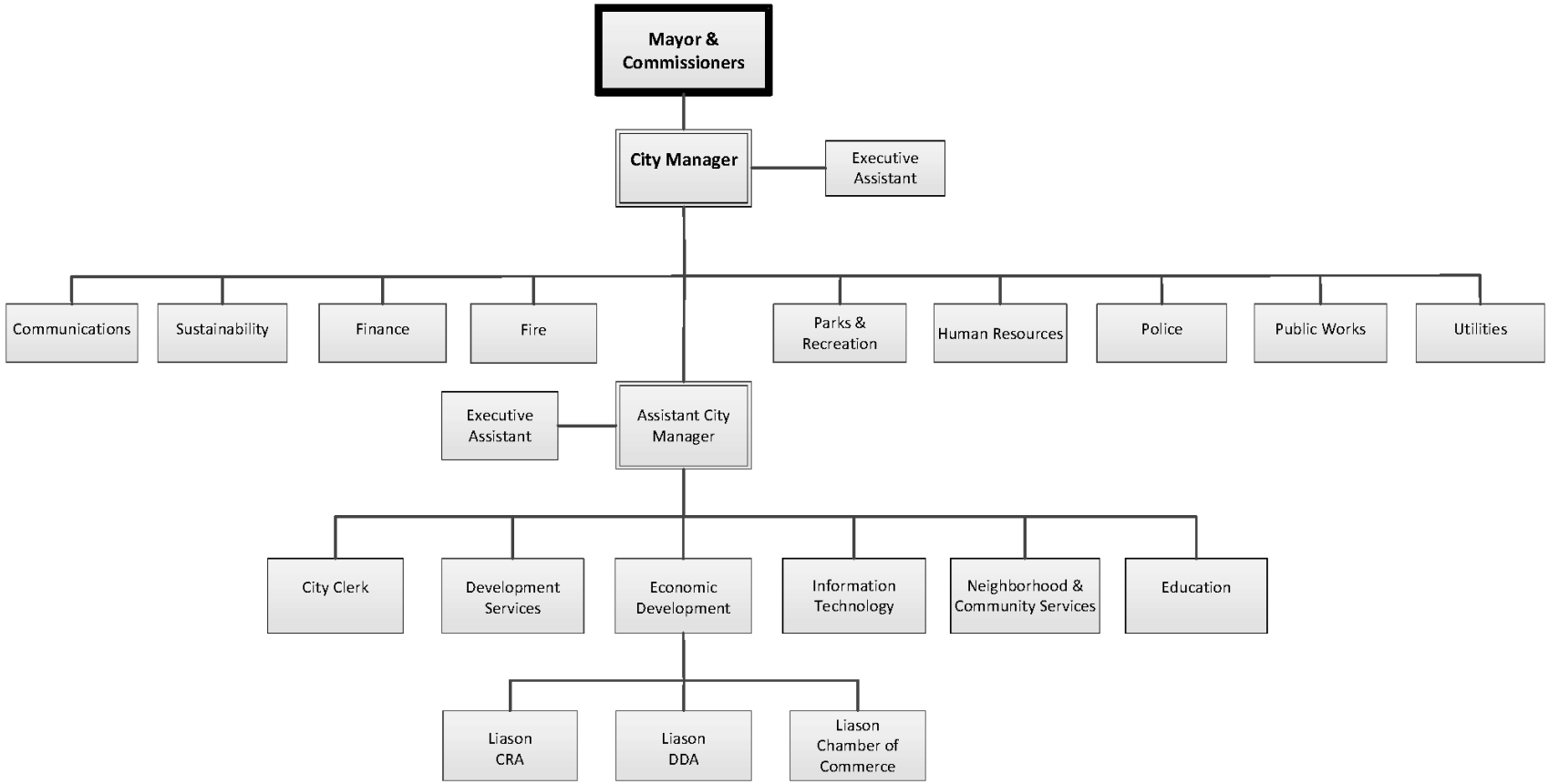
CITY COMMISSION

Mayor	Shelly Petrolia
Vice-Mayor	Ryan Boylston
Deputy Vice-Mayor	Rob Long
Commissioner	Angela Burns
Commissioner	Adam Frankel

CITY STAFF

City Manager	Terrence R. Moore
Assistant City Manager	Jeff Oris
City Attorney	Lynn Gelin
City Clerk	Katerri Johnson
Chief Financial Officer	Hugh Dunkley
Chief Technology Officer	Jay Stacy
Communications Director	Gina Carter
Development Services Director	Anthea Gianniotes
Fire Chief	Keith Tomey
Human Resources Director	Duane D'Andrea
Neighborhood and Community Services Director	Sammie Walthour
Parks and Recreation Director	Sam Metott
Police Chief	Russ Mager
Public Works Director	Missie Barletto
Utilities Director	Hassan Hadjimiry

City of Delray Beach
Organizational Chart



INDEPENDENT AUDITORS' REPORT

MARCUM
ACCOUNTANTS ▲ ADVISORS

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, 2023, 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, 2023, 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.

Marcum LLP / 525 Okeechobee Boulevard / Suite 750 / West Palm Beach, FL 33401 / **Phone** 561.653.7300 / **marcumllp.com**

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 5 to 18, the budgetary comparison information on pages 114 to 119, the pension information on pages 120 to 129 and the other postemployment

benefits information on pages 130 to 132 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the other supplementary information, and the schedule of expenditures of federal awards and state financial assistance, 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), and Chapter 10.550, Rules of the Auditor General are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the other supplementary information, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the 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 April 30, 2024 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 City's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, Florida
April 30, 2024

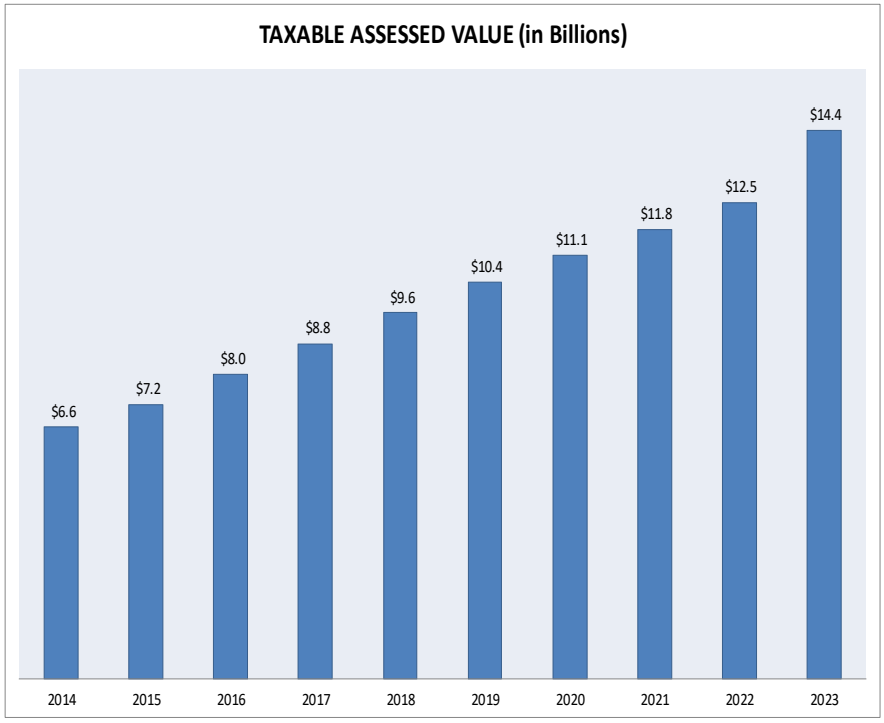
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2023. 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 $12.5 billion for 2022 to $14.4 billion for 2023, or 15.2%.
- The assets and deferred outflows of the City (Primary Government) exceeded its liabilities and deferred inflows (Total Net Position) at September 30, 2023, by $400.7 million. Of this amount, $80.0 million (Unrestricted Net Position) may be used to meet the City's ongoing obligations to citizens and creditors.

- In 2023, the net position of governmental activities increased by $35.0 million. The increase in the governmental activities is approximately $11.5 million or 48.9% greater than the prior year increase in net position attributable to operations.
- In 2023, the net position of the business-type activities increased by $1.6 million. The increase in the business-type activities is approximately $3.9 million or 170% more than the prior year decrease in net position attributable to operations.
- The unrestricted net position of the governmental activities reflects a balance of $11.6 million at September 30, 2023 as compared to a deficit of $2.9 million for the prior year.
- At September 30, 2023, the City's governmental funds reported combined ending fund balances of $168.2 million, which increased $20.8 million from the prior year. The increase is primarily attributable to an increase in tax increment revenues in the CRA Fund. A total of $128.6 million (Unassigned Fund Balance and Assigned Fund Balance) or 76% of the combined ending fund balance is available for spending. Of this amount, $57.8 million is in the General Fund, $44.3 million is in the CRA fund, $14.0 million is in Special Revenue and Debt Service Funds and $12.5 million is in Capital Projects Funds.
- At September 30, 2023, Unassigned Fund Balance for the General Fund was $48.7 million or 30.3% of total General Fund expenditures of $160.8 million. This is an increase of $1.0 million or 2.0% from the prior year. General Fund revenues increased by 9.6% and expenditures increased by 9.5% over the prior year. The City does not have a minimum fund balance policy but strives to maintain an Unassigned Fund Balance of 25% of the expenditure budget as a reserve for first quarter cash flow (there are no tax remittances during the first two to three months of each fiscal year) and for unanticipated expenses such as storm damage costs, uninsured legal claims and other unforeseen expenses.

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 19 and 20 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 15 individual governmental funds during 2023. Information is presented separately for the General Fund, Neighborhood Services Fund, Community Redevelopment Agency 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 21 through 24 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 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 section of this report. The City's proprietary fund financial statements can be found on pages 25 to 27 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 28 to 29 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 30 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 114 through 132 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 133 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The net position of the City is presented in detail on page 19 and summarized in Table A-1 below.

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

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other	$ 207.2	$ 188.9	$ 79.2	$ 73.2	$ 286.4	$ 262.1
Capital assets	239.2	223.6	107.0	109.5	346.2	333.1
Net pension asset	0.5	-	0.1	-	0.6	-
Total Assets	446.9	412.5	186.3	182.7	633.2	595.2
Deferred Outflows	27.0	59.5	1.3	4.0	28.3	63.5
Liabilities						
Current liabilities	23.2	25.9	5.1	3.3	28.3	29.2
Noncurrent liabilities	209.4	240.8	2.9	5.3	212.3	246.1
Total Liabilities	232.6	266.7	8.0	8.6	240.6	275.3
Deferred Inflows	15.9	14.9	4.3	4.4	20.2	19.3
Net Position						
Net investment in capital assets	202.4	184.7	106.9	109.3	309.3	294.0
Restricted	11.4	8.6	0.2	-	11.6	8.6
Unrestricted (deficit)	11.6	(2.9)	68.2	64.4	79.8	61.5
Total Net Position	$ 225.4	$ 190.4	$ 175.3	$ 173.7	$ 400.7	$ 364.1

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 $36.6 million or approximately 10.1% from $364.1 million to $400.7 million. The increase in net position was a result of an increase from operations in the governmental activities ($35 million) and an increase in the business-type activities ($1.6 million).

A significant portion of the City's net position at September 30, 2023 ($309.3 million or 77% 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 (2.9%) represents resources that are subject to restrictions on how they may be used. The balance in restricted net position reflects an increase of $3.0 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 2023 governmental activities unrestricted net position balance increased approximately $18.3 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 20 and are summarized in Table A-2 below.

Table A-2

Changes in Net Position

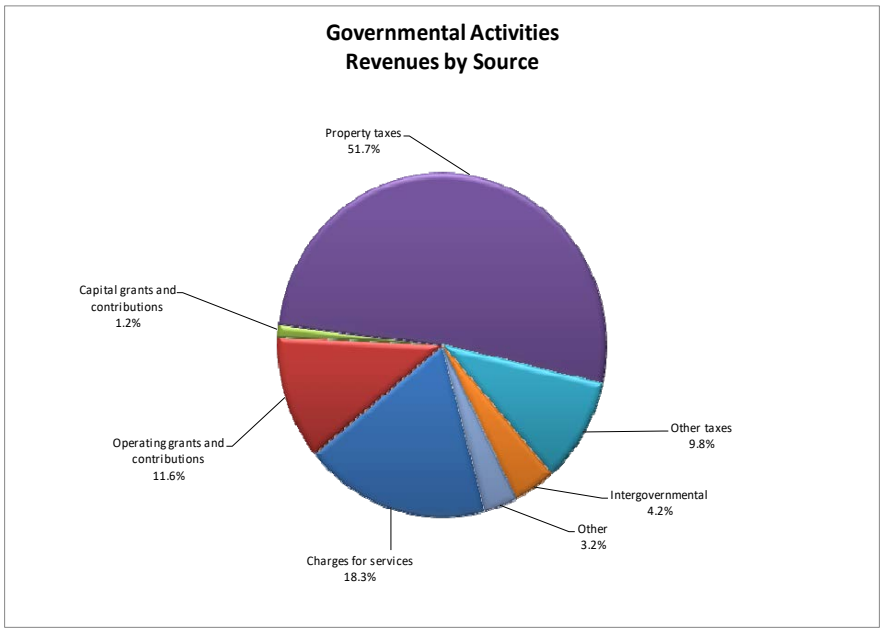
Condensed Statement of Activities ($ in millions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	$ 43.4	$ 42.1	$ 51.9	$ 47.2	$ 95.3	$ 89.3
Operating grants, contributions	27.7	11.8	0.3	0.3	28.0	12.1
Capital grants, contributions	2.8	5.7	1.9	1.4	4.7	7.1
General revenues:						
Property taxes	122.5	108.0	-	-	122.5	108.0
Other taxes	23.3	21.3	-	-	23.3	21.3
Intergovernmental	10.0	10.2	-	-	10.0	10.2
Other	3.0	8.7	1.5	0.3	4.5	9.0
Total Revenues	232.7	207.8	55.6	49.2	288.3	257.0
Expenses						
General government	49.3	45.2	-	-	49.3	45.2
Public safety	99.1	93.8	-	-	99.1	93.8
Physical environment	17.0	15.5	-	-	17.0	15.5
Parks and recreation	22.6	19.8	-	-	22.6	19.8
Economic development	12.8	11.9	-	-	12.8	11.9
Interest on long-term debt	1.4	1.8	-	-	1.4	1.8
Water and sewer	-	-	36.8	36.4	36.8	36.4
Stormwater	-	-	2.0	2.6	2.0	2.6
Sanitation	-	-	6.7	5.0	6.7	5.0
Municipal golf course	-	-	3.1	2.9	3.1	2.9
Lakeview golf course	-	-	0.8	0.7	0.8	0.7
City marina	-	-	0.1	0.1	0.1	0.1
Cemetery	-	-	-	0.1	-	0.1
Total Expenses	202.2	188.0	49.5	47.8	251.7	235.8
Change in net position before transfers	30.5	19.8	6.1	1.4	36.6	21.2
Transfers	4.5	3.7	(4.5)	(3.7)	-	-
Change in Net Position	35.0	23.5	1.6	(2.3)	36.6	21.2
Net Position - Beginning	190.4	166.9	173.7	176.0	364.1	342.9
Net Position - Ending	$ 225.4	$ 190.4	$ 175.3	173.7	$ 400.7	$ 364.1

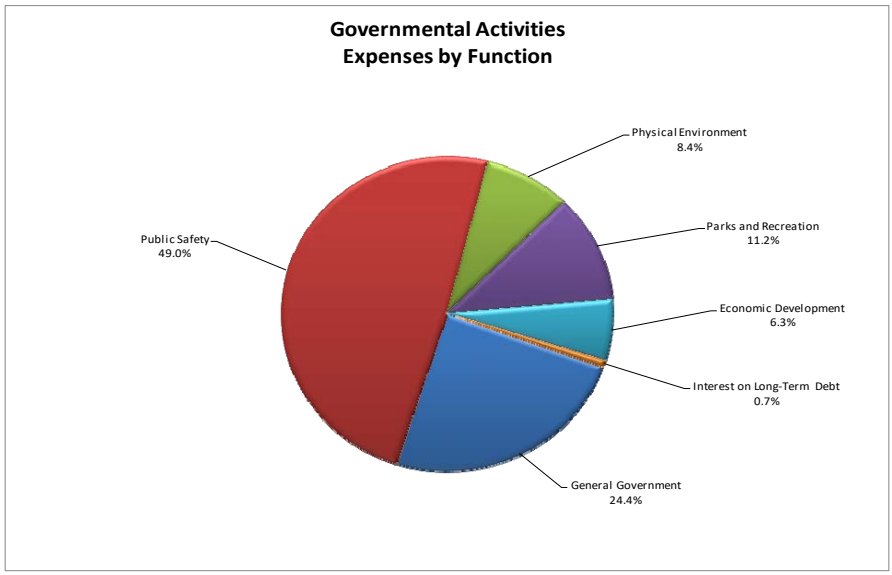
Governmental activities increased the City's net position by $35 million, which was primarily due to an increase in property taxes attributable to higher property values. Expenses increased by $14.1 million, primarily due to increases in Public Safety, Physical Environment and Parks and Recreation.

Business-type activities net position increased $1.6 million, which was primarily attributable to water and sewer and sanitation operations. Charges for Services increased approximately $4.7 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 increased $0.5 million.

Governmental Activities revenues by source for 2023 are summarized as follows:



Expenses by function for 2023 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 21-24. 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		One-Cent Sales Tax Fund	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues	$ 167.0	$ 152.4	$ 1.1	$ 1.6	$ 33.1	$ 28.2	$ 7.6	$ 6.3
Expenditures	(160.8)	(146.8)	(2.0)	(1.3)	(18.6)	(18.6)	(8.6)	(8.7)
Other financing sources (uses)	0.2	(3.2)	0.1	4.0	-	0.6	-	-
Change in Fund Balance	$ 6.4	$ 2.4	$ (0.8)	$ 4.3	$ 14.5	$ 10.2	$ (1.0)	$ (2.4)

General Fund

The General Fund, which is the primary operating fund of the City and is not supported by user fees, recognized $167 million in total revenues offset with $160.8 million in expenditures and $.2 million in net other financing sources. This resulted in an increase in fund balance of $6.4 million. Total Fund Balance increased from $52.4 million in 2022 to $58.8 million in 2023. Of that amount, $48.7 million is Unassigned Fund Balance which represents 30.3% of the 2023 expenditure levels as compared to 32% of the 2022 expenditure levels. The City does not have a minimum fund balance policy but strives to maintain 25% of current expenditures in Unassigned Fund Balance for cash flow, uninsured legal claims and other emergency purposes.

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 $1.1 million in total revenues, $2.0 million in total expenditures and $0.1 million in net other financing sources. This resulted in a decrease of $0.8 million change in fund balance. Total Fund Balance decreased from $5.3 million in 2022 to $4.5 million in 2023, 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 2023. 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 $33.1 million in total revenues offset by $18.6 million in expenditures. This resulted in an increase in fund balance of $14.5 million. Total Fund Balance increased from $39.3 million in 2022 to $53.7 million in 2023 primarily due to an increase in tax increment revenues attributable to higher property valuations.

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 $8.6 million in expenditures. This resulted in a decrease in the fund balance of $1.0 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 $20.1 million is restricted for capital improvement projects at September 30, 2023.

Proprietary Funds

	($ in Millions)			
	Operating Income (Loss)		Change in Net Position	
	2023	2022	2023	2022
Enterprise Funds				
Water and Sewer	$ 2.8	$ 0.5	$ 1.3	$ (1.6)
Stormwater	-	(0.6)	0.3	(0.7)
Sanitation	(0.1)	0.0	-	0.1
Municipal Golf Course	-	0.1	-	0.1
Lakeview Golf Course	0.2	0.3	0.1	0.3
City Marina	0.2	0.1	0.2	0.0
Cemetery	0.1	0.1	0.1	0.1
Internal Service Funds				
Insurance	(0.3)	(0.9)	0.1	(0.8)
Central Garage	(1.7)	(1.9)	(0.6)	(1.5)

Water and Sewer Fund

Operating revenues were approximately $3 million higher than 2022 and operating expenses were approximately $0.7 million higher than 2022. Higher nonoperating revenues of $0.9 million, higher capital contribution of $.5 million, and higher net transfers out of approximately $1 million resulted in an increase of approximately $1.3 million in net position in 2023.

Sanitation Fund

The Sanitation Fund had an operating loss this year of approximately $130,000 compared to operating income of $38,000 last year.

Other Enterprise Funds

The City has five (5) non-major enterprise funds consisting of Sanitation, Municipal Golf Course, Lakeview Golf Course, City Marina, and Cemetery.

The **Stormwater Fund** had an operating loss this year of approximately $18,000 compared to an operating loss of $582,000 last year.

The **Municipal Golf Course** had operating income this year of approximately $22,000 compared to $53,000 last year.

The **Lakeview Golf Course** had operating income of approximately $178,000 versus $285,000 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 $189,000 compared to $89,000 last year.

The **City Cemetery Fund** had operating income this year of approximately $114,000 compared to operating income of $122,000 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 worker's compensation claims were approximately $8.7 million for 2023, an increase of approximately $0.4 million from the prior year. All required reserves are determined by outside actuaries. The Insurance Fund has $874,000 in Unrestricted Net Position.

The **Central Garage Fund** had an operating loss of approximately $1.7 million for 2023 compared to an operating loss of $1.9 million for 2022. This was primarily due to an increase in operating revenues of approximately $.3 million and operating expenses remaining constant at approximately $7.1 million.

BUDGETARY HIGHLIGHTS

General Fund: The difference between the original and final amended budgeted revenues and expenditures in 2023 was an increase of approximately $3.4 million. There was a positive variance between the final amended budget revenues and actual results of approximately $3.5 million (excluding budgeted prior year surplus of approximately $3,971,345). Actual expenditures and other financing uses were less than final budget by approximately $2.2 million. The excess of current year revenues over budget was primarily attributable to favorable variances of approximately $0.8 million in charges for services, $3.69 million in intergovernmental, $1.6 million in fees and permits and special assessments; The largest portion of the favorable budget variances for expenditures related to City Manager Dept. ($0.7 millions), Police Dept. ($0.7 millions), Information Technology ($1.1 million); Neighborhood and Community Services Dept ($0.4 million); Development Services ($0.6 million); and (Public Works Dept. which includes Parking and Engineering ($1million).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the City had $346.2 million invested in a variety of capital assets, as reflected in Table A-3 below, which represents a net increase of $10.2 million from the previous fiscal year. Additional information can be found in Note 8 Capital Assets beginning on page 65.

Capital asset activity for 2023 is summarized below:

Table A-3
Capital Assets ($ in Millions)

	Beginning Balance 10/1/2022	Increases	Decreases	Ending Balance 9/30/2023
Governmental Activities				
Land	$ 70.9	$ 3.2	$ -	$ 74.1
Construction in progress	39.2	12.6	(25.2)	26.6
Non-Depreciable Assets	110.1	15.8	(25.2)	100.7
Buildings	52.8	0.1	-	52.9
Improvements other	168.6	29.2	-	197.8
Equipment	62.8	4.2	(5.8)	61.2
Leases (right to use assets)	0.3	-	-	0.3
Subscription based (right to use assets)	2.8	2.8	-	5.6
Less: accumulated depreciation and amortization	(170.9)	(13.4)	5.0	(179.3)
Depreciable Assets, Net	116.4	22.9	(0.8)	138.5
Governmental Capital Assets	$ 226.5	$ 38.7	$ (26.0)	$ 239.2

Table A-3
Capital Assets ($ in Millions)
(Continued)

	Beginning Balance 10/1/2022	Increases	Decreases	Ending Balance 9/30/2023
Business-type Activities				
Land	$ 5.7	$ -	$ -	$ 5.7
Construction in progress	6.7	2.9	(1.0)	8.6
Non-Depreciable Assets	12.4	2.9	(1.0)	14.3
Buildings	13.8	-	-	13.8
Improvements other	195.6	1.1	-	196.7
Equipment	22.6	-	(0.8)	21.8
Leases (right to use assets)	0.2	-	-	0.2
Less: accumulated depreciation	(135.1)	(5.4)	0.7	(139.8)
Depreciable Assets, Net	97.1	(4.3)	(0.1)	92.7
Business-type Capital Assets	$ 109.5	$ (1.4)	$ (1.1)	$ 107.0

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

Major capital asset changes during the fiscal year 2023 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, 2023, the City had total debt and long-term liabilities outstanding of $71.0 million compared to $78.2 million as of September 30, 2022. Of this $71.0 million amount, and gross of any related unamortized premium or discounts:

- $42.6 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,
- $2.1 million is general obligation bond debt which is debt backed by the full faith and credit of the City,
- $11.6 million is for compensated absences,
- $8.7 million is for insurance claims liabilities,
- $0.4 million is for installment agreements that are secured by the promise to budget and appropriate sufficient revenues to pay the debt, and
- $0.2 million is for leases and $3.8 million relates to subscription liability.

Noncurrent liabilities activity for 2023 is summarized as follows:

Table A-4
Noncurrent Liabilities ($ in Millions)

	Beginning Balance 10/1/2022	Increases	Decreases	Ending Balance 9/30/2023
Governmental Activities				
Revenue bonds	$ 49.3	$ -	$ (6.7)	$ 42.6
General Obligation bonds	4.1	-	(2.0)	2.1
Unamortized Premium	1.8	-	(0.2)	1.6
Total Bonds Payable	55.2	-	(8.9)	46.3
Installment Agreements	0.9	-	(0.5)	0.4
Capital lease for equipment	0.2	-	(0.1)	0.1
Subscription liability	2.7	2.8	(1.7)	3.8
Compensated absences	9.7	0.9	-	10.6
Insurance claims payable	8.3	15.6	(15.2)	8.7
Governmental Activities	77.0	19.3	(26.4)	69.9
Business-type Activities				
Capital lease for equipment	0.2	-	(0.1)	0.1
Compensated absences	1.0	0.1	(0.1)	1.0
Business-type Activities	1.2	0.1	(0.2)	1.1
Total Debt Outstanding	$ 78.2	$ 19.4	$ (26.6)	$ 71.0

S&P Global Ratings recently assigned its 'AAA' long-term rating to the City's yet-to-be-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. For more detailed information regarding the City's debt and debt financing activity, refer to Note 11 - Noncurrent Liabilities beginning on page 71.

ECONOMIC FACTORS AND FY 2023-2024 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 2023-2024 totals $184,911,607 as compared to the prior year's final amended budget of $169,982,218.

- While the City's budget has increased, the current total millage rate decreased 2.6% from 6.6665 mills for 2023 to 6.4982 mills for 2024. The operations portion decreased from 6.51111 mills in 2023 to 6.36111 mills in 2023 and the debt service portion decreased from 0.1554 mills to 0.1371 mills.

- The City's water rates increased by 6.9% starting in fiscal year 2024. This will help fund the new water plant and upgrades to existing infrastructure.

- The City's sanitation rates were increased in May 2023 as follows:
    - Residential Single Family: $12.41/month to $18.49/month – 49% increase.
    - Multi-family Residential (Per Unit): $6.86/month to $13.90/month – 102.6% increase.

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. 1st Avenue
Delray Beach, FL 33444

BASIC FINANCIAL STATEMENTS

CITY OF DELRAY BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
Assets				
Cash and cash equivalents	$ 97,526,459	$ 16,275,000	$ 113,801,459	$ 767,114
Investments	74,651,853	46,090,811	120,742,664	--
Receivables:				
Accounts, net	3,652,727	4,126,553	7,779,280	26,542
Unbilled accounts	--	1,411,439	1,411,439	--
Notes receivable	11,526,287	--	11,526,287	--
Leases receivable	4,550,789	2,472,450	7,023,239	--
Interest receivable	453,535	380,864	834,399	--
Due from other governments	2,544,081	--	2,544,081	--
Internal balances	11,461,200	(11,461,200)	--	--
Inventories	149,102	183,119	332,221	--
Prepaid expenses	632,825	252,400	885,225	50,881
Other assets	4,041	--	4,041	--
Deposits	--	--	--	12,390
Restricted investments	--	3,898,572	3,898,572	--
Investment in regional plant (joint venture)	--	15,555,880	15,555,880	--
Capital assets:				
Non-depreciable capital assets	100,688,663	14,315,610	115,004,273	--
Depreciable capital assets, net	138,471,065	92,669,801	231,140,866	139,382
Other asset:				
Net pension asset	478,217	163,255	641,472	--
Total Assets	446,790,844	186,334,554	633,125,398	996,309
Deferred Outflows of Resources				
Deferred charges on refundings	847,785	--	847,785	--
Deferred amount related to OPEB	4,283,297	631,840	4,915,137	20,674
Deferred amount related to pensions	21,909,613	661,741	22,571,354	--
Total Deferred Outflows of Resources	27,040,695	1,293,581	28,334,276	20,674
Liabilities				
Accounts payable and accrued expenses	6,812,923	3,157,785	9,970,708	266,933
Contracts payable and retainages	--	--	--	--
Deposits payable	1,808,502	988,564	2,797,066	--
Unearned revenue	13,601,286	968,335	14,569,621	--
Accrued interest on long-term debt	521,064	--	521,064	--
Due to other governments	426,597	--	426,597	--
Noncurrent liabilities:				
Due within one year:				
Bonds and notes payable	8,395,562	--	8,395,562	--
Installment agreements	378,829	--	378,829	--
Lease liability	74,251	44,483	118,734	75,687
Subscription liability	1,553,117	--	1,553,117	--
Compensated absences	776,737	148,406	925,143	7,525
Insurance claims payable	3,581,135	--	3,581,135	--
Due in more than one year:				
Bonds and notes payable	37,867,725	--	37,867,725	--
Lease liability	11,970	82,182	94,152	52,249
Subscription liability	2,213,050	--	2,213,050	--
Compensated absences	9,850,216	855,150	10,705,366	--
Insurance claims payable	5,095,000	--	5,095,000	--
Net OPEB liability	17,689,385	1,772,748	19,462,133	24,444
Net pension liability	121,909,769	--	121,909,769	--
Total Liabilities	232,567,118	8,017,653	240,584,771	426,838
Deferred Inflows of Resources				
Deferred amount related to OPEB	11,154,035	1,854,258	13,008,293	--
Deferred amount related to pensions	295,768	19,294	315,062	--
Deferred amount related to leases	4,456,962	2,468,321	6,925,283	--
Total Deferred Inflows of Resources	15,906,765	4,341,873	20,248,638	--
Net Position				
Net investment in capital assets	202,434,515	106,858,746	309,293,261	11,446
Restricted for:				
Net pension asset	478,217	163,255	641,472	--
Debt service	1,654,401	--	1,654,401	--
Law enforcement	1,138,458	--	1,138,458	--
Capital improvements	8,094,852	--	8,094,852	--
Unrestricted	11,557,213	68,246,608	79,803,821	578,699
Total Net Position	$ 225,357,656	$ 175,268,609	$ 400,626,265	$ 590,145

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, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Primary Government	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Downtown Development Authority (DDA)
Governmental Activities								
General government	$ 49,337,385	$ 24,208,553	$ 24,244,801	$ 2,830,420	$ 1,946,389	$ --	$ 1,946,389	$ --
Public safety	99,097,368	12,395,144	2,833,116	--	(83,869,108)	--	(83,869,108)	--
Physical environment	16,972,978	4,175,787	483,284	--	(12,313,907)	--	(12,313,907)	--
Parks and recreation	22,602,565	2,387,784	126,198	--	(20,088,583)	--	(20,088,583)	--
Economic development	12,778,978	227,037	--	--	(12,551,941)	--	(12,551,941)	--
Interest on long-term debt	1,470,834	--	--	--	(1,470,834)	--	(1,470,834)	--
Total Governmental Activities	202,260,108	43,394,305	27,687,399	2,830,420	(128,347,984)	--	(128,347,984)	--
Business-type Activities								
Water and sewer	36,772,765	38,975,480	55,892	1,898,401	--	4,157,008	4,157,008	--
Stormwater	2,043,504	1,986,744	21,813	--	--	(34,947)	(34,947)	--
Sanitation	6,703,059	6,517,441	155,520	--	--	(30,098)	(30,098)	--
Municipal golf course	3,072,988	3,030,190	68,738	--	--	25,940	25,940	--
Lakeview golf course	865,054	1,026,763	7,171	--	--	168,880	168,880	--
City marina	81,653	267,673	1,908	--	--	187,928	187,928	--
Cemetery	1,368	115,625	--	--	--	114,257	114,257	--
Total Business-type Activities	49,540,391	51,919,916	311,042	1,898,401	--	4,588,968	4,588,968	--
Total Primary Government	$ 251,800,499	$ 95,314,221	$ 27,998,441	$ 4,728,821	(128,347,984)	4,588,968	(123,759,016)	--
Component Unit								
Downtown Development Authority (DDA)	$ 2,394,715	$ 1,027,800	$ 159,269	$ --	--	--	--	(1,207,646)
General Revenues								
Taxes:								
Property taxes					122,535,173	--	122,535,173	1,490,253
Franchise fees					6,930,375	--	6,930,375	--
Utility service taxes					11,841,404	--	11,841,404	--
Sales taxes					3,650,884	--	3,650,884	--
Local business tax					833,079	--	833,079	--
Intergovernmental not restricted to specific programs					9,987,604	--	9,987,604	--
Investment earnings					3,053,661	1,478,464	4,532,125	2,126
Gain on disposal of capital assets					--	5,174	5,174	--
Transfers					4,463,262	(4,463,262)	--	--
Total general revenues and transfers					163,295,442	(2,979,624)	160,315,818	1,492,379
Change in net position					34,947,458	1,609,344	36,556,802	284,733
Net position - October 1, 2022					190,410,198	173,659,265	364,069,463	305,412
Net position - September 30, 2023					$ 225,357,656	$ 175,268,609	$ 400,626,265	$ 590,145

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

CITY OF DELRAY BEACH, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Major Funds					
	General Fund	Neighborhood Services Fund	Community Redevelopment Agency Fund	One-Cent Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 1,874,520	$ 4,755,008	$ 54,853,275	$ 20,041,330	$ 16,002,226	$ 97,526,359
Investments	41,067,481	--	7,662	--	15,075,794	56,150,937
Accounts receivable, net	3,389,698	77	63,808	--	182,730	3,636,313
Notes receivable	--	6,425,988	5,100,299	--	--	11,526,287
Leases receivable	706,851	--	3,843,938	--	--	4,550,789
Interest receivable	220,833	--	--	--	104,422	325,255
Due from other governments	--	214,175	--	1,036,036	1,293,870	2,544,081
Due from other funds	1,452,001	43,653	--	1,532,787	4,335,811	7,364,252
Due from component unit	20,713,349	--	--	--	--	20,713,349
Inventories	25,128	--	--	--	--	25,128
Prepaid items	514,447	--	110,474	--	7,904	632,825
Other assets	--	--	4,041	--	--	4,041
Total Assets	$ 69,964,308	$ 11,438,901	$ 63,983,497	$ 22,610,153	$ 37,002,757	$ 204,999,616
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	$ 3,039,048	$ 65,574	$ 639,451	$ 693,950	$ 1,740,620	$ 6,178,643
Due to other governments	426,597	--	--	--	--	426,597
Deposits payable	1,773,863	--	17,570	--	17,069	1,808,502
Due to other funds	1,532,787	--	5,831,465	1,857,496	658,689	9,880,437
Total Liabilities	6,772,295	65,574	6,488,486	2,551,446	2,416,378	18,294,179
Deferred Inflows of Resources						
Unavailable revenue	3,707,194	6,916,002	--	--	3,417,964	14,041,160
Leases	682,307	--	3,774,655	--	--	4,456,962
Total Deferred Inflows of Resources	4,389,501	6,916,002	3,774,655	--	3,417,964	18,498,122
Fund Balances						
Nonspendable:						
Inventories	25,128	--	--	--	--	25,128
Prepaid items	514,447	--	110,474	--	7,904	632,825
Restricted for:						
Debt service	--	--	--	--	1,654,401	1,654,401
Law enforcement	--	--	--	--	1,138,458	1,138,458
Capital improvements	5,985	--	--	20,058,707	1,545,160	21,609,852
Community development	--	4,457,325	9,335,281	--	201,696	13,994,302
Committed for:						
Economic development	500,000	--	--	--	--	500,000
Assigned to:						
General government	821,069	--	--	--	--	821,069
Public safety	360,893	--	--	--	205,673	566,566
Physical environment	511,279	--	--	--	--	511,279
Parks and recreation	138,102	--	--	--	805,037	943,139
Capital improvements	--	--	--	--	25,610,086	25,610,086
Subsequent year's budget	7,257,403	--	44,274,601	--	--	51,532,004
Unassigned	48,668,206	--	--	--	--	48,668,206
Total Fund Balances	58,802,512	4,457,325	53,720,356	20,058,707	31,168,415	168,207,315
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 69,964,308	$ 11,438,901	$ 63,983,497	$ 22,610,153	$ 37,002,757	$ 204,999,616

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, 2023

Total Fund Balances - Governmental Funds		$ 168,207,315
Amounts reported for *governmental activities* in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Capital assets	$ 381,832,251	
Less accumulated depreciation	(153,396,649)	
		228,435,602
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	78,455	78,455
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	4,205,732	
Deferred outflows related to pensions	21,816,007	
Deferred inflows related to other postemployment benefits	(10,926,405)	
Deferred inflows related to pensions	(293,039)	
		14,802,295
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	847,785	
Bond premium	(1,632,725)	
		(784,940)
The long-term note payable to the City by the CRA, a blended component unit, is considered an internal advance and reported as a fund liability of the CRA when the CRA is blended into the funds of the City.		361,419
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	(521,064)	
Bonds, notes, leases and installment agreements payable	(44,871,334)	
Subscription liability	(3,720,136)	
Compensated absences	(10,458,928)	
Net OPEB liability	(17,471,762)	
Net pension liability	(121,454,645)	
		(198,497,869)
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	11,089,040	
Less amount allocated to business-type activities	1,666,339	
		12,755,379
Total Net Position - Governmental Activities		$ 225,357,656

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, 2023

	Major Funds					
	General Fund	Neighborhood Services Fund	Community Redevelopment Agency Fund	One-Cent Sales Tax Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 103,226,055	$ --	$ 31,983,601	$ --	$ 3,650,884	$ 138,860,540
Licenses and permits	11,434,936	--	--	--	--	11,434,936
Intergovernmental	17,939,289	906,995	--	6,853,949	1,600,663	27,300,896
Charges for services	17,895,235	--	227,037	--	9,524,558	27,646,830
Fines and forfeitures	1,716,830	--	--	--	192,881	1,909,711
Miscellaneous	14,794,150	158,089	860,449	783,076	5,606,533	22,202,297
Total Revenues	167,006,495	1,065,084	33,071,087	7,637,025	20,575,519	229,355,210
Expenditures						
Current:						
General government	33,121,100	2,039,861	1,848,548	94	7,180,252	44,189,855
Public safety	94,281,824	--	--	--	18,042	94,299,866
Physical environment	10,796,321	--	--	--	1,028,452	11,824,773
Parks and recreation	17,765,418	--	--	--	1,527,907	19,293,325
Economic development	--	--	12,778,978	--	--	12,778,978
Capital outlay	3,484,330	--	2,663,011	5,099,516	12,040,892	23,287,749
Debt service:						
Principal retirement	1,194,581	--	1,227,185	3,220,000	5,102,318	10,744,084
Interest and fiscal charges	120,739	--	96,564	296,450	1,283,887	1,797,640
Total Expenditures	160,764,313	2,039,861	18,614,286	8,616,060	28,181,750	218,216,270
Excess of Revenues Over (Under) Expenditures	6,242,182	(974,777)	14,456,801	(979,035)	(7,606,231)	11,138,940
Other Financing Sources (Uses)						
Proceeds from the sale of capital assets	1,400	--	--	--	--	1,400
Subscriptions based financing arrangements	3,135,106	--	--	--	2,332,741	5,467,847
Transfers in	6,211,872	195,000	--	--	8,351,340	14,758,212
Transfers out	(9,153,912)	(24,975)	--	--	(1,417,033)	(10,595,920)
Total Other Financing Sources (Uses)	194,466	170,025	--	--	9,267,048	9,631,539
Net Change in Fund Balances	6,436,648	(804,752)	14,456,801	(979,035)	1,660,817	20,770,479
Fund Balances - October 1, 2022	52,365,864	5,262,077	39,263,555	21,037,742	29,507,598	147,436,836
Fund Balances - September 30, 2023	$ 58,802,512	$ 4,457,325	$ 53,720,356	$ 20,058,707	$ 31,168,415	$ 168,207,315

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, 2023

Net Change in Fund Balances - Total Governmental Funds		$ 20,770,479
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	$ 23,287,749	
Depreciation/amortization expense	(10,017,957)	
		13,269,792
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.		(1,135,542)
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	2,830,420	
Change in note receivable from component unit	(361,419)	
Change in long-term receivables	(1,819)	
		2,467,182
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	92,621	
Compensated absences expense	(924,613)	
Pension expense	(5,015,523)	
Change in other postemployment benefits	59,327	
		(5,788,188)
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 subscription assets in excess of liability amount at inception	162,404	
Issuance of subscriptions	(5,467,847)	
Debt Retirement		
Principal paid	10,744,084	
Amortization of debt premiums and deferred charges on refundings	79,806	
		5,518,447
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	(562,290)	
Allocation to business type activities	407,578	
		(154,712)
Change in Net Position of Governmental Activities		$ 34,947,458

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

CITY OF DELRAY BEACH, FLORIDA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-Type Activities				Governmental Activities
	Major Funds		Non-Major	Total	Internal
Assets	Water and Sewer Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
Current Assets					
Cash and cash equivalents	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Investments	27,336,141	4,809,777	13,944,893	46,090,811	18,500,916
Accounts receivable, net	3,034,087	1,063,507	28,959	4,126,553	16,414
Unbilled accounts receivable	1,411,439	--	--	1,411,439	--
Leases receivable	--	2,311,524	160,926	2,472,450	--
Interest receivable	216,356	67,758	96,750	380,864	128,280
Inventories	98,388	--	84,731	183,119	123,974
Prepaid expenses	--	--	252,400	252,400	--
Restricted assets:					
Investments	3,898,572	--	--	3,898,572	--
Total Current Assets	49,661,220	8,252,566	17,177,422	75,091,208	18,769,684
Noncurrent Assets					
Property, land and equipment:					
Land	974,755	--	4,694,070	5,668,825	--
Buildings	9,419,364	--	4,354,983	13,774,347	88,185
Improvements other than buildings	174,715,600	11,958	21,937,662	196,665,220	--
Equipment	18,830,945	13,163	3,114,935	21,959,043	36,364,717
Construction in progress	7,248,240	--	1,398,545	8,646,785	--
Subscription based IT arrangements	--	--	--	--	154,342
Accumulated depreciation and amortization	(122,263,979)	(25,121)	(17,439,709)	(139,728,809)	(25,883,118)
Other assets:					
Investment in regional plant joint venture	15,555,880	--	--	15,555,880	--
Net pension asset	150,618	5,260	7,377	163,255	23,093
Total Noncurrent Assets	104,631,423	5,260	18,067,863	122,704,546	10,747,219
Total Assets	154,292,643	8,257,826	35,245,285	197,795,754	29,516,903
Deferred Outflows of Resources					
Deferred amount related to OPEB	578,173	29,349	24,318	631,840	77,565
Deferred amount related to pensions	610,518	21,321	29,902	661,741	93,606
Total Deferred Outflows of Resources	1,188,691	50,670	54,220	1,293,581	171,171
Liabilities					
Current Liabilities					
Accounts payable and accrued expenses	1,592,712	1,185,257	379,816	3,157,785	634,280
Unearned revenue	9,435	--	958,900	968,335	--
Current maturity of installment agreements	--	--	--	--	224,278
Current lease liability	--	--	44,483	44,483	--
Current portion of subscription liability	--	--	--	--	6,992
Current portion of compensated absences	147,124	648	634	148,406	22,758
Current portion of insurance claims payable	--	--	--	--	3,581,135
Due to other funds	--	913,659	8,881,202	9,794,861	8,402,303
Refundable deposits payable	955,036	--	33,528	988,564	--
Total Current Liabilities	2,704,307	2,099,564	10,298,563	15,102,434	12,871,746
Noncurrent Liabilities					
Lease liability	--	--	82,182	82,182	--
Compensated absences payable	707,769	73,206	74,175	855,150	145,267
Subscription liability, net of current portion	--	--	--	--	39,039
Insurance claims payable	--	--	--	--	5,095,000
Total OPEB liability	1,622,176	82,344	68,228	1,772,748	217,623
Total Noncurrent Liabilities	2,329,945	155,550	224,585	2,710,080	5,496,929
Total Liabilities	5,034,252	2,255,114	10,523,148	17,812,514	18,368,675
Deferred Inflows of Resources					
Deferred amount related to OPEB	1,696,763	86,130	71,365	1,854,258	227,630
Deferred amount related to pensions	17,800	622	872	19,294	2,729
Deferred amount related to leases	--	2,313,040	155,281	2,468,321	--
Total Deferred Inflows of Resources	1,714,563	2,399,792	227,518	4,341,873	230,359
Net Position					
Net investment in capital assets	88,924,925	--	17,933,821	106,858,746	10,499,848
Restricted for:					
Net pension asset	150,618	5,260	7,377	163,255	23,093
Unrestricted	59,656,976	3,648,330	6,607,641	69,912,947	566,099
Total Net Position	$ 148,732,519	$ 3,653,590	$ 24,548,839	176,934,948	$ 11,089,040
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				(1,258,761)	
Current year adjustment				(407,578)	
Net Position of Business-Type Activities, Statement of Net Position				$ 175,268,609	

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, 2023

	Business-Type Activities				Governmental Activities
	Major Funds		Non-Major	Total	Internal
	Water and Sewer Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
Operating Revenues					
Charges for services					
Water sales	$ 19,132,910	$ --	$ --	$ 19,132,910	$ --
Sewer and stormwater fees	19,842,570	--	1,986,744	21,829,314	--
Golf fees	--	--	4,056,953	4,056,953	--
Marina fees	--	--	267,673	267,673	--
Sanitation fees	--	6,517,441	--	6,517,441	--
Cemetery fees	--	--	115,625	115,625	--
Risk management	--	--	--	--	21,708,474
Fleet management	--	--	--	--	2,983,677
Other operating revenue	55,892	--	66,720	122,612	3,682,544
Total Operating Revenues	39,031,372	6,517,441	6,493,715	52,042,528	28,374,695
Operating Expenses					
Personal services	11,054,293	455,321	486,594	11,996,208	2,257,905
Other operating expenses	20,663,485	6,192,440	4,605,112	31,461,037	24,661,263
Depreciation and amortization	4,504,691	--	917,407	5,422,098	3,406,194
Total Operating Expenses	36,222,469	6,647,761	6,009,113	48,879,343	30,325,362
Operating Income (Loss)	2,808,903	(130,320)	484,602	3,163,185	(1,950,667)
Nonoperating Revenues (Expenses)					
Investment earnings	900,334	173,086	405,044	1,478,464	533,282
Rent revenue	--	155,520	32,910	188,430	--
Share of regional plant joint venture net loss	(93,246)	--	--	(93,246)	--
Interest expense	--	--	(5,424)	(5,424)	(7,983)
Gain (loss) on disposal of equipment	(134,784)	--	5,174	(129,610)	174,870
Investment expense	(20,016)	--	--	(20,016)	--
Total Nonoperating Revenues (Expenses)	652,288	328,606	437,704	1,418,598	700,169
Income (Loss) Before Capital Contributions and Transfers	3,461,191	198,286	922,306	4,581,783	(1,250,498)
Capital contributions	1,898,401	--	--	1,898,401	387,238
Transfers in	122,258	--	500,000	622,258	300,970
Transfers out	(4,180,524)	(226,053)	(678,943)	(5,085,520)	--
Change In Net Position	1,301,326	(27,767)	743,363	2,016,922	(562,290)
Net Position - Beginning of Year	147,431,193	3,681,357	23,805,476	--	11,651,330
Net Position - End of Year	$ 148,732,519	$ 3,653,590	$ 24,548,839	--	$ 11,089,040

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	(407,578)
Change In Net Position as reported on the Statement of Activities for Business-type Activities	$ 1,609,344

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, 2023

	Business-Type Activities				Governmental Activities
	Major Funds		Non-Major	Total	Internal
	Water and Sewer Fund	Sanitation Fund	Enterprise Funds	Enterprise Funds	Service Funds
Cash Flows from Operating Activities					
Receipts from customers and users	$ 39,166,138	$ 6,533,380	$ 7,383,593	$ 53,083,111	$ 30,398,305
Receipts from others	--	155,520	264,007	419,527	--
Payments to suppliers	(20,166,095)	(5,670,942)	(4,950,301)	(30,787,338)	(23,514,100)
Payments to employees	(10,879,913)	(411,123)	(477,557)	(11,768,593)	(2,190,057)
Net Cash Provided by Operating Activities	8,120,130	606,835	2,219,742	10,946,707	4,694,148
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	122,258	--	500,000	622,258	300,970
Transfers to other funds	(4,180,524)	(226,053)	(678,943)	(5,085,520)	--
Net Cash Provided by (Used in) Noncapital Financing Activities	(4,058,266)	(226,053)	(178,943)	(4,463,262)	300,970
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(643,025)	--	(540,438)	(1,183,463)	(3,455,900)
Proceeds from the sale of capital assets	--	--	--	--	216,099
Principal paid on installment agreements	--	--	(43,058)	(43,058)	(218,973)
Principal paid on subscription liability	--	--	--	--	(108,311)
Interest paid on installment agreements	--	--	(5,424)	(5,424)	(7,983)
Net Cash Used in Capital and Related Financing Activities	(643,025)	--	(588,920)	(1,231,945)	(3,575,068)
Cash Flows from Investing Activities					
Purchase of investments	(3,466,260)	(533,760)	(1,547,527)	(5,547,547)	(2,053,134)
Interest on investments	738,245	152,978	341,630	1,232,853	449,129
Net Cash Used in Investing Activities	(2,728,015)	(380,782)	(1,205,897)	(4,314,694)	(1,604,005)
Net Increase (Decrease) in Cash and Cash Equivalents	690,824	--	245,982	936,806	(183,955)
Cash and Cash Equivalents - Beginning	12,975,413	--	2,362,781	15,338,194	184,055
Cash and Cash Equivalents - Ending	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:					
Unrestricted cash and cash equivalents	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Cash and Cash Equivalents - End of Year	$ 13,666,237	$ --	$ 2,608,763	$ 16,275,000	$ 100
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	$ 2,808,903	$ (130,320)	$ 484,602	$ 3,163,185	$ (1,950,667)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization expense	4,504,691	--	917,407	5,422,098	3,406,194
Provision for doubtful accounts	204,749	--	--	204,749	--
Rent revenue	--	155,520	32,910	188,430	--
Change in assets, deferred outflows/inflows and liabilities:					
Accounts receivable	(21,772)	(409,978)	(12,140)	(443,890)	25
Lease receivable	--	118,714	17,516	136,230	--
Due from other funds	--	--	--	--	11,600
Inventories	--	--	8,504	8,504	--
Prepaid expenses	1,188	--	(90,030)	(88,842)	889,033
Deferred amount related to OPEB	360,035	29,043	(1,071)	388,007	53,830
Deferred amount related to pensions	2,240,137	48,000	112,411	2,400,548	391,368
Deferred amount related to leases	--	(136,061)	(19,683)	(155,744)	
Accounts payable and accrued expenses	496,202	538,845	2,757	1,037,804	(102,806)
Unearned revenue	--	--	956,323	956,323	--
Due to other funds	--	425,917	(24,652)	401,265	2,011,985
Refundable deposits payable	(48,211)	--	(62,809)	(111,020)	--
Compensated absences payable	(12,313)	7,850	56,657	52,194	6,511
Insurance claims payable	--	--	--	--	360,936
Total OPEB liability	(291,013)	12,384	(53,131)	(331,760)	(25,095)
Net pension asset	(2,122,466)	(53,079)	(105,829)	(2,281,374)	(358,766)
Total adjustments	5,311,227	737,155	1,735,140	7,783,522	6,644,815
Net Cash Provided by Operating Activities	$ 8,120,130	$ 606,835	$ 2,219,742	$ 10,946,707	$ 4,694,148
Non-Cash Capital and Related Financing and Investing Activities					
Contributions of capital assets	$ 1,898,401	$ --	$ --	$ 1,898,401	$ 387,238
Subscriptions initiation	$ --	$ --	$ --	$ --	$ 154,342

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, 2023

	Pension Trust Funds
Assets	
Cash	$ 240,039
Investments:	
Money market mutual funds	9,007,335
U.S. Government securities	7,257,093
Collateralized mortgage obligations	9,273,427
Domestic corporate bonds	1,839,795
Fixed income mutual fund	56,649,786
Global asset allocation investment fund	11,463,043
Domestic equity securities	102,471,470
Domestic equity mutual funds	38,892,347
Domestic equity index funds	30,235,500
Pooled domestic equity index funds	79,230,974
International equity mutual funds	36,206,788
Foreign stocks	14,963,041
Real estate investment funds	21,464,421
Fixed income alternative investment fund	8,204,679
Interest and dividends receivable	212,383
Pending trades receivable	1,344,469
Total Assets	428,956,590
Liabilities	
Accounts payable	364,901
Pending trades payable	1,053,048
Refunds due to members	113,301
Total Liabilities	1,531,250
Net Position	
Restricted for pension benefits	$ 427,425,340

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, 2023

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 18,540,792
State	2,833,116
Plan members	4,219,418
Total contributions	25,593,326
Investment earnings	
Net appreciation in fair value of investments	39,569,580
Interest, dividends and investment fund income	12,699,214
Other investment income	4,466
	52,273,260
Less investment expenses	(1,910,653)
Net investment earnings	50,362,607
Total Additions	75,955,933
Deductions	
Benefits	28,440,765
Refunds of contributions	384,015
Administrative expenses	479,154
Total Deductions	29,303,934
Change In Plan Net Position	46,651,999
Net Position Restricted for Pension Benefits - Beginning of Year	380,773,341
Net Position Restricted for Pension Benefits - End of Year	$ 427,425,340

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

NOTES TO FINANCIAL STATEMENTS

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.

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.

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.

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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

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.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

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.

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, 2023. 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.

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.

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 as a result of implementing GASB Statement No. 96. 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.

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:

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

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 position 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).

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 position 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.

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 not established a minimum fund balance policy but seeks to maintain an unassigned General Fund balance of at least 25% of General Fund 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*.

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 (2021/2022) 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, 2023, the City adopted an operating millage rate of 6.5111 and a debt service millage of 0.1554, resulting in a net tax levy of $96,146,015 for 2023. Property tax growth is generally limited to the annual growth rate of per capita personal income plus the value of new construction.

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 $2,833,116 for the fiscal year ended September 30, 2023.

IMPLEMENTATION OF GASB STATEMENTS

The City considered the new accounting standards which effective dates are applicable for the fiscal year ended September 30, 2023.

As of October 1, 2022, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for a SBITA by governments. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The impact to the City resulted in the reporting of subscription assets and subscription liabilities related its SBITAs. The result of these changes had no effect on beginning net position.

The implementation of GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 99, *Omnibus 2022*, did not have a significant impact on the City's financial statements.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments of the City and its pension trust funds at September 30, 2023, 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	$ 51,162,739	$ 240,039	$ 51,402,778
Cash equivalents and investments	187,279,956	427,159,699	614,439,655
Total Cash, Cash Equivalents and Investment	$ 238,442,695	$ 427,399,738	$ 665,842,433
Reported in the Financial Statements			
Cash and cash equivalents	$ 113,801,459	$ 240,039	$ 114,041,498
Investments	124,641,236	427,159,699	551,800,935
Total Cash, Cash Equivalents and Investments	$ 238,442,695	$ 427,399,738	$ 665,842,433

DEPOSITS WITH FINANCIAL INSTITUTIONS

At September 30, 2023, the City's cash included deposits with financial institutions of $51,136,191 and petty cash of $26,548 and the pension trust funds had deposits in brokerage accounts of $240,039. 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.

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, 2023, includes deposits with financial institutions with a bank balance of $785,931 and a book balance of $767,114. 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.

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, 2023:

	City Primary Government	Fiduciary Funds Pension Trust	Total
Cash Equivalents			
Florida governmental investment pools	$ 35,872,259	$ --	$ 35,872,259
Investments			
Money market mutual funds	36,065,533	9,007,335	45,072,868
U.S. Government securities	53,248,575	7,257,093	60,505,668
Collateralized mortgage obligations	--	9,273,427	9,273,427
Domestic and international corporate bonds & notes	62,093,589	1,839,795	63,933,384
Fixed income mutual funds	--	56,649,786	56,649,786
Global asset allocation investment funds	--	11,463,043	11,463,043
Domestic and foreign equity securities	--	117,434,511	117,434,511
Domestic and international equity mutual funds	--	75,099,135	75,099,135
Domestic equity index funds	--	30,235,500	30,235,500
Pooled domestic equity index funds	--	79,230,974	79,230,974
Real estate investment funds	--	21,464,421	21,464,421
International emerging market funds	--	3,347,124	3,347,124
Fixed income investment fund	--	4,857,555	4,857,555
Total Investments	151,407,697	427,159,699	578,567,396
Total Cash Equivalents and Investments	$ 187,279,956	$ 427,159,699	$ 614,439,655

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

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

INVESTMENTS (CONTINUED)

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.

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 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, global fixed income investment fund, global asset allocation investment 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.

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, 2023, 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, 2023.

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, 2023. 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, 2023 is summarized as follows:

	Fair Value at September 30, 2023			
	Level 1	Level 2	Level 3	Total
Fixed Income Securities				
U.S. Government securities	$ 3,782,399	$ 56,723,269	$ --	$ 60,505,668
Collateralized mortgage obligations	--	9,273,427	--	9,273,427
Domestic and international corporate bonds & notes	--	63,933,384	--	63,933,384
Fixed income mutual funds	56,649,786	--	--	56,649,786
Global fixed income investment fund	11,463,043	--	--	11,463,043
Total Fixed Income Securities	71,895,228	129,930,080	--	201,825,308
Equity Investments				
Domestic and foreign equity securities	116,821,944	612,567	--	117,434,511
Domestic and international equity mutual funds	53,108,160	--		53,108,160
Domestic equity index funds	52,226,475	--	--	52,226,475
Total Equity Securities	222,156,579	612,567	--	222,769,146
Total Investments at Fair Value	$ 294,051,807	$ 130,542,647	$ --	424,594,454
Investment Measured at Amortized Cost				
Money market mutual funds				45,072,868
Investment Measured at NAV				
Alternative investment funds:				
Pooled equity index funds				79,230,974
Real estate investment funds				21,464,421
International emerging market portfolio				3,347,124
Fixed income investment fund				4,857,555
Total Investments at NAV				108,900,074
Total Investments				$ 578,567,396

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

INVESTMENTS (CONTINUED)

At September 30, 2023, certain alternative investment funds had future funding commitments of approximately $8,554,193. No withdrawals are permitted during the term of certain alternative investment funds which range from 2024 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, 2023, 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, 2023, 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, 2023.

	NRSRO Rating	Fair Value
Primary Government		
Florida governmental investment pools	AAAm	$ 35,872,259
Money market mutual funds	Unrated	36,065,533
U.S. Government securities	AA	53,248,575
Domestic and international corporate notes and bonds	A-BBB+	62,093,589

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

INVESTMENTS (CONTINUED)

Pension Trust Funds			
Money market mutual funds	AAAm	$	9,007,335
U.S. Government securities	AA		7,257,093
Domestic and international corporate bonds & notes	A-BBB+		1,839,795
Collateralized mortgage obligations	Unrated		9,273,427
International allocation investment fund	Unrated		11,463,043
Participant directed pooled investment funds (DROP)	Unrated		13,070,330
Fixed income investment fund	Unrated		56,649,786
Fixed income alternative investment fund	Unrated		4,857,555

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
Primary Government			
U.S. Government securities	3.6	$	52,464,769
U.S. Government Agency securities	0.3		783,806
Supranational Agency notes	0.5		2,274,290
Mortgage and asset backed securities	3.2		22,800,233
Collateralized mortgage obligations	3.5		7,150,494
Corporate obligations	3.6		29,868,572
Pension Trust Funds			
U.S. Government securities	2.4	$	7,257,093
Domestic and international corporate obligations	3.5		1,839,795
Global asset allocation investment funds	3.0		11,463,043
Fixed income mutual funds	6.4		56,649,786
Fixed income alternative investment fund	Not available		4,857,555

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, 2023.

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, 2023:

	Governmental Activities	Business-type Activities
Accounts Receivable		
General Fund - Intergovernmental	$ 6,293,709	$ --
Neighborhood Services Fund	77	--
Community Redevelopment Agency Fund	63,808	--
Water and Sewer Fund	--	6,067,081
Sanitation Fund	--	1,063,507
Non-Major Funds	182,730	48,855
Internal Services Funds	16,414	--
Allowance for doubtful accounts	(2,904,011)	(1,641,451)
Total Accounts Receivable	$ 3,652,727	$ 5,537,992

NOTE 5 – LEASES RECEIVABLE

Effective October 1, 2021, the City adopted the provisions of GASB Statement No. 87, *Leases*, which required the City to recognize a lease receivable and deferred inflow of resources for the present value of the expected lease payments under these agreements. 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 87.

The following is a summary of the 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, 2023, the value of the lease receivable is $65,317. 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, 2023 was $63,759.

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, 2023, the value of the lease receivable is $129,910. 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, 2023 was $125,541.

Barwick Park – The City entered into a 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, 2023, the value of the lease receivable is $182,449. 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, 2023 was $175,787. The lessee has one (1) extension option for an additional 60-month term.

Old School Square 2nd 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, 2023, the value of the lease receivable is $26,627. 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, 2023 was $26,460.

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, 2023, the value of the lease receivable is $302,548. 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, 2023 was $290,760. The lessee has one (1) extension option for an additional 60-month term.

During the fiscal year ended September 30, 2023, the City recognized the following related to these lease agreements:

Lease revenue	$ 146,770
Interest Income	7,898
Total	$ 154,668

Future principal and interest payment requirements related to the City's leases receivable at September 30, 2023 are as follows:

Fiscal Year Ending September 30,	Principal Receipt	Interest Income	Future Minimum Rent
2024	$ 141,917	$ 6,129	$ 148,046
2025	146,468	5,045	151,513
2026	109,667	3,980	113,646
2027	73,355	3,154	76,509
2028	76,387	2,388	78,775
2029 - 2033	138,059	4,274	142,333
2034 - 2038	3,195	1,700	4,895
2039 - 2043	3,480	1,415	4,895
2044 - 2048	3,790	1,105	4,895
2049 - 2053	4,128	767	4,895
2054 - 2058	4,496	399	4,895
2059 - 2061	1,909	49	1,958
Total	$ 706,851	$ 30,406	$ 737,257

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, 2023, the value of the lease receivable is $2,311,524. 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, 2023 was $2,313,040.

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, 2023, the value of the lease receivable is $160,926. 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, 2023 was $155,281. The lessee has 1 extension option an additional 60-month term.

During the fiscal year ended September 30, 2023, the City recognized the following related to these lease agreements:

Lease revenue	$ 136,061
Interest Income	72,797
Total	$ 208,858

Future principal and interest payment requirements related to the City's leases receivable at September 30, 2023 are as follows:

Fiscal Year Ending September 30,	Principal Receipt	Interest Income	Future Minimum Rent
2024	$ 137,998	$ 36,231	$ 174,229
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 - 2033	734,236	107,524	841,760
2034 - 2038	719,562	55,059	774,621
2039 - 2043	302,297	6,790	309,087
Total	$ 2,472,450	$ 330,131	$ 2,802,581

NOTE 5 – LEASES RECEIVABLE (CONTINUED)

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, 2023 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, 2023 was approximately $2,418,000. The lease receivable is $2,596,445 at September 30, 2023.

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, 2023 was approximately $365,000. The lease receivable is $1,165,716 at September 30, 2023.

NOTE 5 – LEASES RECEIVABLE (CONTINUED)

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

Upper Cutz Barbershop and Salon, Inc.

On August 24, 2017, the CRA entered into an agreement to lease the property located at 135 NW 5th 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, 2023 was approximately $98,000. The lease receivable is $30,259 at September 30, 2023.

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 5th 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, 2023 was approximately $382,000. The lease receivable is $51,518 at September 30, 2023.

During the fiscal year ended September 30, 2023, the CRA recognized the following related to these lease agreements:

Lease revenue	$ 106,552
Interest Income	101,528
Total	$ 208,080

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, 2023 are as follows:

Fiscal Year Ending September 30,	Principal Receipt	Interest Income	Future Minimum Rent
2024	$ 90,919	$ 82,589	$ 173,508
2025	95,009	79,814	174,823
2026	61,061	77,128	138,189
2027	52,741	107,705	160,446
2028	55,118	106,086	161,204
2029 - 2033	331,628	503,201	834,829
2034 - 2038	470,675	443,140	913,815
2039 - 2043	607,554	362,091	969,645
2044-2048	746,341	261,037	1,007,378
2049-2053	723,228	140,066	863,294
2054-2058	349,152	66,718	415,870
2059-2061	260,512	12,300	272,812
Total	$ 3,843,938	$ 2,241,875	$ 6,085,813

NOTE 6 – NOTES RECEIVABLE

Notes receivable consist of the following at September 30, 2023:

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.	$ 6,425,988
CRA notes receivable	5,100,299
Total Governmental Activities	$ 11,526,287

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

The CRA's outstanding notes receivable at September 30, 2023 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, 2023, 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

NOTE 6 – NOTES RECEIVABLE (CONTINUED)

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

Note Receivable from Delray Beach Chamber of Commerce (continued)

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 is waived through November 30, 2021 and begins accruing on December 1, 2021. At September 30, 2023, the balance of the note receivable from the Chamber was $125,086.

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, 2023 was $2,625,000.

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

NOTE 6 – NOTES RECEIVABLE (CONTINUED)

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

Note Receivable from Hatcher Construction & Development, Inc. (continued)
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 84th 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, 2023 was $1,239,330.

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, 2023, the amount of the individual second mortgages originated in 2008 through 2023, ranged from $15,000 to $85,000 and all borrowers were in compliance with the terms of the second mortgage. The loans receivable totaled $935,634 as of September 30, 2023.

City Note Receivable from CRA

The City has an outstanding note receivable from the Delray Beach Community Redevelopment Agency (CRA) at September 30, 2023, which is presented as an internal advance receivable (due from other funds) in the City's General Fund and an advance payable (due to other funds) in the Community Redevelopment Agency Fund. The note payable is summarized as follows:

NOTE 6 – NOTES RECEIVABLE (CONTINUED)

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

City Note Receivable from CRA (continued)

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 agreement was subsequently amended in January 2013 based on a final project cost of approximately $14.0 million, of which the CRA agreed to fund $3,614,190, plus financing costs. The City initially financed the project with a line of credit and planned to obtain permanent financing after the project was completed. The CRA agreed to pay the City interest only on the CRA share of the amount financed by the City through May 31, 2014. Thereafter, the CRA pays the City an amount equal to the principal and interest on the City's debt for the project based on the CRA's share of the project funding for a period of twelve years. Principal on the loan is payable by the CRA semi-annually on period of twelve years. Principal on the loan is payable by the CRA semi-annually on June 1st and December 1st in the amount of $180,709. Interest is payable semi-annually on June 1st and December 1st at 3.25% on the outstanding principal balance. The note payable from the CRA was $361,419, and is included in due from other funds in the General Fund at September 30, 2023.

NOTE 7 – DUE FROM OTHER GOVERNMENTS

The total amount due from other governments of $2,544,081 at September 30, 2023, 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.

NOTE 8 – CAPITAL ASSETS

The major components of capital assets for the City are summarized as follows at September 30, 2023:

	Beginning Balances *	Increases	Decreases	Ending Balances
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	$ 70,867,307	$ 3,265,054	$ --	$ 74,132,361
Construction in progress	39,197,572	12,558,578	(25,199,848)	26,556,302
Total capital assets not being depreciated	110,064,879	15,823,632	(25,199,848)	100,688,663
Capital assets being depreciated/amortized				
Buildings	52,856,765	32,205	--	52,888,970
Improvements other than buildings	168,573,951	29,268,067	--	197,842,018
Equipment	62,755,184	4,175,125	(5,778,611)	61,151,698
Leases (right-to-use assets)	279,549	--	(33,591)	245,958
Subscription based (right-to-use assets)	2,826,651	2,795,537	--	5,622,188
Total capital assets being depreciated/amortized	287,292,100	36,270,934	(5,812,202)	317,750,832
Less: accumulated depreciation for				
Buildings	(30,402,257)	(1,317,915)	--	(31,720,172)
Improvements other than buildings	(97,670,266)	(5,417,739)	--	(103,088,005)
Equipment	(42,710,433)	(5,586,388)	4,996,120	(43,300,701)
Less: accumulated amortization				
Leases (right-to-use assets)	(102,371)	(91,206)	33,591	(159,986)
Subscription based (right-to-use assets)	--	(1,010,903)	--	(1,010,903)
Total accumulated depreciation and amortization	(170,885,327)	(13,424,151)	5,029,711	(179,279,767)
Capital assets, net of accumulated Depreciation and amortization	116,406,773	22,846,783	(782,491)	138,471,065
Total Capital Assets, Net	$ 226,471,652	$ 38,670,415	$ (25,982,339)	$ 239,159,728

* Beginning balance was revised for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

NOTE 8 – CAPITAL ASSETS (CONTINUED)

	Beginning Balances	Additions	Deletions	Ending Balances
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 5,668,824	$ --	$ --	$ 5,668,824
Construction in progress	6,732,721	2,873,823	(959,758)	8,646,786
Total capital assets not being depreciated	12,401,545	2,873,823	(959,758)	14,315,610
Capital assets being depreciated				
Building	13,774,348	--	--	13,774,348
Improvements other than buildings	195,561,728	1,110,337	(6,845)	196,665,220
Machinery and equipment	22,617,202	21,750	(859,796)	21,779,156
Leases (right-to-use assets)	179,886	--	--	179,886
Total capital assets being depreciated	232,133,164	1,132,087	(866,641)	232,398,610
Less: accumulated depreciation for				
Buildings	(11,105,291)	(261,171)	--	(11,366,462)
Improvements other than buildings	(110,986,284)	(3,680,706)	(111,171)	(114,778,161)
Equipment	(12,925,257)	(1,435,200)	835,673	(13,524,784)
Less: accumulated amortization				
Leases (right-to-use assets)	(14,381)	(45,021)	--	(59,402)
Total accumulated depreciation and amortization	(135,031,213)	(5,422,098)	724,502	(139,728,809)
Capital assets, net of accumulated Depreciation and amortization	97,101,951	(4,290,011)	(142,139)	92,669,801
Total Capital Assets, Net	$ 109,503,496	$ (1,416,188)	$ (1,101,897)	$ 106,985,411

NOTE 8 – CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense for the fiscal year ended September 30, 2023, was charged to functions/programs of the primary government as follows:

Governmental Activities	
General government	$ 2,440,599
Public safety	1,181,975
Physical environment	4,265,648
Parks and recreation	2,129,735
Internal services funds	3,406,194
Total Depreciation/Amortization Expense - Governmental Activities	$ 13,424,151
Business-type Activities	
Water and sewer	$ 4,504,691
Stormwater	620,377
Municipal Golf Course	221,801
Lakeview Golf Course	71,510
City marina	3,719
Total Depreciation/Amortization Expense - Business-type Activities	$ 5,422,098

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.

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, 2023, accounts payable of the Water and Sewer Fund and business-type activities included $247,598 due to the Board. For the fiscal year ended September 30, 2023, the City paid $3,122,002 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, 2023, the City's 50% equity interest in the net position of the Board totaled $15,555,880 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, 2023, is as follows:

Net Position	
Current and other assets	$ 8,359,000
Capital assets, net	35,957,000
Total Assets	44,316,000
Current liabilities	2,031,000
Noncurrent liabilities	9,653,000
Total Liabilities	11,684,000
Deferred inflows of resources	1,520,000
Net Position	$ 31,112,000

Change in Net Position	
Charges for services	$ 7,345,000
Operating grants and contributions	1,401,000
Capital grants and contributions	1,729,000
Total Program Revenues	10,475,000
Program expenses	10,824,000
Net Program Expenses	(349,000)
Investment income	21,000
Miscellaneous	142,000
Change in Net Position	$ (186,000)

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, 2023:

	Due From Other Funds	Due To Other Funds	Transfers In	Transfers Out
Major Governmental Funds				
General fund	$ 22,165,350	$ 1,532,787	$ 6,211,872	$ 9,153,912
Neighborhood services	43,653	--	195,000	24,975
Community Redevelopment Agency	--	5,831,465	--	--
One-cent sales tax	1,532,787	1,857,496	--	--
Non-major Governmental Funds				
Special Revenue Fund:				
Beautification	--	--	1,072,440	29,033
Special projects	--	656,432	--	--
Local option gas tax	--	--	--	1,100,000
Building permit	--	--	--	288,000
Utilities tax	--	--	--	
Debt Service Fund:				
Utilities tax	--	--	3,428,900	--
Capital Projects Fund:				
Beautification	15,763	--	--	--
Beach restoration	--	--	500,000	--
Capital improvement	4,320,048	--	3,350,000	--
2004 GO Bond	--	2,257	--	--
Total Governmental Funds	$ 28,077,601	$ 9,880,437	$ 14,758,212	$ 10,595,920
Major Proprietary Funds				
Water and sewer	$ --	$ --	$ 122,258	$ 4,180,524
Non-major Proprietary Funds				
Stormwater	--	8,134,163	500,000	498,782
Sanitation	--	913,659	--	226,053
Municipal Golf Course	--	--	--	33,958
Lakeview Golf Course	--	--	--	20,550
City Marina	--	487,012	--	74,834
Cemetery	--	260,027	--	50,819
Internal Service Fund:				
Insurance	--	1,644,508	--	--
Central garage	--	6,757,795	300,970	--
Total Proprietary Funds	--	18,197,164	923,228	5,085,520
Total Primary Government	$ 28,077,601	$ 28,077,601	$ 15,681,440	$ 15,681,440

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. These balances also include the amount of working capital loans made to various funds that the General Fund expects to collect in the subsequent year and the note receivable/payable between the City and the CRA as discussed in Note 6.

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, 2023 were as follows:

	Beginning Balances *	Additions	Reductions	Ending Balances	Due Within One Year
Governmental Activities					
Revenue bonds	$ 49,262,747	$ --	$ (6,727,185)	$ 42,535,562	$ 6,300,562
General obligation bonds	4,110,000	--	(2,015,000)	2,095,000	2,095,000
Unamortized bond premium	1,824,811	--	(192,086)	1,632,725	--
Total Bonds Payable, Net	55,197,558	--	(8,934,271)	46,263,287	8,395,562
Installment agreements	923,551	--	(544,722)	378,829	378,829
Lease liability	177,063	--	(90,842)	86,221	74,251
Subscription liability	2,709,251	2,750,537	(1,693,621)	3,766,167	1,553,117
Compensated absences	9,695,830	936,265	(5,142)	10,626,953	776,737
Insurance claims payable	8,315,199	15,568,405	(15,207,469)	8,676,135	3,581,135
Total Governmental Activities	$ 77,018,452	$19,255,207	$ (26,476,067)	$ 69,797,592	$ 14,759,631

* Beginning balance was revised for implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.*

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

	Beginning Balances	Additions	Reductions	Ending Balances	Due Within One Year
Business-type Activities					
Lease liability	$ 169,433	$ --	$ (42,768)	126,665	$ 44,483
Compensated absences	951,362	64,508	(12,314)	1,003,556	148,406
Total Business-type Activities	$ 1,120,795	$ 64,508	$ (55,082)	$ 1,130,221	$ 192,889

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.

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

Noncurrent liabilities, including current maturities, consisted of the following at September 30, 2023:

Revenue Bonds	Governmental Activities	Business-Type Activities
$4,000,000 Delray Beach Community Redevelopment Agency Tax Increment Redevelopment Revenue Improvement Bonds (Series 2012), due in principal amounts of $415,647 to $811,071 with semi-annual interest payments at 2.878% due April 1 and October 1, through October 1, 2023. The bond was issued as a draw-down bond to a financial institution, such that the financial institution will advance the purchase price of the bond pursuant to each draw request submitted by the CRA, provided that the maximum amount of the bond outstanding at any one time shall not exceed an aggregate principal amount of $4,000,000. The bond was issued for the purpose of financing the costs of acquisition and construction of certain redevelopment projects. The Series 2012 Bond contains 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 Bond plus 200 basis points.	$ 417,807	$ --
$2,000,000 Delray Beach Community Redevelopment Agency Tax Increment Redevelopment Revenue Bonds (Series 2015), due in principal amounts of $202,723 to $416,663 with semi-annual interest payments at 2.78% due April 1 and October 1, through October 1, 2023. The bond was issued as a draw-down bond to a financial institution, such that the financial institution will advance the purchase price of the 2015 Series Bond pursuant to each draw request submitted by the CRA, provided that the maximum amount of the Series 2015 Bond outstanding at any one time shall not exceed an aggregate principal amount of $2,000,000. The Series 2015 Bond was issued for the purpose of financing the costs of acquisition and construction of certain redevelopment projects. The Series 2015 Bond contains 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 Bond plus 200 basis points.	202,755	--
Subtotal (Forward)	$ 620,562	$ --

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

Revenue Bonds (continued)	Governmental Activities	Business-Type Activities
Subtotal (Forward)	$ 620,562	$ --
$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.	28,400,000	--
$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%.	13,515,000	--
Total Revenue Bonds	42,535,562	--
Unamortized Bond Premium	1,632,725	--
Total Revenue Bonds, Net	$ 44,168,287	$ --

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

General Obligation Bonds	Governmental Activities	Business-Type Activities
$10,000,000 General Obligation Bonds issued August 26, 2005 (Series 2005), due in annual principal installments of $1,030,000 to $1,135,000 through February 1, 2024, with semi-annual interest payments at 5.04%, due February 1 and August 1, through February 1, 2024. The bonds were issued for the acquisition of land, equipping of new parks, recreation centers, parking garage and library.	$ 1,135,000	$ --
$8,810,000 General Obligation Bonds issued November 21, 2013 (Series 2013), due in annual principal installments of $915,000 to $960,000 through February 1, 2024, with semi-annual interest payments at 2.17%, due February 1 and August 1, through February 1, 2024. The bonds were issued for the purpose of defeasing the Series 2004 GO Bonds which were used for the acquisition of land, equipping of new parks and recreation centers.	960,000	--
Total General Obligation Bonds	2,095,000	--
Installment agreements for equipment, 2.43% to 2.85% interest, maturing in 2024	378,829	--
Lease liability	86,221	126,665
Subscription liability	3,766,167	
Compensated absences payable	10,626,953	1,003,556
Insurance claims payable (see Note 14)	8,676,135	--
Total Noncurrent Liabilities, including Current Portion	$ 69,797,592	$ 1,130,221

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

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.

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 $33,964,650 at September 30, 2023. Principal and interest paid during the current year was $2,280,000 and $1,148,900, 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 $14,051,305 at September 30, 2023. Non-ad valorem revenues received for the current year were approximately $104.7 million. Principal and interest paid for the current year was $3,220,000 and $296,450, respectively.

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

GOVERNMENTAL ACTIVITIES (CONTINUED)

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, 2023, was $628,573, payable through October 1, 2023. For the current year, principal and interest paid and the total tax increment revenues were $1,266,072 and $31,983,601, respectively.

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, 2023 were $1,693,662,581 and $1,786,283, respectively, all of which was expensed.

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, 2023:

Fiscal Year Ending September 30,	Revenue Bonds		General Obligation Bonds		
	Principal	Interest	Principal	Interest	Total
2024	$ 6,300,562	$ 1,275,661	$ 2,095,000	$ 39,041	$ 9,710,264
2025	5,865,000	1,082,725	--	-	6,947,725
2026	6,050,000	890,526	--	--	6,940,526
2027	6,260,000	691,004	--	--	6,951,004
2028	2,855,000	573,500	--	--	3,428,500
2029-2033	13,255,000	1,493,850	--	--	14,748,850
2034-2035	1,950,000	101,700	--	--	2,051,700
Total	$ 42,535,562	$ 6,108,966	$ 2,095,000	$ 39,041	$ 50,778,569

INSTALLMENT AGREEMENTS

The installment agreements financed the purchase of equipment. At September 30, 2023, the cost of the equipment held under these agreements was approximately $3,778,400 and the accumulated amortization was approximately $2,157,997. Amortization expense related to equipment purchased under the installment agreements is included in depreciation expense in the accompanying financial statements. The installment agreements call for termination of the agreements and forfeiture of the equipment in the event the payments are not budgeted or made. Future payments through maturity for the City's installment agreements as of September 30, 2023, are as follows:

Fiscal Year Ending September 30	Amount
2024	$ 387,545
Total minimum payments	387,545
Less amount representing interest	(8,716)
Outstanding Balance at September 30, 2023	$ 378,829

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, 2023, the lease liability is $86,221. The leases have interest rate of 0.19% to 3.94%. The value of the right to use asset as of September 30, 2023 was $245,958 with accumulated amortization of $159,986.

Fiscal Year Ending September 30	Principal	Interest	Total
2024	$ 74,251	$ 154	$ 74,405
2025	11,970	4	11,974
Total	$ 86,221	$ 158	$ 86,379

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, 2027. During the year ended September 30, 2023, principal and interest paid were $1,693,621 and $14,884 respectively. Future principal and interest payments as of September 30, 2023, are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2024	$ 1,553,117	$ 113,798	$ 1,666,914
2025	1,248,486	66,623	1,315,109
2026	916,165	29,417	945,581
2027	48,400	1,600	50,000
Total	$ 3,766,167	$ 211,437	$ 3,977,604

NOTE 11 – NONCURRENT LIABILITIES (CONTINUED)

BUSINESS-TYPE ACTIVITIES

Interest Expense: Total interest costs incurred and paid on business-type activities debt for the fiscal year ended September 30, 2023 was $5,906.

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, 2023, the lease liability is $126,665. The leases have interest rate of 3%. The value of the right to use asset as of September 30, 2023 of $179,886 with accumulated amortization of $59,402.

Fiscal Year Ending September 30	Principal	Interest	Total
2024	$ 44,484	$ 4,191	$ 48,675
2025	46,267	2,407	48,674
2026	35,914	592	36,506
Total	$ 126,665	$ 7,190	$ 133,855

BLENDED COMPONENT UNIT – DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY

Loan Payable to the City of Delray Beach: The outstanding loan payable to the City by the CRA at September 30, 2023 for US Highway One improvements is presented as an internal advance receivable (due from other funds) in the City's General Fund and an advance payable (due to other funds) in the Community Redevelopment Agency Fund (see Note 5 – Notes Receivable).

The annual debt service requirements on the loan payable to the City from the CRA are summarized as follows:

Year Ending September 30	Principal	Interest	Total
2024	$ 361,419	$ 58,730	$ 420,149
Total	$ 361,419	$ 58,730	$ 420,149

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.

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 $4,162,632 at September 30, 2023.

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

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.

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% or 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.

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 $11,362,806 at September 30, 2023.

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.

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).

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 60 months, the firefighter must terminate employment with the City. The balance of amounts held pursuant to DROP was $14,916,287 at September 30, 2023.

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.

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, 2023:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System	Total
Net pension asset	$ (641,472)	$ --	$ --	$ (641,472)
Net pension liability	$ --	$ 61,587,264	$ 60,322,505	$ 121,909,769
Deferred outflows of resources	$ 2,600,161	$ 8,306,821	$ 11,664,372	$ 22,571,354
Deferred inflows of resources	$ 75,808	$ --	$ 239,254	$ 315,062
Pension expense (income)	$ 3,285,959	$ 11,105,749	$ 12,149,499	$ 26,541,207

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

MEMBERSHIP

Membership data of the City's pension plans as of October 1, 2022, 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	359	162	149
Inactive plan members entitled to benefits but not receiving them	90	10	1
Active plan members	415	135	131
Total	864	307	281

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.

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, 2023 was as follows:

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

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 14.54%, 12.02% and 11.32%, respectively, for the fiscal year ended September 30, 2023. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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, 2023, the measurement date, were as follows:

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Total pension liability	$ 159,692,599	$ 185,316,912	$ 203,684,126
Less: Plan fiduciary net position	(160,334,071)	(123,729,648)	(143,361,621)
Net pension liability (asset)	$ (641,472)	$ 61,587,264	$ 60,322,505
Plan fiduciary net position as a percentage of the total pension liability	100.4%	66.8%	70.4%

Actuarial Assumptions: The total pension liability for the City's pension plans was determined by actuarial valuations as of October 1, 2022, based on the following actuarial assumptions:

	General Employees Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Measurement date	September 30, 2023	September 30, 2023	September 30, 2023
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%	6.625%
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%

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, 2023 (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
Asset Class			
Domestic equity	7.5%	7.5%	7.5%
International equity	8.5	8.5	8.5
Fixed income	2.5	2.5	2.5
Real estate	4.5	4.5	4.5
Alternatives	6.2	6.2	6.2

Discount Rate: The discount rates used to measure the total pension liability was 6.75%, 6.75% and 6.625%, 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.

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

CHANGES IN THE NET PENSION LIABILITY (ASSET)

The changes in the net pension liability 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, 2023:

	Increase (Decrease)		
General Employees' Pension Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at October 1, 2022	$ 153,228,056	$ 143,851,697	$ 9,376,359
Changes for the current year:			
Service cost	3,298,952	--	3,298,952
Interest	10,283,312	--	10,283,312
Difference between actual and expected experience	1,245,558	--	1,245,558
Contributions - City	--	2,357,598	(2,357,598)
Contributions - employee	--	1,665,136	(1,665,136)
Net investment income (loss)	--	20,953,749	(20,953,749)
Benefit payments, including refunds of employee contributions	(8,363,279)	(8,363,279)	--
Administration expenses	--	(130,830)	130,830
Net Changes	6,464,543	16,482,374	(10,017,831)
Balances at September 30, 2023	$ 159,692,599	$ 160,334,071	$ (641,472)

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

	Increase (Decrease)		
Police Officers' Retirement System	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at October 1, 2022	$ 179,581,211	$ 109,396,630	$ 70,184,581
Changes for the current year:			
Service cost	3,362,525	--	3,362,525
Interest	12,012,936	--	12,012,936
Changes of benefit terms	17,725		17,725
Difference between actual and expected experience	291,141	--	291,141
Contributions - City	--	7,882,933	(7,882,933)
Contributions - State of Florida	--	1,036,799	(1,036,799)
Contributions - employee	--	1,252,569	(1,252,569)
Net investment income (loss)	--	14,291,832	(14,291,832)
Benefit payments, including refunds of employee contributions	(9,948,626)	(9,948,626)	--
Administration expenses	--	(182,489)	182,489
Net Changes	5,735,701	14,333,018	(8,597,317)
Balances at September 30, 2023	$ 185,316,912	$ 123,729,648	$ 61,587,264

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

	Increase (Decrease)		
Firefighters' Retirement System	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at October 1, 2022	$ 196,225,173	$ 127,536,755	$ 68,688,418
Changes for the current year:			
Service cost	3,961,550	--	3,961,550
Interest	12,914,131	--	12,914,131
Change of benefit terms	--		--
Difference between actual and expected experience	1,096,147	--	1,096,147
Change of assumptions	--	--	--
Contributions - City	--	8,300,261	(8,300,261)
Contributions - State of Florida	--	1,796,317	(1,796,317)
Contributions - employee	--	1,301,713	(1,301,713)
Net investment income (loss)	--	15,105,285	(15,105,285)
Benefit payments, including refunds of employee contributions	(10,512,875)	(10,512,875)	--
Administration expenses	--	(165,835)	165,835
Net Changes	7,458,953	15,824,866	(8,365,913)
Balances at September 30, 2023	$ 203,684,126	$ 143,361,621	$ 60,322,505

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Sensitivity of the Net Pension Liability 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	$ 17,698,406	$ 85,413,337	$ 84,863,129
Current discount rate	$ (641,472)	$ 61,587,264	$ 60,322,505
One percentage point higher than current discount rate	$ (16,073,285)	$ 41,834,761	$ 40,119,326

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

For the fiscal year ended September 30, 2023, the City recognized pension expense of $3,285,959, $11,105,749 and $12,149,499 for the General Employees' Pension Plan, the Police Officers' Retirement System and the Firefighters' Retirement System, respectively. At September 30, 2023, 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 Inflows	Deferred Outflows
Differences between expected and actual experience	$ 75,808	$ 1,033,797
Changes in assumptions	--	--
Net difference between projected and actual investment earnings on pension plan investments	--	1,566,364
Total	$ 75,808	$ 2,600,161

NOTE 12 – EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

Police Officers' Retirement System	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	$ --	$ 1,647,571
Changes in assumptions	--	74,238
Net difference between projected and actual investment earnings on pension plan investments	--	6,585,012
Total	$ --	$ 8,306,821

Firefighters' Retirement System	Deferred Inflows	Deferred Outflows
Differences between expected and actual experience	$ --	$ 4,810,571
Changes in assumptions	239,254	1,792,973
Net difference between projected and actual investment earnings on pension plan investments	--	5,060,828
Total	$ 239,254	$ 11,664,372

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
2024	$ (494,394)	$ 2,447,596	$ 3,208,219
2025	(26,917)	2,056,968	2,565,210
2026	5,308,683	5,169,625	6,455,252
2027	(2,263,019)	(1,367,368)	(803,563)
Total	$ 2,524,353	$ 8,306,821	$ 11,425,118

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, 2023, are as follows:

Statements of Fiduciary Net Position

	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
Assets			
Cash	$ 56,724	$ 121,715	$ 61,600
Investments:			
Money market mutual funds	4,108,883	1,651,931	3,246,521
U.S. Government securities	7,257,093	--	--
Collateralized mortgage obligations	9,273,427	--	--
Domestic corporate bonds	1,839,795	--	--
Fixed income mutual funds	20,524,931	10,835,400	25,289,455
Global asset allocation investment fund	--	11,463,043	--
Domestic equity securities	30,472,044	35,609,731	36,389,695
Domestic equity mutual funds	21,990,975	11,185,472	5,715,900
Domestic equity index funds	--	14,289,646	15,945,854
Pooled domestic equity index funds	55,808,542	9,890,824	13,531,608
International equity mutual funds	--	14,073,317	22,133,471
Foreign stocks	5,722,982	1,678,283	7,561,776
Real estate investment funds	--	9,846,938	11,617,483
Fixed income alternative investment fund	3,347,124	2,935,496	1,922,059
Interest and dividends receivable	153,291	21,158	37,934
Pending trades receivable	419,101	328,936	596,432
Total Assets	160,974,912	123,931,890	144,049,788
Accounts payable	203,668	77,199	84,034
Refunds due to members	--	11,742	--
Pending trades payable	437,173	113,301	604,133
Total Liabilities	640,841	202,242	688,167
Fiduciary Net Position - Restricted for Pension Benefits	$ 160,334,071	$ 123,729,648	$ 143,361,621

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
Additions			
Contributions:			
Employer	$ 2,357,598	$ 7,882,933	$ 8,300,261
State of Florida	--	1,036,799	1,796,317
Plan members	1,665,136	1,252,569	1,301,713
Total contributions	4,022,734	10,172,301	11,398,291
Investment earnings:			
Net appreciation in fair value of investments	17,181,480	10,042,209	12,345,891
Interest, dividends and investment fund income	4,104,974	5,032,663	3,561,577
Other investment income	2,515	1,668	283
	21,288,969	15,076,540	15,907,751
Less: investment expenses	(335,220)	(772,967)	(802,466)
Net investment earnings	20,953,749	14,303,573	15,105,285
Total Additions	24,976,483	24,475,874	26,503,576
Deductions			
Benefits	8,238,834	9,915,657	10,286,274
Refunds of contributions	124,445	32,969	226,601
Administrative expenses	130,830	182,489	165,835
Total Deductions	8,494,109	10,131,115	10,678,710
Change in Fiduciary Net Position	16,482,374	14,344,759	15,824,866
Net Position Restricted for Pension Benefits at October 1, 2022	143,851,697	109,384,889	127,536,755
Net Position Restricted for Pension Benefits at September 30, 2023	$ 160,334,071	$ 123,729,648	$ 143,361,621

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 1st 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.

PAYABLES TO THE PENSION PLANS

There were no amounts payable by the City to the General Employees' Pension Plan, Police Officers' Retirement System or the Firefighters' Retirement System at September 30, 2023.

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.

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, 2023, is summarized as follows:

Balance at October 1, 2022	$ 1,095,339
Employer contributions	74,703
Employee contributions	74,703
Investment gain, net of expenses	151,509
Distributions	(20,488)
Balance at September 30, 2023	$ 1,375,766

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.

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.

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

DESCRIPTION OF THE PLANS (CONTINUED)

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.

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.

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

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	801	321
Total Members	879	506

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, 2023:

	City OPEB Plan	Retiree Benefit Fund	Total
Net OPEB liability	$ 11,763,420	$ 7,698,713	$ 19,462,133
Deferred outflows of resources	$ 4,192,694	$ 722,443	$ 4,915,137
Deferred inflows of resources	$ 12,304,299	$ 703,994	$ 13,008,293
OPEB expense	$ 591,716	$ 1,045,152	$ 1,636,868

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

OPEB LIABILITY (CONTINUED)

The City's OPEB liability of $19,462,133 was measured as of September 30, 2023 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, 2021
Measurement date	September 30, 2023	September 30, 2023
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	11 years	22 years
Asset valuation method	N/A[(1)]	Market Value of Assets

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

OPEB LIABILITY (CONTINUED)

	City OPEB Plan	Retiree Benefit Fund
Actuarial assumptions:		
Discount rate	4.75%(2)	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.

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, 2023 are summarized in the following table:

Asset Class	Asset Allocation	Long-term Expected Rate of Return
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

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, 2023 were as follows:

	City OPEB Plan	Retiree Benefit Fund	Total
Total OPEB Liability			
Total OPEB liability at September 30, 2022	$ 14,277,527	$ 14,850,954	$ 29,128,481
Changes in the total OPEB liability for the year:			
Service cost	218,889	224,875	443,764
Interest	661,870	1,099,015	1,760,885
Changes of assumptions and other inputs	(2,708,037)	32,943	(2,675,094)
Benefit payments	(686,829)	(860,129)	(1,546,958)
Change in total OPEB liability	(2,514,107)	496,704	(2,017,403)
OPEB Liability at September 30, 2023	$ 11,763,420	$ 15,347,658	$ 27,111,078

	City OPEB Plan	Retiree Benefit Plan	Total
Fiduciary Net Position			
Balances at October 1, 2022	$ --	$ 6,692,310	$ 6,692,310
Changes in fiduciary net position for the current year:			
Employer contributions	686,829	956,133	1,642,962
Net investment income	--	920,409	920,409
Benefit payments	(686,829)	(860,129)	(1,546,958)
Administrative expenses	--	(59,778)	(59,778)
Changes in fiduciary net position	--	956,635	956,635
Total Fiduciary Net Position at September 30, 2023	--	7,648,945	7,648,945
OPEB Liability balances at September 30, 2023	$ 11,763,420	$ 7,698,713	$ 19,462,133

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

CHANGES IN THE TOTAL OPEB LIABILITY (CONTINUED)

Changes of Assumptions: Effective October 1, 2022, the discount rate for the City OPEB Plan was increased from 4.59% to 4.75%.

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	$ 14,143,765	$ 9,302,763
Current discount rate	$ 11,763,420	$ 7,698,713
One percentage point higher than current discount rate	$ 9,983,633	$ 6,336,177

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	$ 9,821,051	N/A
Current healthcare cost trend rate	$ 11,763,420	N/A
One percentage point higher than current trend rate	$ 14,404,608	N/A

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

CHANGES IN THE OPEB LIABILITY (CONTINUED)

For the fiscal year ended September 30, 2023, the City recognized OPEB expense of $591,716 and $1,045,152 for the City OPEB Plan and the Retiree Benefit Fund, respectively. At September 30, 2023, the City reported deferred inflows/outflows of resources related to the City OPEB Plan and the Retiree Benefit Fund from the following sources:

	Deferred Inflows	Deferred Outflows
City OPEB Plan		
Changes in assumptions and other inputs	$ 12,304,299	$ 4,192,694
Retiree Benefit Fund		
Differences between projected and actual experience	227,212	107,022
Net difference between projected and actual earnings	--	--
Changes in assumptions and other inputs	476,782	615,421
Total	$ 703,994	$ 722,443

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
2024	$ (185,236)	$ 37,659
2025	(159,284)	(9,898)
2026	(159,284)	179,758
2027	(469,202)	(195,448)
2028	(1,000,567)	5,313
Thereafter	(6,138,032)	1,065
Total	$ (8,111,605)	$ 18,449

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, 2023, charges of $21,708,474 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 $8,676,135 ($3,581,135 current and $5,095,000 noncurrent) at September 30, 2023, which is an increase of approximately $361,000 from the prior year. The increase 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).

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.

NOTE 14 – RISK MANAGEMENT (CONTINUED)

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

Balance at September 30, 2021	$ 7,629,764
Claims incurred	14,023,843
Claims paid	(13,338,408)
Balance at September 30, 2022	8,315,199
Claims incurred	15,568,405
Claims paid	(15,207,469)
Balance at September 30, 2023	$ 8,676,135

The claims liability at September 30, 2023 and 2022, is summarized as follows:

	2023	2022
Current	$ 3,581,135	$ 3,011,199
Noncurrent	5,095,000	5,304,000
Total	$ 8,676,135	$ 8,315,199

As a political subdivision of the State of Florida, the City has sovereign immunity under the Florida Constitution for tort actions. Pg 10Therefore, 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. For the fiscal year ended September 30, 2023, the CRA's tax increment revenues include $13,427,840 received from the City. CRA expenditures for the fiscal year ended September 30, 2023, include charges of $4,211,815 for contractual services provided by the City to the CRA in connection with various administrative and redevelopment activities, $2,847,283 for construction services related to redevelopment projects, and $905,000 for sponsorship of City tennis tournaments.

At September 30, 2023, the City had a receivable from the CRA of $5,470,046 for various administrative services and notes receivable from the CRA of $361,419 (see Note 6 - Notes Receivable and Note 11 – Noncurrent Liabilities). 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 $9,357,710. As of September 30, 2023, approximately $6,872,815 of the commitment was still outstanding.

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, 2023, were as follows:

Capital Projects Funds	$ 14,397,137
Water and Sewer Fund	2,795,967
Stormwater Fund	337,290
Community Redevelopment Agency Fund	28,470,045
Total Contract Commitments	$ 46,000,439

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.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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.

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.

NOTE 16 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

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

Tax Increment Incentive Agreements: The CRA reimbursed $43,162 to qualified private for-profit organizations under the CRA's Development Infrastructure Assistance Program, pursuant to State statutory authority for public-private partnerships to rehabilitate and develop properties within a Community Redevelopment Area. The Development Infrastructure Assistance Program is a CRA incentive program in which the CRA reimburses 50% of the costs of eligible site improvements for an eligible commercial project, up to an amount not to exceed 50% of the projected Tax Increment Funds generated by the improvements over a 5 year period following project completion. The projects must be located in CRA Sub-Areas #3, #4, #5, #6, #7, or #8 and the final incentive agreement must be approved by the CRA Board. The following tax increment incentive agreements were in effect as of September 30, 2023:

KCMCL Pineapple Grove, LLC - Development Infrastructure Grant for the development and construction of a 134-room limited service Hyatt Place Hotel in the Pineapple Grove Arts District. The grant is for eligible project costs up to $431,619. The CRA will reimburse the developer in equal annual installments over a ten year period, provided that the annual payment shall not exceed 50% of the actual tax increment revenues attributable to the project for that year. Payments will be made by the CRA on February 1st of each year. Payments of $43,162 were made each year under the grant for the years ended September 30, 2014 through 2023. The final grant payment was made during September 30, 2023.

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, 2023:

EPOCH dba Spady Cultural	$ 81,750
Delray Beach Community Land Trust, Inc.	130,583
Creative City Collaborative / Arts Garage	275,000
Delray Beach Public Library	437,920
Delray Beach Historical Society	75,000
Total Grant Commitments	$ 1,000,253

NOTE 17 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The City's expenditures exceeded appropriations by $3,508,066 for subscriptions and $927,754 for debt service for the fiscal year ended September 30, 2023. For the CRA, expenditures exceeded appropriations by $8,931 for the General Government.

NOTE 18 – SUBSEQUENT EVENTS

On September 19, 2022 Referendum Resolution No. 154-22 was adopted by the City Commission for the issuance of a $100 million Public Safety General Obligation Bond referendum as well as a $20 million Parks General Obligation Bond. The bonds will pay for a new police station, improvements to existing fire stations, and improvements to parks and recreational facilities. The issuance of the $20 million Parks General Obligations Bonds was adopted on March 5, 2024 through Resolution No. 56-24. The Official Notice of Sale for the Series 2024 bonds is expected to be published in May 2024.

S&P Global Ratings recently assigned its 'AAA' long-term rating to the City's yet-to-be-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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DELRAY BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 102,864,352	$ 102,864,352	$ 103,226,055	$ 361,703
Fees and permits	9,763,767	10,014,081	11,434,936	1,420,855
Intergovernmental	13,583,050	14,248,584	15,106,173	857,589
Charges for services	17,118,074	17,118,074	17,895,235	777,161
Fines and forfeitures	1,053,500	1,053,500	1,716,830	663,330
Miscellaneous	13,052,571	14,022,498	14,794,150	771,652
Transfers in	6,689,784	6,689,784	6,211,872	(477,912)
Prior year surplus	2,500,000	3,971,345	--	(3,971,345)
Total Revenues	166,625,098	169,982,218	170,385,251	403,033
Expenditures				
General government				
City commission	536,336	536,336	435,492	100,844
City manager	1,781,839	1,649,721	1,113,217	536,504
Economic development	693,264	766,070	471,026	295,044
Human resources	1,076,466	1,097,766	1,027,986	69,780
City clerk	824,653	850,773	718,285	132,488
Finance	2,884,878	2,884,878	2,803,309	81,569
Information technology	5,258,290	5,722,899	4,861,728	861,171
Subscriptions	--	--	3,508,066	(3,508,066)
City attorney	1,448,584	1,448,584	1,289,292	159,292
Nondepartmental	2,408,882	2,382,882	2,025,924	356,958
Transfers to component units	18,566,537	18,566,537	18,555,761	10,776
Public safety				
Police	44,955,857	44,880,201	44,128,885	751,316
Fire	41,524,339	41,940,608	41,903,694	36,914
Development services	2,401,636	2,501,336	1,838,057	663,279
Neighborhood & community services	3,740,002	4,248,587	3,869,959	378,628
Physical environment				
Public works	11,547,332	11,829,275	11,027,257	802,018
Parks and recreation	17,525,487	19,134,287	17,768,384	1,365,903
Debt service	409,566	387,566	1,315,320	(927,754)
Transfers out	9,041,150	9,153,912	9,153,912	--
Total Expenditures	166,625,098	169,982,218	167,815,554	2,166,664
Excess of Revenues Over (Under) Expenditures	$ --	$ --	2,569,697	$ 2,569,697
Fund Balance - October 1, 2022			52,365,864	
Difference between GAAP and budgetary basis			3,866,951	
Fund Balance - September 30, 2023			$ 58,802,512	

See notes to budgetary comparison schedules.

CITY OF DELRAY BEACH, FLORIDA

BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD SERVICES FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Intergovernmental	$ 1,074,267	$ 2,701,082	$ 906,995	$ (1,794,087)
Miscellaneous	356,742	1,257,429	158,089	(1,099,340)
Transfers in	195,000	195,000	195,000	--
Total Revenues	1,626,009	4,153,511	1,260,084	(2,893,427)
Expenditures				
General government				
Personal services	474,897	526,159	463,197	62,962
Operating	421,127	5,995,050	1,045,456	4,949,594
Grants and aid	64,839	786,047	78,745	707,302
SHIP	640,171	812,817	452,463	360,354
Transfers out	24,975	24,975	24,975	--
Total Expenditures	1,626,009	8,145,048	2,064,836	6,080,212
Excess of Revenues Over (Under) Expenditures	--	(3,991,537)	(804,752)	3,186,785
Other Financing Sources (Uses)				
Appropriated fund balance	--	3,991,537	--	3,991,537
Total other financing sources	--	3,991,537	--	3,991,537
Net Change in Fund Balance	$ --	$ --	(804,752)	$ (804,752)
Fund Balance - October 1, 2022			5,262,077	
Fund Balance - September 30, 2023			$ 4,457,325	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Tax increment revenue				
City of Delray Beach	$ 18,709,113	$ 18,555,761	$ 18,555,761	$ --
Palm Beach County	13,634,547	13,427,840	13,427,840	--
Total Tax Increment Revenue	32,343,660	31,983,601	31,983,601	--
Charges for services				
Green Market	70,000	53,936	53,936	--
Arts Warehouse	100,000	174,153	173,101	(1,052)
Total Charges for Services	170,000	228,089	227,037	(1,052)
Miscellaneous revenue				
Other reimbursements	5,000	180,098	195,095	14,997
Rental income	160,000	224,245	300,296	76,051
Interest and other income	72,060	365,664	365,058	(606)
Total Miscellaneous Revenue	237,060	770,007	860,449	90,442
Total Revenues	32,750,720	32,981,697	33,071,087	89,390
Other Financing Sources				
General Fund carryforward fund balance	30,001,648	(13,058,389)	--	13,058,389
Total Other Financing Sources	30,001,648	(13,058,389)	--	13,058,389
Total Revenues and Other Financing Sources	62,752,368	19,923,308	33,071,087	13,147,779
Expenditures				
General government				
Personnel	2,143,000	1,466,122	1,475,772	(9,650)
Supplies and materials	25,000	16,655	16,661	(6)
Office space	120,000	98,202	97,477	725
Administration/Operations	673,000	288,719	288,719	--
Equipment, property and maintenance	217,000	51,995	51,995	--
Total General Government	3,178,000	1,921,693	1,930,624	(8,931)
Economic development				
Areawide and Neighborhood Plans	36,997,183	6,587,727	5,737,401	850,326
Redevelopment Projects	12,111,500	2,970,727	2,847,283	123,444
Community Improvement and Economic Development	8,545,536	6,756,939	6,775,229	(18,290)
Total Economic Development	57,654,219	16,315,393	15,359,913	955,480
Debt service				
Principal and interest	1,920,149	1,686,222	1,685,168	1,054
Total Expenditures	62,752,368	19,923,308	18,975,705	947,603
Excess of Revenues Over Expenditures	$ --	$ --	14,095,382	$ 14,095,382
Fund balance - October 1, 2022			39,263,555	
Difference between GAAP and budgetary basis			361,419	
Fund balance - September 30, 2023			$ 53,720,356	

See notes to budgetary comparison schedules.

CITY OF DELRAY BEACH, FLORIDA

NOTES TO BUDGETARY COMPARISON SCHEDULES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 $3,357,120 and $6,519,039, respectively, during the fiscal year ended September 30, 2023.

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 $42,829,060, during the year ended September 30, 2023.

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
General Fund		
Transfers	$ 6,211,872	$ 9,153,912
On-behalf payments for pension benefits	(2,833,116)	(2,833,116)
Encumbrances	--	1,831,343
Prior year encumbrances paid in current year	--	(1,100,898)
Net Differences - GAAP and Budgetary Basis	3,378,756	7,051,241
GAAP Basis	167,006,495	160,764,313
Budgetary Basis	$ 170,385,251	$ 167,815,554

NOTE 2 - BUDGET AND ACTUAL COMPARISONS (CONTINUED)

	Revenues	Expenditures
Neighborhood Services Fund		
Transfers	$ 195,000	$ 24,975
GAAP Basis	1,065,084	2,039,861
Budgetary Basis	$ 1,260,084	$ 2,064,836
Community Redevelopment Agency (CRA) Fund		
Principal paid on CRA note payable to the City	$ --	$ 361,419
GAAP Basis	33,071,087	18,614,286
Budgetary Basis	$ 33,071,087	$ 18,975,705

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	$ 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	$ 2,249,595
Interest	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	7,502,443
Changes of benefit terms	--	--	--	--	--	--	--	522,720	--	--
Differences between expected and actual experience	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	(8,363,279)	(8,214,230)	(8,044,372)	(7,918,158)	(7,804,145)	(7,307,689)	(6,971,817)	(6,535,065)	(5,993,746)	(5,436,303)
Net Change in Total Pension Liability	6,464,543	4,774,670	4,955,153	3,288,229	12,576,958	5,409,843	5,335,965	3,243,845	5,377,126	4,315,735
Total Pension Liability - Beginning of Fiscal Year	153,228,056	148,453,386	143,498,233	140,210,004	127,633,046	122,223,203	116,887,238	113,643,393	108,266,267	103,950,532
Total Pension Liability, End of Fiscal Year (a)	$ 159,692,599	$ 153,228,056	$ 148,453,386	$ 143,498,233	$ 140,210,004	$ 127,633,046	$ 122,223,203	$ 116,887,238	$ 113,643,393	$ 108,266,267
Plan Fiduciary Net Position										
Contributions										
Employer	$ 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	$ 2,084,010
Plan members	1,665,136	1,316,257	1,229,630	1,098,892	1,206,890	799,106	717,598	618,705	948,466	1,126,054
Net investment income (loss)	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	12,191,062
Other income	--	--	--	--	--	--	--	18,858	7,008	5,387
Benefit payments, including refunds	(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)	(5,436,303)
Administrative expense	(130,830)	(130,772)	(119,862)	(121,470)	(172,197)	(73,250)	(77,550)	(82,336)	(73,705)	(79,025)
Net Change in Plan Fiduciary Net Position	16,482,374	(28,850,874)	32,245,283	7,527,552	(788,356)	8,766,707	10,111,535	7,053,264	(2,495,019)	9,891,185
Plan Fiduciary Net Position - Beginning of Fiscal Year	143,851,697	172,702,571	140,457,288	132,929,736	133,718,092	124,951,385	114,839,850	107,786,586	110,281,605	100,390,420
Plan Fiduciary Net Position - End of Fiscal Year (b)	$ 160,334,071	$ 143,851,697	$ 172,702,571	$ 140,457,288	$ 132,929,736	$ 133,718,092	$ 124,951,385	$ 114,839,850	$ 107,786,586	$ 110,281,605
Net Pension Liability (Asset) - End of Fiscal Year [(a)-(b)]	$ (641,472)	$ 9,376,359	$ (24,249,185)	$ 3,040,945	$ 7,280,268	$ (6,085,046)	$ (2,728,182)	$ 2,047,388	$ 5,856,807	$ (2,015,338)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.4%	93.9%	116.3%	97.9%	94.8%	104.8%	102.2%	98.2%	94.8%	101.9%
Covered Payroll	$ 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	$ 16,527,919
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(2.6)%	39.5 %	(106.1)%	14.5 %	36.4 %	(33.7)%	(17.7)%	13.3 %	36.8 %	(12.2)%

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - Note 1										
Service cost	$ 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	$ 4,215,639
Interest	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	16,854,289
Changes in excess State contributions	--	--	--	--	--	--	--	(1,741,230)	659,168	1,406,983
Changes of benefit terms	17,725	--	--	--	--	--	--	(1,121,765)	(347,798)	--
Differences between expected and actual experience	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	128,140
Changes of assumptions	--	--	--	816,626	4,575,940	12,110,938	--	7,407,717	--	--
Benefit payments, including refunds	(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)	(12,180,870)
Net Change in Total Pension Liability	5,735,701	5,926,089	7,111,603	10,534,482	12,136,010	15,464,069	9,221,044	13,168,667	8,492,269	10,424,181
Total Pension Liability - Beginning of Fiscal Year	179,581,211	173,655,122	166,543,519	156,009,037	143,873,027	128,408,958	119,187,914	238,707,736	230,215,467	219,791,286
Total Pension Liability, End of Fiscal Year (a)	$ 185,316,912	$ 179,581,211	$ 173,655,122	$ 166,543,519	$ 156,009,037	$ 143,873,027	$ 128,408,958	$ 251,876,403	$ 238,707,736	$ 230,215,467
Plan Fiduciary Net Position - Note 1										
Contributions										
Employer	$ 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	$ 9,057,075
State	1,036,799	896,146	834,187	868,062	835,929	786,320	742,419	1,909,358	1,896,237	1,951,084
Plan members	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	1,594,712
Net investment income (loss)	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)	14,082,413
Other income	--	--	--	--	--	--	--	150,647	22,903	--
Equity allocation from Legacy Pension Fund	--	--	--	--	--	--	79,306,442	--	--	--
Benefit payments, including refunds	(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)	(12,180,870)
Administrative expense	(182,489)	(171,447)	(151,623)	(143,795)	(181,670)	(108,929)	(156,400)	(245,221)	(231,434)	(232,362)
Other	--	--	--	--	--	--	(160,328)	--	--	--
Net Change in Plan Fiduciary Net Position	14,333,018	(22,883,053)	24,792,259	8,920,874	4,456,436	6,254,801	87,855,313	14,333,388	(1,045,367)	14,272,052
Plan Fiduciary Net Position - Beginning of Fiscal Year	109,396,630	132,279,683	107,487,424	98,566,550	94,110,114	87,855,313	--	153,260,618	154,305,985	140,033,933
Plan Fiduciary Net Position - End of Fiscal Year (b)	$ 123,729,648	$ 109,396,630	$ 132,279,683	$ 107,487,424	$ 98,566,550	$ 94,110,114	$ 87,855,313	$ 167,594,006	$ 153,260,618	$ 154,305,985
Net Pension Liability, End of Fiscal Year [(a)-(b)]	$ 61,587,264	$ 70,184,581	$ 41,375,439	$ 59,056,095	$ 57,442,487	$ 49,762,913	$ 40,553,645	$ 84,282,397	$ 85,447,118	$ 75,909,482
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	66.8%	60.9%	76.2%	64.5%	63.2%	65.4%	68.4%	66.5%	64.2%	67.0%
Covered Payroll	$ 12,962,713	$ 12,245,085	$ 11,523,962	$ 12,084,406	$ 12,078,834	$ 11,125,424	$ 10,738,126	$ 19,643,308	$ 18,107,436	$ 16,474,658
Net Pension Liability as a Percentage of Covered Payroll	475.1%	573.2%	359.0%	488.7%	475.6%	447.3%	377.7%	429.1%	471.9%	460.8%

(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

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability - Note 1										
Service cost	$ 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	$ 4,215,639
Interest	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	16,854,289
Changes in excess State contributions	--	--	--	--	--	--	--	(1,741,230)	659,168	1,406,983
Changes of benefit terms	--	--	(1,504,875)	19,308	--	--	--	(1,121,765)	(347,798)	--
Differences between expected and actual experience	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	128,140
Changes of assumptions	--	--	2,501,291	(742,942)	4,579,534	11,964,611	--	7,407,717	--	--
Benefit payments, including refunds	(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)	(12,180,870)
Net Change in Total Pension Liability	7,458,953	10,747,374	8,936,949	6,280,394	13,174,440	15,044,700	9,352,827	13,168,667	8,492,269	10,424,181
Total Pension Liability - Beginning of Fiscal Year	196,225,173	185,477,799	176,540,850	170,260,456	157,086,016	142,041,316	132,688,489	238,707,736	230,215,467	219,791,286
Total Pension Liability, End of Fiscal Year (a)	$ 203,684,126	$ 196,225,173	$ 185,477,799	$ 176,540,850	$ 170,260,456	$ 157,086,016	$ 142,041,316	$ 251,876,403	$ 238,707,736	$ 230,215,467
Plan Fiduciary Net Position - Note 1										
Contributions										
Employer	$ 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	$ 9,057,075
State	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	1,951,084
Plan members	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	1,594,712
Net investment income (loss)	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)	14,082,413
Other income	--	--	--	--	--	--	--	150,647	22,903	--
Equity allocation from Legacy Pension Fund	--	--	--	--	--	--	88,287,564	--	--	--
Benefit payments, including refunds	(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)	(12,180,870)
Administrative expense	(165,835)	(134,090)	(141,002)	(142,338)	(160,131)	(111,297)	(146,369)	(245,221)	(231,434)	(232,362)
Other	--	--	--	--	--	--	160,328	--	--	--
Net Change in Plan Fiduciary Net Position	15,824,866	(20,774,129)	29,696,806	9,710,679	4,735,128	6,171,994	97,996,277	14,333,388	(1,045,367)	14,272,052
Plan Fiduciary Net Position - Beginning of Fiscal Year	127,536,755	148,310,884	118,614,078	108,903,399	104,168,271	97,996,277	--	153,260,618	154,305,985	140,033,933
Plan Fiduciary Net Position - End of Fiscal Year (b)	$ 143,361,621	$ 127,536,755	$ 148,310,884	$ 118,614,078	$ 108,903,399	$ 104,168,271	$ 97,996,277	$ 167,594,006	$ 153,260,618	$ 154,305,985
Net Pension Liability, End of Fiscal Year [(a)-(b)]	$ 60,322,505	$ 68,688,418	$ 37,166,915	$ 57,926,772	$ 61,357,057	$ 52,917,745	$ 44,045,039	$ 84,282,397	$ 85,447,118	$ 75,909,482
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.4%	65.0%	80.0%	67.2%	64.0%	66.3%	69.0%	66.5%	64.2%	67.0%
Covered Payroll	$ 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	$ 16,474,658
Net Pension Liability as a Percentage of Covered Payroll	457.5%	527.2%	297.6%	475.1%	557.6%	504.3%	491.9%	429.1%	471.9%	460.8%

CITY OF DELRAY BEACH, FLORIDA

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

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.

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
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 %
2014	108,266,267	110,281,605	(2,015,338)	101.9%	16,527,919	(12.2)%

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
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 %
2014	230,215,467	154,305,985	75,909,482	67.0%	16,474,658	460.8 %

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
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 %
2014	230,215,467	154,305,985	75,909,482	67.0%	16,474,658	460.8 %

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Employees' Pension Plan										
Actuarially determined contribution	$ 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	$ 2,093,769
Contributions in relation to actuarially determined contribution	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	2,093,769
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Covered payroll	$ 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	$ 16,527,919
Contributions as a percentage of covered payroll	9.5%	12.1%	13.7%	13.7%	11.8%	11.9%	12.7%	13.3%	13.6%	12.7%
Police Officers' Retirement System (1)										
Actuarially determined contribution	$ 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	$ 9,209,334
Contributions in relation to actuarially determined contribution (2)	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	9,561,997
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --	$ 265,372	$ (401,196)	$ --	$ (49,056)	$ (352,663)
Covered payroll	$ 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	$ 16,474,658
Contributions as a percentage of covered payroll	65.5%	71.3%	75.0%	62.3%	56.7%	51.4%	55.0%	57.5%	62.6%	58.0%
Firefighters' Retirement System (1)										
Actuarially determined contribution	$ 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	$ 9,209,334
Contributions in relation to actuarially determined contribution (3)	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	9,561,997
Contribution deficiency (excess)	$ 100,752	$ (63,143)	$ (71,737)	$ 400,538	$ --	$ 1,088,805	$ (1,523,856)	$ --	$ (49,056)	$ (352,663)
Covered payroll	$ 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	$ 16,474,658
Contributions as a percentage of covered payroll	72.1%	72.0%	72.0%	66.0%	68.9%	51.9%	76.6%	57.5%	62.6%	58.0%

(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	10/1/2021	10/1/2021	10/1/2021
Measurement date	9/30/2023	9/30/2023	9/30/2023

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

NOTE 2 – SIGNIFICANT ACTUARIAL ASSUMPTIONS (CONTINUED)

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

	Annual Money-Weighted Rate of Return, Net of Investment Expenses		
Fiscal Year Ended September 30,	General Employees' Pension Plan	Police Officers' Retirement System	Firefighters' Retirement System
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)%
2014	12.26%	9.32 %	9.32 %

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 SIX FISCAL YEARS

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

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:

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

CITY OF DELRAY BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
CITY OPEB PLAN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SIX FISCAL YEARS

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

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

1. 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

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

2. 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.

CITY OF DELRAY BEACH, FLORIDA

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

LAST SIX FISCAL YEARS

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

Notes to Schedule:

Actuarial Assumptions:

Actuarial valuation date	9/30/2022
Measurement date	9/30/2023

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.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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.

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.

CITY OF DELRAY BEACH, FLORIDA

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	Special Revenue						Debt Service		Capital Projects			
	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	Capital Improvement	Total Non-Major Governmental Funds
Assets												
Cash and cash equivalents	$ 786,811	$ 1,083,253	$ 2,248,482	$ 128,855	$ 7,156,820	$ --	$ 150,357	$ 1,504,044	$ --	$ 97,402	$ 2,846,202	$ 16,002,226
Investments	--	--	--	--	1,857,012	6,009,337	--	--	--	--	7,209,445	15,075,794
Accounts receivable, net	--	--	--	--	--	182,730	--	--	--	--	--	182,730
Interest receivable	--	--	--	--	12,863	41,625	--	--	--	--	49,934	104,422
Due from other governments	--	--	--	--	--	--	--	--	--	202,117	1,091,753	1,293,870
Due from other funds	--	--	15,763	--	--	--	--	--	--	--	4,320,048	4,335,811
Prepaid items	--	--	--	--	7,904	--	--	--	--	--	--	7,904
Total Assets	$ 786,811	$ 1,083,253	$ 2,264,245	$ 128,855	$ 9,034,599	$ 6,233,692	$ 150,357	$ 1,504,044	$ --	$ 299,519	$ 15,517,382	$ 37,002,757
LIABILITIES, DEFERRED INFLOWS OF Liabilities and Fund Balances												
Liabilities												
Accounts payable and accrued items	$ --	$ 38,747	$ 31,495	$ --	$ 83,099	$ 169,562	$ --	$ --	$ --	$ 86,350	$ 1,331,367	$ 1,740,620
Due to other funds	--	--	--	--	--	656,432	--	--	2,257	--	--	658,689
Deposits payable	--	--	--	--	--	17,069	--	--	--	--	--	17,069
Total Liabilities	--	38,747	31,495	--	83,099	843,063	--	--	2,257	86,350	1,331,367	2,416,378
DEFERRED INFLOWS OF RESOURCES												
Unavailable revenue	--	--	--	--	--	1,519,098	--	--	--	--	1,898,866	3,417,964
Fund Balances												
Nonspendable:												
Prepaid items	--	--	--	--	7,904	--	--	--	--	--	--	7,904
Restricted for:												
Debt service	--	--	--	--	--	--	150,357	1,504,044	--	--	--	1,654,401
Law enforcement	786,811	--	--	--	--	351,647	--	--	--	--	--	1,138,458
Capital improvements	--	--	--	--	--	1,547,417	--	--	(2,257)	--	--	1,545,160
Community development	--	--	--	--	--	201,696	--	--	--	--	--	201,696
Assigned to:												
Public safety	--	--	--	--	--	205,673	--	--	--	--	--	205,673
Parks and recreation	--	--	--	--	--	805,037	--	--	--	--	--	805,037
Capital improvements	--	1,044,506	2,232,750	128,855	8,943,596	760,061	--	--	--	213,169	12,287,149	25,610,086
Total Fund Balances	786,811	1,044,506	2,232,750	128,855	8,951,500	3,871,531	150,357	1,504,044	(2,257)	213,169	12,287,149	31,168,415
Total Liabilities and Fund Balances	$ 786,811	$ 1,083,253	$ 2,264,245	$ 128,855	$ 9,034,599	$ 6,233,692	$ 150,357	$ 1,504,044	$ --	$ 299,519	$ 15,517,382	$ 37,002,757

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, 2023

	Special Revenue						Debt Service		Capital Projects			
	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	Capital Improvement	Total Non-Major Governmental Funds
Revenues												
Taxes	$ --	$ --	$ --	$ 1,488,126	$ --	$ --	$ 2,162,758	$ --	$ --	$ --	$ --	$ 3,650,884
Intergovernmental	--	--	--	--	--	--	--	--	--	235,177	1,365,486	1,600,663
Charges for services	--	--	--	--	9,058,086	466,472	--	--	--	--	--	9,524,558
Fines and forfeitures	32,104	--	--	--	104,892	55,885	--	--	--	--	--	192,881
Miscellaneous	--	289,000	51,139	--	57,944	290,425	--	--	--	--	4,918,025	5,606,533
Total Revenues	32,104	289,000	51,139	1,488,126	9,220,922	812,782	2,162,758	--	--	235,177	6,283,511	20,575,519
Expenditures												
Current:												
General government	--	431,754	--	--	4,843,930	61,054	--	--	59,124	--	1,784,390	7,180,252
Public safety	5,000	--	--	--	--	13,042	--	--	--	--	--	18,042
Physical environment	--	--	1,028,452	--	--	--	--	--	--	--	--	1,028,452
Parks and recreation	--	--	--	--	--	958,222	--	--	--	569,685	--	1,527,907
Capital outlay	--	--	--	718,386	381,672	168,534	--	--	--	--	10,772,300	12,040,892
Debt service:				--								
Principal retirement	--	--	--	--	94,111	--	2,015,000	2,280,000	--	--	713,207	5,102,318
Interest and fiscal charges	--	--	--	--	7,164	--	115,461	1,148,900	--	--	12,362	1,283,887
Total Expenditures	5,000	431,754	1,028,452	718,386	5,326,877	1,200,852	2,130,461	3,428,900	59,124	569,685	13,282,259	28,181,750
Excess of Revenues Over (Under) Expenditures	27,104	(142,754)	(977,313)	769,740	3,894,045	(388,070)	32,297	(3,428,900)	(59,124)	(334,508)	(6,998,748)	(7,606,231)
Other Financing Sources/(Uses)												
Subscriptions based financing arrangements	--	--	--	--	343,456	--	--	--	--	--	1,989,285	2,332,741
Transfers in	--	--	1,072,440	--	--	--	--	3,428,900	--	500,000	3,350,000	8,351,340
Transfers out	--	--	(29,033)	(1,100,000)	(288,000)	--	--	--	--	--	--	(1,417,033)
Total Other Financing Sources/(Uses)	--	--	1,043,407	(1,100,000)	55,456	--	--	3,428,900	--	500,000	5,339,285	9,267,048
Net Change in Fund Balance	27,104	(142,754)	66,094	(330,260)	3,949,501	(388,070)	32,297	--	(59,124)	165,492	(1,659,463)	1,660,817
Fund Balances - October 1, 2022	759,707	1,187,260	2,166,656	459,115	5,001,999	4,259,601	118,060	1,504,044	56,867	47,677	13,946,612	29,507,598
Fund Balances - September 30, 2023	$ 786,811	$ 1,044,506	$ 2,232,750	$ 128,855	$ 8,951,500	$ 3,871,531	$ 150,357	$ 1,504,044	$ (2,257)	$ 213,169	$ 12,287,149	$ 31,168,415

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.

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.

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, 2023

	Stormwater	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Assets						
Current Assets:						
Cash and cash equivalents	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Investments	10,334,676	--	--	2,168,437	1,441,780	13,944,893
Accounts receivable, net	14,574	2,117	--	--	12,268	28,959
Lease receivable	--	160,926	--	--	--	160,926
Interest receivable	71,586	157	--	15,020	9,987	96,750
Inventories	--	70,619	14,112	--	--	84,731
Prepaid expenses	--	195,077	57,323	--	--	252,400
Total Current Assets	10,466,998	1,756,921	1,306,011	2,183,457	1,464,035	17,177,422
Noncurrent Assets:						
Property, land and equipment						
Land	1,271,853	1,415,483	1,963,894	42,840	--	4,694,070
Buildings	1,904,722	2,309,543	140,718	--	--	4,354,983
Improvements other than buildings	18,609,444	1,255,063	899,663	1,173,492	--	21,937,662
Equipment	1,254,749	1,461,268	312,892	86,026	--	3,114,935
Construction in progress	1,226,830	--	--	--	171,715	1,398,545
Accumulated depreciation	(11,057,378)	(4,103,028)	(1,080,337)	(1,198,966)	--	(17,439,709)
Other asset						
Net pension asset	7,377	--	--	--	--	7,377
Total Noncurrent Assets	13,217,597	2,338,329	2,236,830	103,392	171,715	18,067,863
Total Assets	23,684,595	4,095,250	3,542,841	2,286,849	1,635,750	35,245,285
Deferred Outflows of Resources						
Deferred amount related to OPEB liability	24,318	--	--	--	--	24,318
Deferred amount related to pensions	29,902	--	--	--	--	29,902
Total Deferred Outflows of Resources	54,220	--	--	--	--	54,220
Liabilities						
Current Liabilities:						
Accounts payable and accrued expenses	110,305	256,681	-	-	12,830	379,816
Unearned revenue	956,323	--	--	2,577	--	958,900
Current lease liability	--	26,620	17,863	--	--	44,483
Current portion of compensated absences	634	--	--	--	--	634
Due to other funds	8,134,163	--	--	487,012	260,027	8,881,202
Refundable deposits payable	--	10,697	--	22,831	--	33,528
Total Current Liabilities	9,201,425	293,998	17,863	512,420	272,857	10,298,563
Noncurrent Liabilities:						
Lease liability	--	49,179	33,003	--	--	82,182
Compensated absences payable	74,175	--	--	--	--	74,175
Net OPEB liability	68,228	--	--	--	--	68,228
Net pension liability	--	--	--	--	--	--
Total Noncurrent Liabilities	142,403	49,179	33,003	--	--	224,585
Total Liabilities	9,343,828	343,177	50,866	512,420	272,857	10,523,148
Deferred Inflows of Resources						
Deferred amount related to OPEB liability	71,365	--	--	--	--	71,365
Deferred amount related to pensions	872	--	--	--	--	872
Deferred amount related to leases	--	155,281	--	--	--	155,281
Total Deferred Inflows of Resources	72,237	155,281	--	--	--	227,518
Net Position						
Net investment in capital assets	13,210,220	2,262,530	2,185,964	103,392	171,715	17,933,821
Restricted for:						
Net pension asset	7,377	--	--	--	--	7,377
Unrestricted	1,105,153	1,334,262	1,306,011	1,671,037	1,191,178	6,607,641
Total Net Position	$ 14,322,750	$ 3,596,792	$ 3,491,975	$ 1,774,429	$ 1,362,893	$ 24,548,839

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, 2023

	Stormwater	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Operating Revenues						
Charges for services	$ 1,986,744	$ 3,030,190	$ 1,026,763	$ 267,673	115,625	$ 6,426,995
Other operating revenue	21,813	35,828	7,171	1,908	--	66,720
Total Operating Revenues	2,008,557	3,066,018	1,033,934	269,581	115,625	6,493,715
Operating Expenses						
Personal services	486,594	--	--	--	--	486,594
Operating expenses	919,675	2,822,590	784,230	77,260	1,357	4,605,112
Depreciation	620,377	221,801	71,510	3,719	--	917,407
Total Operating Expenses	2,026,646	3,044,391	855,740	80,979	1,357	6,009,113
Operating Income (loss)	(18,089)	21,627	178,194	188,602	114,268	484,602
Nonoperating Revenues (Expenses)						
Investment earnings	299,205	1,773	--	62,506	41,560	405,044
Rent revenue	--	32,910	--	--	--	32,910
Interest expense	--	(3,246)	(2,178)	--	--	(5,424)
Gain on disposal of equipment	--	5,174	--	--	--	5,174
Total Nonoperating Revenues (Expenses)	299,205	36,611	(2,178)	62,506	41,560	437,704
Income Before Transfers	281,116	58,238	176,016	251,108	155,828	922,306
Transfers in	500,000	--	--	--	--	500,000
Transfers out	(498,782)	(33,958)	(20,550)	(74,834)	(50,819)	(678,943)
Change In Net Position	282,334	24,280	155,466	176,274	105,009	743,363
Net Position - October 1, 2022	14,040,416	3,572,512	3,336,509	1,598,155	1,257,884	23,805,476
Net Position - September 30, 2023	$ 14,322,750	$ 3,596,792	$ 3,491,975	$ 1,774,429	$ 1,362,893	$ 24,548,839

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Stormwater	Municipal Golf Course	Lakeview Golf Course	City Marina	Cemetery	Total Non-Major Enterprise Funds
Cash Flows From Operating Activities						
Receipts from customers and users	$ 2,954,593	$ 2,995,985	$ 1,035,953	$ 281,437	$ 115,625	$ 7,383,593
Receipts from others	--	30,743	--	--	233,264	264,007
Payments to suppliers	(1,246,047)	(2,874,951)	(809,341)	(18,605)	(1,357)	(4,950,301)
Payments to employees	(477,557)	--	--	--	--	(477,557)
Net Cash Provided by Operating Activities	1,230,989	151,777	226,612	262,832	347,532	2,219,742
Cash Flows From Noncapital Financing Activity						
Transfers from other funds	500,000	--	--	--	--	500,000
Transfers to other funds	(498,782)	(33,958)	(20,550)	(74,834)	(50,819)	(678,943)
Net Cash Provided by (Used in) Noncapital Financing Activity	1,218	(33,958)	(20,550)	(74,834)	(50,819)	(178,943)
Cash Flows From Capital and Related Financing Activities						
Acquisition and construction of capital assets	(337,517)	(25,431)	(5,775)	--	(171,715)	(540,438)
Principal paid on capital debt	--	(25,883)	(17,175)	--	--	(43,058)
Interest paid on capital debt	--	(3,246)	(2,178)	--	--	(5,424)
Net Cash Used in Capital and Related Financing Activities	(337,517)	(54,560)	(25,128)	--	(171,715)	(588,920)
Cash Flows From Investing Activities						
Purchases of investments	(1,146,887)	--	--	(240,640)	(160,000)	(1,547,527)
Interest on investments	252,197	1,789	--	52,642	35,002	341,630
Net Cash Provided by (Used in) Investing Activities	(894,690)	1,789	--	(187,998)	(124,998)	(1,205,897)
Net Change in Cash and Cash Equivalents	--	65,048	180,934	--	--	245,982
Cash and Cash Equivalents - October 1, 2022	46,162	1,262,977	1,053,642	--	--	2,362,781
Cash and Cash Equivalents - September 30, 2023	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Reconciliation of cash and cash equivalents to statement of net position:						
Unrestricted cash and cash equivalents	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Cash and cash equivalents - September 30, 2023	$ 46,162	$ 1,328,025	$ 1,234,576	$ --	$ --	$ 2,608,763
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating income (loss)	$ (18,089)	$ 21,627	$ 178,194	$ 188,602	$ 114,268	$ 484,602
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation expense	620,377	221,801	71,510	3,719	--	917,407
Rent revenue	--	32,910	--	--	--	32,910
Change in assets, liabilities and deferred inflows/outflows:						
Accounts receivable	(10,287)	(1,853)	--	--	--	(12,140)
Lease receivable	--	17,516	--	--	--	17,516
Inventories	--	6,485	2,019	--	--	8,504
Prepaid expenses	--	(65,113)	(24,917)	--	--	(90,030)
Deferred amount related to OPEB liability	(1,071)	--	--	--	--	(1,071)
Deferred amount related to pensions	112,411	--	--	--	--	112,411
Deferred amount related to leases	--	(19,683)	--	--	--	(19,683)
Accounts payable and accrued expenses	(21,536)	12,752	(194)	(320)	12,055	2,757
Unearned revenue	956,323	--	--	--	--	956,323
Refundable deposits payable	--	(74,665)	--	11,856	--	(62,809)
Compensated absences payable	56,657	--	--	--	--	56,657
Net OPEB liability	(53,131)	--	--	--	--	(53,131)
Net pension asset	(105,829)	--	--	--	--	(105,829)
Due to other funds	(304,836)	--	--	58,975	221,209	(24,652)
Total adjustments	1,249,078	130,150	48,418	74,230	233,264	1,735,140
Net Cash Provided by Operating Activities	$ 1,230,989	$ 151,777	$ 226,612	$ 262,832	$ 347,532	$ 2,219,742

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, 2023

	Insurance	Central Garage	Total Internal Service Funds
Assets			
Current Assets:			
Cash and cash equivalents	$ --	$ 100	$ 100
Investments	11,776,456	6,724,460	18,500,916
Accounts receivable, net	16,414	--	16,414
Interest receivable	81,701	46,579	128,280
Inventories	--	123,974	123,974
Total Current Assets	11,874,571	6,895,113	18,769,684
Noncurrent Assets:			
Property and equipment			
Buildings	--	88,185	88,185
Equipment	114,047	36,250,670	36,364,717
Subscriptions based IT arrangements	--	154,342	154,342
Accumulated depreciation and amortization	(114,047)	(25,769,071)	(25,883,118)
Other asset			
Net pension asset	8,147	14,946	23,093
Total Noncurrent Assets	8,147	10,739,072	10,747,219
Total Assets	11,882,718	17,634,185	29,516,903
Deferred Outflows of Resources			
Deferred amount related to OPEB	24,318	53,247	77,565
Deferred amount related to pensions	33,022	60,584	93,606
Total Deferred Outflows of Resources	57,340	113,831	171,171
Liabilities			
Current Liabilities:			
Accounts payable and accrued expenses	537,157	97,123	634,280
Current maturities of installment agreements	--	224,278	224,278
Current portion of compensated absences	3,211	19,547	22,758
Current portion of subscription liability	--	6,992	6,992
Current portion of insurance claims payable	3,581,135	--	3,581,135
Due to other funds	1,644,508	6,757,795	8,402,303
Total Current Liabilities	5,766,011	7,105,735	12,871,746
Noncurrent Liabilities:			
Compensated absences payable	56,188	89,079	145,267
Subscription liability, net of current portion	--	39,039	39,039
Insurance claims payable	5,095,000	--	5,095,000
Total OPEB liability	68,228	149,395	217,623
Total Noncurrent Liabilities	5,219,416	277,513	5,496,929
Total Liabilities	10,985,427	7,383,248	18,368,675
Deferred Inflows of Resources			
Deferred amount related to OPEB	71,365	156,265	227,630
Deferred amount related to pensions	963	1,766	2,729
Total Deferred Inflows of Resources	72,328	158,031	230,359
Net Position			
Net investment in capital assets	--	10,499,848	10,499,848
Restricted for:			
Net pension assets	8,147	14,946	23,093
Unrestricted (deficit)	874,156	(308,057)	566,099
Total Net Position	$ 882,303	$ 10,206,737	$ 11,089,040

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, 2023

	Insurance	Central Garage	Total Internal Service Funds
Operating Revenues			
Charges for services	$ 21,708,474	$ 2,983,677	$ 24,692,151
Other operating revenue	1,229,554	2,452,990	3,682,544
Total Operating Revenues	22,938,028	5,436,667	28,374,695
Operating Expenses			
Personal services	1,007,720	1,250,185	2,257,905
Other operating expenses	22,215,634	2,445,629	24,661,263
Depreciation and amortization	--	3,406,194	3,406,194
Total Operating Expenses	23,223,354	7,102,008	30,325,362
Operating Loss	(285,326)	(1,665,341)	(1,950,667)
Nonoperating Revenues (Expenses)			
Investment earnings	339,454	193,828	533,282
Interest expense	--	(7,983)	(7,983)
Gain on disposal of equipment	--	174,870	174,870
Total Nonoperating Revenues	339,454	360,715	700,169
Income (Loss) Before Transfers and Contributions	54,128	(1,304,626)	(1,250,498)
Capital contributions	--	387,238	387,238
Transfers in	--	300,970	300,970
Change In Net Position	54,128	(616,418)	(562,290)
Net Position - October 1, 2022	828,175	10,823,155	11,651,330
Net Position - September 30, 2023	$ 882,303	$ 10,206,737	$ 11,089,040

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Insurance	Central Garage	Total Internal Service Funds
Cash Flows From Operating Activities			
Receipts from customers and users	$ 23,615,556	$ 6,782,749	$ 30,398,305
Payments to suppliers	(21,863,296)	(1,650,804)	(23,514,100)
Payments to employees	(915,216)	(1,274,841)	(2,190,057)
Net Cash Provided by Operating Activities	837,044	3,857,104	4,694,148
Cash Flows From Noncapital Financing Activity			
Transfers from other funds	--	300,970	300,970
Net Cash Provided by Noncapital Financing Activity	--	300,970	300,970
Cash Flows From Capital and Related Financing Activities			
Acquisition and construction of capital assets	--	(3,455,900)	(3,455,900)
Proceeds from the sale of capital assets	--	216,099	216,099
Principal paid on installment agreements	--	(218,973)	(218,973)
Principal paid on subscription liability	--	(108,311)	(108,311)
Interest paid on installment agreements	--	(7,983)	(7,983)
Net Cash Used in Capital and Related Financing Activities	--	(3,575,068)	(3,575,068)
Cash Flows From Investing Activities			
Sale of investments	(1,306,887)	(746,247)	(2,053,134)
Interest on investments	285,888	163,241	449,129
Net Cash Used in Investing Activities	(1,020,999)	(583,006)	(1,604,005)
Net Change in Cash and Cash Equivalents	(183,955)	--	(183,955)
Cash and Cash Equivalents - October 1, 2022	183,955	100	184,055
Cash and Cash Equivalents - September 30, 2023	$ --	$ 100	$ 100
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	$ (285,326)	$ (1,665,341)	$ (1,950,667)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation expense	--	3,406,194	3,406,194
Change in assets, liabilities and deferred inflows/outflows			
Accounts receivable	25	--	25
Due from other funds	11,600	--	11,600
Prepaid expenses	--	889,033	889,033
Deferred amount related to OPEB	33,461	20,369	53,830
Deferred amount related to pensions	144,405	246,963	391,368
Accounts payable and accrued expenses	(8,598)	(94,208)	(102,806)
Due to other funds	665,903	1,346,082	2,011,985
Compensated absences payable	11,653	(5,142)	6,511
Insurance claims payable	360,936	--	360,936
Total OPEB liability	33,962	(59,057)	(25,095)
Net pension asset	(130,977)	(227,789)	(358,766)
Total adjustments	1,122,370	5,522,445	6,644,815
Net Cash Provided by Operating Activities	$ 837,044	$ 3,857,104	$ 4,694,148
Non-Cash Capital and Related Financing and Investing Activities			
Equipment contributed from governmental capital assets	$ --	$ 387,238	$ 387,238
Subscriptions initiations	$ --	$ 154,342	$ 154,342

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, 2023

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
Assets				
Cash	$ 56,724	$ 121,715	$ 61,600	$ 240,039
Investments:				
Money market mutual funds	4,108,883	1,651,931	3,246,521	9,007,335
U.S. Government securities	7,257,093	--	--	7,257,093
Collateralized mortgage obligations	9,273,427	--	--	9,273,427
Domestic corporate bonds	1,839,795	--	--	1,839,795
Fixed income mutual fund	20,524,931	10,835,400	25,289,455	56,649,786
Global asset allocation investment fund	--	11,463,043	--	11,463,043
Domestic equity securities	30,472,044	35,609,731	36,389,695	102,471,470
Domestic equity mutual funds	21,990,975	11,185,472	5,715,900	38,892,347
Domestic equity index funds	--	14,289,646	15,945,854	30,235,500
Pooled domestic equity index funds	55,808,542	9,890,824	13,531,608	79,230,974
International equity mutual funds	--	14,073,317	22,133,471	36,206,788
Foreign stocks	5,722,982	1,678,283	7,561,776	14,963,041
Real estate investment funds	--	9,846,938	11,617,483	21,464,421
Fixed income alternative investment fund	3,347,124	2,935,496	1,922,059	8,204,679
Interest and dividends receivable	153,291	21,158	37,934	212,383
Pending trades receivable	419,101	328,936	596,432	1,344,469
Total Assets	160,974,912	123,931,890	144,049,788	428,956,590
LIABILITIES				
Accounts payable	203,668	77,199	84,034	364,901
Pending trades payable	437,173	11,742	604,133	1,053,048
Refunds due to members	--	113,301	--	113,301
Total Liabilities	640,841	202,242	688,167	1,531,250
NET POSITION				
Restricted for pension benefits	$ 160,334,071	$ 123,729,648	$ 143,361,621	$ 427,425,340

CITY OF DELRAY BEACH, FLORIDA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General Employees' Pension	Police Officers' Retirement System	Firefighters' Retirement System	Total Pension Trust Funds
Additions				
Contributions				
Employer	$ 2,357,598	$ 7,882,933	$ 8,300,261	$ 18,540,792
State of Florida	--	1,036,799	1,796,317	2,833,116
Plan members	1,665,136	1,252,569	1,301,713	4,219,418
Total contributions	4,022,734	10,172,301	11,398,291	25,593,326
Investment earnings				
Net appreciation in fair value of investments	17,181,480	10,042,209	12,345,891	39,569,580
Interest, dividends and investment fund income	4,104,974	5,032,663	3,561,577	12,699,214
Other investment income	2,515	1,668	283	4,466
	21,288,969	15,076,540	15,907,751	52,273,260
Less investment expenses	(335,220)	(772,967)	(802,466)	(1,910,653)
Net investment earnings	20,953,749	14,303,573	15,105,285	50,362,607
Total Additions	24,976,483	24,475,874	26,503,576	75,955,933
Deductions				
Benefits	8,238,834	9,915,657	10,286,274	28,440,765
Refunds of contributions	124,445	32,969	226,601	384,015
Administrative expenses	130,830	182,489	165,835	479,154
Total Deductions	8,494,109	10,131,115	10,678,710	29,303,934
Change In Net Position	16,482,374	14,344,759	15,824,866	46,651,999
Net Position Restricted for Pension Benefits at October 1, 2022	143,851,697	109,384,889	127,536,755	380,773,341
Net Position Restricted for Pension Benefits at September 30, 2023	$ 160,334,071	$ 123,729,648	$ 143,361,621	$ 427,425,340

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY SCHEDULES

CITY OF DELRAY BEACH, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenue				
Taxes:				
Ad valorem	$ 91,197,447	$ 91,197,447	$ 90,551,572	$ (645,875)
Utility	7,572,500	7,572,500	8,559,078	986,578
Communications services tax	3,199,405	3,199,405	3,282,326	82,921
Business tax receipts	895,000	895,000	833,079	(61,921)
Total taxes	102,864,352	102,864,352	103,226,055	361,703
Fees and permits:				
Building permits	--	--	72,868	72,868
Franchise fees	6,128,767	6,379,081	6,930,375	551,294
Miscellaneous	3,465,000	3,465,000	4,319,910	854,910
License fees	170,000	170,000	111,783	(58,217)
Total fees and permits	9,763,767	10,014,081	11,434,936	1,420,855
Intergovernmental:				
Federal shared revenue:				
Homeland Security Grants	155,044	155,044	53,209	(101,835)
FEMA Grants	--	--	483,284	483,284
ARPA Funds	3,369,740	3,369,740	3,369,740	--
Hazmat Sustainment	--	--	71,899	71,899
PEMT Funds	971,243	971,243	425,069	(546,174)
Highway Safety Grants	--	--	130,000	130,000
Justice Assistance Grants	10,000	10,000	80,790	70,790
Total federal shared revenue	4,506,027	4,506,027	4,613,991	107,964
State shared revenue:				
State revenue sharing	2,641,846	2,942,380	3,076,142	133,762
Local government sales tax	6,075,977	6,440,977	6,911,462	470,485
Alcoholic beverage licenses tax	95,000	95,000	96,018	1,018
Municipal fuel tax refund	51,500	51,500	57,692	6,192
Mobile home licenses tax	300	300	605	305
Fire incentive	82,400	82,400	71,231	(11,169)
State grants	--	--	7,717	7,717
Total state shared revenue	8,947,023	9,612,557	10,220,867	608,310
Shared revenue from local units:				
County occupational licenses	130,000	130,000	145,117	15,117
Palm Beach County grants	--	--	126,198	126,198
Total shared revenue from local units	130,000	130,000	271,315	141,315
Total intergovernmental	13,583,050	14,248,584	15,106,173	857,589

(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, 2023

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
Revenue (continued):				
Charges for services:				
General government	$ 1,209,100	$ 1,209,100	$ 919,099	$ (290,001)
Public safety	9,762,728	9,762,728	10,485,433	722,705
Physical environment	85,000	85,000	142,079	57,079
Parking	3,444,496	3,444,496	3,960,840	516,344
Culture and recreation	2,616,750	2,616,750	2,387,784	(228,966)
Total charges for services	17,118,074	17,118,074	17,895,235	777,161
Fines and forfeitures:				
Court	815,000	815,000	1,351,110	536,110
Penalties on licenses and permits	78,500	78,500	70,163	(8,337)
Violations of local ordinances	160,000	160,000	295,557	135,557
Total fines and forfeitures	1,053,500	1,053,500	1,716,830	663,330
Miscellaneous:				
Interest	904,400	1,946,400	3,053,661	1,107,261
Rents and special assessments	335,000	364,657	333,022	(31,635)
Sale of capital assets	101,730	--	--	--
Contributions and donations	6,112,759	6,112,759	5,814,300	(298,459)
Recovery of administrative costs	5,304,592	5,304,592	5,292,684	(11,908)
Other	294,090	294,090	300,483	6,393
Total miscellaneous	13,052,571	14,022,498	14,794,150	771,652
Total Revenue	157,435,314	159,321,089	164,173,379	4,852,290
Other Financing Sources:				
Prior year surplus	2,500,000	3,971,345	--	(3,971,345)
Transfers in:				
Water and Sewer Fund	4,285,643	4,285,643	4,070,868	(214,775)
Municipal Golf Course Fund	54,508	54,508	54,508	--
City Marina Fund	74,834	74,834	74,834	--
Sanitation Fund	103,795	103,795	103,795	--
Stormwater Utility Fund	728,996	728,996	465,859	(263,137)
LOGT Fund	1,100,000	1,100,000	1,100,000	--
Building Fund	288,000	288,000	288,000	--
Neighborhood Services Fund	24,975	24,975	24,975	--
Beautification Fund	29,033	29,033	29,033	--
Total transfers in	6,689,784	6,689,784	6,211,872	(477,912)
Total Other Financing Sources	9,189,784	10,661,129	6,211,872	(4,449,257)
Total Revenue and Other Financing Sources	$ 166,625,098	$ 169,982,218	170,385,251	$ 403,033
Reconciliation to GAAP Basis Statements				
On-behalf payments			2,833,116	
Proceeds from sale of capital assets			1,400	
Issuance of subscriptions			3,135,106	
Revenue and Other Financing Sources - GAAP Basis			$ 176,354,873	

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, 2023

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
General Government						
City commission	$ 536,336	$ 536,336	$ 435,492	$ --	$ 435,492	$ 100,844
City manager	1,492,374	1,646,721	1,028,170	20,194	1,048,364	598,357
Communications	289,465	3,000	64,853	--	64,853	(61,853)
Economic development	693,264	766,070	471,026	--	471,026	295,044
Human resources	1,076,466	1,097,766	1,027,986	--	1,027,986	69,780
City clerk	824,653	850,773	718,285	--	718,285	132,488
Finance	2,884,878	2,884,878	2,748,354	54,955	2,803,309	81,569
Information technology	5,258,290	5,722,899	4,488,768	372,960	4,861,728	861,171
Subscriptions	--	--	3,135,106	372,960	3,508,066	(3,508,066)
City attorney	1,448,584	1,448,584	1,289,292	--	1,289,292	159,292
Grants and Aids:						
Library	1,453,500	1,453,500	1,453,500	--	1,453,500	--
Other grants and aids	294,910	294,910	271,010	--	271,010	23,900
Miscellaneous and contingency	660,472	634,472	301,414	--	301,414	333,058
Tax increment payments to CRA	18,566,537	18,566,537	18,555,761	--	18,555,761	10,776
Total General Government	$ 35,479,729	$ 35,906,446	$ 35,989,017	$ 821,069	$ 36,810,086	$ (903,640)
Public Safety						
Police	$ 44,955,857	$ 44,880,201	$ 43,987,170	$ 141,715	$ 44,128,885	$ 751,316
Fire	41,524,339	41,940,608	41,684,954	218,740	41,903,694	36,914
Development services						
Planning and zoning	2,401,636	2,501,336	1,837,619	438	1,838,057	663,279
Neighborhood and Community Services:						
Administration	438,347	463,347	420,803	--	420,803	42,544
Clean and Safe	1,501,525	1,472,275	1,345,229	--	1,345,229	127,046
Code compliance	1,800,130	1,804,380	1,623,564	--	1,623,564	180,816
Communications	--	508,585	480,363	--	480,363	28,222
Total Public Safety	$ 92,621,834	$ 93,570,732	$ 91,379,702	$ 360,893	$ 91,740,595	$ 1,830,137
Physical Environment						
Public works:						
Engineering	$ 1,735,345	$ 1,804,623	$ 1,269,108	$ 210,473	$ 1,479,581	$ 325,042
Programs	412,936	433,175	261,829	--	261,829	171,346
Project management	593,077	593,077	603,328	--	603,328	(10,251)
Administration	775,982	775,982	800,808	--	800,808	(24,826)
Street maintenance	1,714,035	1,689,433	1,314,197	--	1,314,197	375,236
Traffic operations	454,201	455,451	460,036	1,250	461,286	(5,835)
Street lighting	827,521	837,001	951,398	9,480	960,878	(123,877)
Parking facilities	2,249,213	1,965,413	1,877,531	--	1,877,531	87,882
Building maintenance	2,785,022	3,275,120	2,977,743	290,076	3,267,819	7,301
Total Physical Environment	$ 11,547,332	$ 11,829,275	$ 10,515,978	$ 511,279	$ 11,027,257	$ 802,018

(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, 2023

	Original Budget	Final Amended Budget	Current Year Expenditures	Current Year Encumbrances Outstanding	Total Expenditures and Encumbrances	Unencumbered Balance Lapsed
Parks and Recreation						
Administration	$ 1,458,329	$ 1,458,329	$ 1,266,455	$ --	$ 1,266,455	$ 191,874
Out of school program	334,225	334,225	359,042	--	359,042	(24,817)
Teen center	412,644	412,644	354,144	--	354,144	58,500
Catherine Strong Park	478,482	478,482	445,034	--	445,034	33,448
Community center	431,935	447,980	385,997	--	385,997	61,983
Veteran's park recreation facility	240,113	240,113	234,703	--	234,703	5,410
Pompey Park recreation facility	1,103,271	1,130,613	1,152,268	4,800	1,157,068	(26,455)
Parks maintenance	4,803,442	4,838,078	4,673,032	82,544	4,755,576	82,502
Special events	1,002,009	2,027,009	1,758,241	--	1,758,241	268,768
Cemetery	548,320	597,188	555,181	--	555,181	42,007
Tennis centers	2,085,015	2,415,005	2,323,549	38,178	2,361,727	53,278
Tennis stadium	3,344,510	3,468,825	2,931,766	--	2,931,766	537,059
Aquatics	640,998	643,602	513,939	--	513,939	129,663
Athletics	642,194	642,194	676,931	12,580	689,511	(47,317)
Total Parks and Recreation	$ 17,525,487	$ 19,134,287	$ 17,630,282	$ 138,102	$ 17,768,384	$ 1,365,903
Debt Service						
Principal retirement	391,380	369,380	1,194,581	--	1,194,581	(825,201)
Interest and fiscal charges	18,186	18,186	120,739	--	120,739	(102,553)
Total Debt Service	409,566	387,566	1,315,320	--	1,315,320	(927,754)
Total Expenditures and Encumbrances	157,583,948	160,828,306	156,830,299	1,831,343	158,661,642	2,166,664
Other Financing Uses						
Transfers out to other funds:						
Neighborhood Services Fund	195,000	195,000	195,000	--	195,000	--
Beautification Fund	1,067,250	1,067,250	1,067,250	--	1,067,250	--
Utilities Tax Fund	3,428,900	3,428,900	3,428,900	--	3,428,900	--
Capital Improvement Fund	3,350,000	3,350,000	3,350,000	--	3,350,000	--
Beach Restoration Fund	500,000	500,000	500,000	--	500,000	--
Central Garage Fund	--	112,762	112,762	--	112,762	--
Stormwater Fund	500,000	500,000	500,000	--	500,000	--
Total Other Financing Uses	9,041,150	9,153,912	9,153,912	--	9,153,912	--
Total Expenditures, Encumbrances and Other Financing Uses	$ 166,625,098	$ 169,982,218	$ 165,984,211	$ 1,831,343	167,815,554	$ 2,166,664
Reconciliation to GAAP Basis Statements						
Current year encumbrances outstanding					(1,831,343)	
Prior year encumbrances paid in current year					1,100,898	
On-behalf payments					2,833,116	
Expenditures and Other Financing Uses - GAAP Basis					$ 169,918,225	

SCHEDULES OF DEBT SERVICE REQUIREMENTS

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	Installment Agreements	Total Requirements
2024	$ 2,134,041	$ 7,576,223	$ 387,545	$ 10,097,809
2025	--	6,947,725	--	6,947,725
2026	--	6,940,526	--	6,940,526
2027	--	6,951,004	--	6,951,004
2028	--	3,428,500	--	3,428,500
2029	--	3,432,850	--	3,432,850
2030	--	3,429,500	--	3,429,500
2031	--	3,429,812	--	3,429,812
2032	--	3,428,250	--	3,428,250
2033	--	1,028,438	--	1,028,438
2034	--	1,027,050	--	1,027,050
2035	--	1,024,650	--	1,024,650
Total	$ 2,134,041	$ 48,644,528	$ 387,545	$ 51,166,114

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
2024	$ 2,095,000	$ 39,041	$ 2,134,041	$ --
Total	$ 2,095,000	$ 39,041	$ 2,134,041	

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF GENERAL OBLIGATION BONDS (SERIES 2005)

Fiscal Year Ending September 30,	Principal February 1	Interest February 1	Interest August 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2024	$ 1,135,000	$ 28,625	$ --	$ 1,163,625	$ --	5.04%
Total	$ 1,135,000	$ 28,625	$ --	$ 1,163,625		

Original Authorization	– $24,000,000
Issued	– $10,000,000
Date of Issue	– August 26, 2005
Maturity Range	– Serially February 1, 2014 through February 1, 2024
Principal Payment Date	– February 1 of each year
Interest Payment Dates	– February 1 and August 1
Denomination	– $5,000
Call Features	– Penalty with early prepayment
Paying Agent	– Truist Bank, NA (formally SunTrust Bank, NA)
Ratings	– N/A

Projects: The bonds were issued for the acquisition of land, equipping of new parks, recreation centers, parking garage and library.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF GENERAL OBLIGATION BONDS (SERIES 2013)

Fiscal Year Ending September 30,	Principal February 1	Interest February 1	Interest August 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2024	960,000	10,416	--	970,416	--	2.17%
Total	$ 960,000	$ 10,416	$ --	$ 970,416		

Original Authorization	– $9,000,000
Issued	– $8,810,000
Date of Issue	– November 21, 2013
Maturity Range	– Serially February 1, 2014 through February 1, 2024
Principal Payment Date	– February 1 of each year
Interest Payment Dates	– February 1 and August 1
Denomination	– $5,000
Call Features	– No optional or mandatory redemption
Paying Agent/Registrar	– PNC Bank
Ratings	– N/A

Projects: The bonds were issued for the purpose of defeasing the Series 2004 GO Bonds which were used for the acquisition of land, equipping of new parks and recreation centers.

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
2024	$ 6,300,562	$ 1,275,661	$ 7,576,223	$ 41,068,305
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	--
Total	$ 42,535,562	$ 6,108,966	$ 48,644,528	

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 Principal October 1	Interest April 1	Interest October 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2024	$ 3,280,000	$ 132,447	$ 100,303	$ 3,512,750	$ 10,538,555	1.96%
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%
Total	$ 13,515,000	$ 334,376	$ 201,929	$ 14,051,305		

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 Principal June 1	Interest December 1	Interest June 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2024	$ 2,400,000	$ 517,450	$ 517,450	$ 3,434,900	$ 30,529,750	5.00%
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
Total	$ 28,400,000	$ 2,782,325	$ 2,782,325	$ 33,964,650		

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.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF INSTALLMENT AGREEMENTS

Fiscal Year Ending September 30,	Principal	Interest	Total	Balance Outstanding at End of Fiscal Year
2024	$ 378,829	$ 8,716	$ 387,545	$ --
Total	$ 378,829	$ 8,716	$ 387,545	

Schedule of installment agreements consists of the following:

PNC Leasing – Original amount of principal—$182,800, 60-month term, 2.85% interest, payable monthly January 7, 2017 through December 7, 2021, secured by golf carts at the Delray Beach Municipal Golf Course.

PNC Leasing – Original amount of principal—$1,462,569, 84-month term, 2.432% interest, payable monthly December 7, 2017 through December 7, 2023, secured by two fire pumper trucks.

PNC Leasing – Original amount of principal—$1,004,607, 84-month term, 2.432% interest, payable monthly December 7, 2017 through December 7, 2023, secured by a fire ladder truck.

Community Leasing Partners – Original amount of principal—$988,279, 3-year term, 4.694% interest, payable annually November 15, 2020 through November 15, 2022, secured by a SCBA equipment.

CITY OF DELRAY BEACH, FLORIDA

COMBINED SCHEDULE OF COMMUNITY REDEVELOPMENT AGENCY TAX INCREMENT REDEVELOPMENT REVENUE BONDS (SERIES 2012 AND SERIES 2015)

Fiscal Year Ending September 30,	Principal April 1/Oct. 1	Interest April 1/Oct. 1	Total	Balance Outstanding at End of Fiscal Year	Interest Rate
2024	$ 620,562	$ 8,011	$ 628,573	$ --	2.78 - 2.88 %
Totals	$ 620,562	$ 8,011	$ 628,573		

Original Authorization	– $4,000,000 (Series 2012 - Tax-exempt draw down bond) – $2,000,000 (Series 2015 - Tax-exempt draw down bond)
Issued	– $3,919,225 draws to October 1, 2018 (Series 2012 - Tax-exempt) – $2,000,000 draws to January 29, 2019 (Series 2015 - Tax-exempt)
Date of Issue	– February 10, 2012 (2012 Series) – January 29, 2016 (2015 Series)
Maturity Range	– Serially September 1, 2018 through October 1, 2023 (Series 2012 and 2015)
Principal Payment Date	– Series 2012: September 1 and April 1 of each year, commencing the first September 1 or April 1 after final draw – Series 2015: September 1 and April 1 of each year, commencing the first September 1 or April 1 after final draw
Interest Rate	– Series 2012: 2.10% on outstanding balance commencing October 1, 2012 and 2.88% on outstanding balance commencing April 1, 2016 – Series 2015: 2.78% on outstanding balance commencing April 1, 2016
Pledged Revenue	– Tax increment revenues
Denomination	– N/A
Call Features	– No penalty for early payment for taxable debt only
Paying Agent/Registrar	– City National Bank of Florida (Series 2012 and 2015)
Ratings	– Not rated
Project:	– The Series 2012 and 2015 proceeds were issued for the purpose of financing the costs of acquisition and construction of certain redevelopment projects.

STATISTICAL SECTION

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.

Contents **Page**

Financial Trends..... 156-164

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 165-167

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity..... 168-171

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..... 172-173

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 174-176

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	$ 69,969,843	$ 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
Restricted	1,745,885	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
Unrestricted (deficit)	51,496,227	(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
Total Governmental Activities Net Position	$ 123,211,955	$ 64,126,580	$ 75,888,401	$ 83,896,536	$ 119,304,646	$ 128,699,650	$ 133,939,589	$ 166,925,098	$ 190,410,198	$ 225,357,656
Business-type Activities										
Net investment in capital assets	$ 85,086,776	$ 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
Restricted	2,222,394	3,880,165	3,572,645	3,604,806	3,744,085	3,494,654	3,558,286	8,879,997	--	163,255
Unrestricted	49,393,057	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
Total Business-type Activities Net Position	$ 136,702,227	$ 143,163,042	$ 153,955,531	$ 161,156,552	$ 165,344,151	$ 170,055,208	$ 174,096,082	$ 175,946,019	$ 173,659,265	$ 175,268,609
Primary Government										
Net investment in capital assets	$ 155,056,619	$ 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
Restricted	3,968,279	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
Unrestricted	100,889,284	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
Total Primary Government Net Position	$ 259,914,182	$ 207,289,622	$ 229,843,932	$ 245,053,088	$ 284,648,797	$ 298,754,858	$ 308,035,671	$ 342,871,117	$ 364,069,463	$ 400,626,265

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

	Fiscal Year									
Expenses	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	$ 23,014,006	$ 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
Public safety	58,417,444	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
Physical environment	7,984,163	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
Parks and recreation	15,370,063	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
Economic development	--	--	--	--	11,244,955	10,920,391	20,293,239	20,002,537	11,885,823	12,778,978
Interest on long-term debt	2,090,947	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
Total Governmental Activities Expenses	106,876,623	104,866,875	112,142,761	123,897,413	151,144,816	167,841,102	177,797,203	166,544,284	187,966,816	202,260,108
Business-type activities:										
Water and Sewer	24,462,318	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
Stormwater	1,476,036	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
Sanitation	4,677,510	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
Municipal Golf Course	3,073,076	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
Lakeview Golf Course	575,059	556,711	566,898	563,587	593,209	626,703	591,710	663,202	718,357	865,054
City Marina	93,963	94,090	88,509	107,813	158,492	165,383	35,908	63,539	176,332	81,653
Cemetery	--	--	--	800	3,339	64,121	367,714	400,292	77,337	1,368
Total Business-type Activities Expenses	34,357,962	35,877,964	33,515,586	37,412,285	38,030,641	37,864,616	39,942,202	40,817,824	47,886,260	49,540,391
Total Primary Government Expenses	$ 141,234,585	$ 140,744,839	$ 145,658,347	$ 161,309,698	$ 189,175,457	$ 205,705,718	$ 217,739,405	$ 207,362,108	$ 235,853,076	$ 251,800,499
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 6,104,202	$ 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
Public safety	7,971,996	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
Physical environment	1,985,081	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
Parks and recreation	1,860,432	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
Economic development	--	--	--	--	424,354	161,313	125,106	143,469	177,097	227,037
Operating grants and contributions:										
General government	4,031,439	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
Public safety	2,162,469	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
Physical environment	--	--	--	--	--	--	--	--	528,692	483,284
Parks and recreation	7,334,572	102,871	210,948	24,990	81,561	171,519	168,846	847,352	110,500	126,198
Economic development	--	--	--	--	260,589	524,571	89,331	89,331	--	--
Capital grants and contributions:										
General government	435,039	615,926	944,673	429,737	2,467,808	328,922	199,779	431,800	3,335,517	2,830,420
Physical environment	120,248	--	--	--	--	--	--	--	--	--
Economic development	--	--	--	--	--	--	11,044,131	9,001,868	2,337,835	--
Total Governmental Activities Program Revenues	$ 32,005,478	$ 27,816,942	$ 25,019,570	$ 29,377,718	$ 34,478,043	$ 37,583,439	$ 48,797,895	$ 55,152,944	$ 59,557,397	$ 73,912,124

(Continued)

CITY OF DELRAY BEACH, FLORIDA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues (continued)										
Business-type activities:										
Charges for services:										
Water and Sewer	$ 31,571,968	$ 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
Stormwater	2,128,772	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
Sanitation	4,969,127	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
Municipal Golf Course	3,005,811	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
Lakeview Golf Course	635,489	662,453	610,903	646,391	637,666	732,439	665,559	850,341	987,121	1,026,763
City Marina	243,234	219,286	223,401	239,205	252,524	139,209	--	78,494	260,071	267,673
Cemetery	--	--	--	92,890	84,238	98,323	141,399	163,029	198,750	115,625
Operating grants and contributions:										
Water and Sewer	343,532	55,970	430,950	986,210	701,424	1,009	511,105	1,936	2,278	55,892
Stormwater	12,334	23,466	22,986	11,239	--	12,404	1,525,589	--	10,473	21,813
Sanitation	207,656	206,278	254,232	235,566	427,388	111,603	202,828	1,079,534	230,576	155,520
Municipal Golf Course	60,962	63,652	78,803	58,649	57,985	65,958	57,778	66,102	62,850	68,738
Lakeview Golf Course	4,612	5,378	8,544	5,649	5,010	5,435	4,616	5,809	5,869	7,171
City Marina	2,570	2,281	11,743	2,543	1,115	1,160	1,450	2,440	3,060	1,908
Cemetery	--	--	--	600	--	--	--	--	10	--
Capital grants and contributions:										
Water and Sewer	877,588	1,354,457	1,092,373	842,618	1,204,893	767,550	702,276	473,921	1,372,568	1,898,401
Stormwater	48,442	13,294	--	65,810	349,371	82,853	140,202	120,546	39,394	--
Municipal Golf Course	--	--	--	--	--	--	--	--	--	--
Total Business-type Activities Programs Revenues	44,112,097	45,018,152	44,922,728	46,797,187	46,736,105	45,624,605	46,781,716	46,907,139	48,969,255	54,129,359
Total Primary Government Program Revenues	$ 76,117,575	$ 72,835,094	$ 69,942,298	$ 76,174,905	$ 81,214,148	$ 83,208,044	$ 95,579,611	$ 102,060,083	$ 108,526,652	$ 128,041,483
Net (Expense) Revenue										
Governmental activities	$ (74,871,145)	$ (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)
Business-type activities	9,754,135	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
Total Primary Government Net Expense	$ (65,117,010)	$ (67,909,745)	$ (75,716,049)	$ (85,134,793)	$ (107,961,309)	$ (122,497,674)	$ (122,159,794)	$ (105,302,025)	$ (127,326,424)	$ (123,759,016)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 47,695,425	$ 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
Franchise fees	5,134,527	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
Utility service taxes	9,307,370	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
Sales taxes	1,341,267	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
Local business tax	737,231	786,579	839,208	911,668	883,112	876,577	850,765	836,610	875,656	833,079
Intergovernmental, unrestricted	6,795,748	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
Investment earnings	258,802	308,589	306,237	873,235	1,852,523	4,205,582	2,552,908	224,418	976,616	3,053,661
Gain on disposal of capital assets	--	29,100	37,765	28,361	--	48,681	20,330	1,538,253	(1,152,186)	-
Miscellaneous	7,533,386	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	3,724,750	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
Total Governmental Activities	82,528,506	92,724,180	98,885,012	102,527,830	128,440,951	139,652,667	134,239,247	144,376,849	151,894,519	163,295,442
Business-type activities										
Investment earnings	132,999	270,617	248,146	122,629	75,389	1,179,437	1,080,172	59,687	425,060	1,478,464
Gain (loss) on disposal of capital assets	16,958	--	15,352	--	--	--	--	--	(118,059)	5,174
Transfers	(3,724,750)	(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)
Total Business-type Activities	(3,574,793)	(3,292,003)	(614,653)	(2,183,881)	(3,400,262)	(3,048,932)	(2,798,640)	(4,239,378)	(3,369,749)	(2,979,624)
Total Primary Government	$ 78,953,713	$ 89,432,177	$ 98,270,359	$ 100,343,949	$ 125,040,689	$ 136,603,735	$ 131,440,607	$ 140,137,471	$ 148,524,770	$ 160,315,818

(Continued)

CITY OF DELRAY BEACH, FLORIDA

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues (continued)										
Changes in Net Position										
Governmental activities	$ 762,914	$ 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
Business-type activities	6,197,678	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
Total Primary Government	$ 6,960,592	$ 13,836,703	$ 21,522,432	$ 22,554,310	$ 15,209,156	$ 17,079,380	$ 14,106,061	$ 9,280,813	$ 21,198,346	$ 36,556,802

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 [1]	Franchise Fees	Utility Service Taxes	Sales and Use Tax [2]	Local Business Tax	Total
2014	$ 47,695,425	$ --	$ 5,134,527	$ 9,307,370	$ 1,341,267	$ 737,231	$ 64,215,820
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

(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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable:										
Inventories	$ 22,270	$ 20,467	$ 20,091	$ 18,465	$ 52,610	$ 74,653	$ 14,064	$ 19,844	$ 14,499	$ 25,128
Prepaid items	803,979	912,548	669,738	32,809	60,108	48,530	624,612	469,796	572,416	514,447
Long-term notes receivable	3,139,659	7,282,742	3,500	--	--	--	--	--		
Restricted for:										
Capital improvements	5,984	5,984	5,985	5,984	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	1,000,000	500,000	500,000	500,000	500,000
Assigned to:										
General government	373,543	--	--	152,070	1,054,033	57,334	85,347	113,542	327,647	821,069
Public safety	--	--	--	578,755	399,084	267,151	133,608	175,757	357,772	360,893
Physical environment	--	--	--	1,110,890	466,039	501,087	276,013	376,106	280,343	511,279
Parks and recreation	--	--	--	36,597	44,076	4,748	145,125	130,761	135,136	138,102
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	23,700,352	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
Total General Fund	$ 29,045,787	$ 41,065,385	$ 39,084,081	$ 42,208,680	$ 44,139,144	$ 45,532,491	$ 45,013,183	$ 49,941,934	$ 52,365,864	$ 58,802,512
All Other Governmental Funds										
Nonspendable:										
Prepaid items	$ --	$ 935	$ 750	$ --	$ 29,314	$ 81,886	$ --	$ 5,089	$ 5,431	$ 118,378
Long-term notes receivable	--	--	--	--	--	--	--	--	4,038,931	-
Restricted for:										
Debt service	519,593	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
Law enforcement	946,004	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
Capital improvements	274,304	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
Community development	556,557	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
Committed for:										
Economic development	--	--	--	--	--	3,859,229	3,823,987	4,336,151	--	-
Assigned to:										
Public safety	127,523	124,615	137,876	178,284	192,590	174,553	192,709	285,132	206,665	205,673
Physical environment	--	--	--	--	--		--	--	--	--
Parks and recreation	1,404,962	1,586,977	1,773,431	302,628	281,695	489,693	1,058,823	976,659	1,283,709	805,037
Capital improvements	20,530,505	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
Subsequent year's budget	--	--	--	--	6,977,412	16,404,645	19,260,521	22,679,957	30,001,648	44,274,601
Total all Other Governmental Funds	$ 24,359,448	$ 29,274,526	$ 24,307,305	$ 56,382,860	$ 72,144,103	$ 80,504,409	$ 83,301,955	$ 87,288,391	$ 95,070,972	$ 109,404,803

Note: GASB Statement No. 54 was adopted for 2011 resulting in the reclassification of the Governmental Funds fund balances.

CITY OF DELRAY BEACH, FLORIDA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	$ 59,081,293	$ 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
Licenses and permits	10,431,335	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
Intergovernmental	20,324,228	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
Charges for services	11,357,851	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
Fines and forfeitures	1,267,052	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
Miscellaneous	7,900,378	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
Total Revenues	110,362,137	117,824,337	122,693,365	130,087,204	157,315,249	172,584,550	178,901,225	193,522,955	205,640,286	229,355,210
Expenditures										
Current										
General government	21,181,580	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
Public safety	56,479,283	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
Physical environment	5,474,282	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
Parks and recreation	12,942,976	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
Economic development	--	--	--	--	11,244,955	10,920,391	20,051,187	20,002,537	11,885,823	12,778,978
Capital outlay	7,184,219	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
Debt service										--
Principal retirement	5,489,848	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
Interest and other fiscal charges	2,128,407	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
Bond issue costs	42,030	620,925	--	70,560	--	--	--	--	--	--
Total Expenditures	110,922,625	122,969,883	129,953,936	128,636,954	154,441,936	166,285,662	179,521,473	190,173,646	200,012,975	218,216,270
Excess of Revenues Over (Under) Expenditures	(560,488)	(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
Other Financing Sources (Uses)										
Issuance of bonds	8,810,000	42,285,456	--	31,500,000	1,250,000	1,950,000	--	--	--	--
Bond anticipation note issued	6,190,036	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
Redemption of bonds	(8,767,970)	(25,568,032)	--	--	--	--	--	--	--	--
Transfers in	7,096,181	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
Transfers out	(3,371,431)	(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)
Total Other Financing Sources (Uses)	9,956,816	22,080,222	310,046	33,749,904	7,094,695	3,454,765	2,898,486	5,565,878	4,579,200	9,631,539
Net Change in Fund Balances	$ 9,396,328	$ 16,934,676	$ (6,950,525)	$ 35,200,154	$ 9,968,008	$ 9,753,653	$ 5,771,799	$ 4,945,630	$ 10,206,511	$ 20,770,479
Debt Service as a Percentage of Non-Capital Expenditures	7.34%	14.64%	11.28%	4.81%	7.15%	7.20%	6.36%	6.49%	6.08%	6.43%

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 [1]	Utility Service Taxes	Sales and Use Tax [2]	Local Business Tax	Total
2014	$ 47,695,425	$ --	$ 9,307,370	$ 1,341,267	$ 737,231	$ 59,081,293
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

(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				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	Total					
2014	2013	$ 8,394,493,799	$ 303,495,744	$ 3,999,617	$ 8,701,989,160	$ 2,107,124,944	$ 6,594,864,216	$ 8	$ 7,834,736,483	84.17%
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%

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

Fiscal Year Ending September 30,	General Fund	Debt Service	Total City of Delray Beach	School District	Palm Beach County	Special Taxing Districts	Total All
2014	7.1611	0.3453	7.5064	7.5859	4.9902	2.2800	22.3625
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

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, 2023

	2023				2014			
	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.	$ 159,570,112	3,025,452	1	3.15%	$ 86,404,167	$ 648,584	1	1.20%
Tenet Healthcare Corp	136,327,411	2,733,538	2	2.84%	44,582,660	334,655	5	0.62%
Lifespace Communities Inc	132,042,941	2,781,890	3	2.89%	32,940,779	247,267	9	0.46%
Edwards Atlantic Avenue LLC	116,253,864	2,318,328	4	2.41%	--	--		--
Citation Club Investors	101,019,111	2,006,334	5	2.09%	48,216,312	361,931	4	0.67%
CO BB Delray Owner LLC	102,220,648	1,960,825	6	2.04%	--	--		--
Granite Worthing LLC	91,007,389	1,862,647	7	1.94%	49,737,378	373,349	3	0.69%
CH Realty IX/MF Boca Raton	86,215,593	1,690,459	8	1.76%	--	--		--
Depot FL Partners LLC	68,409,593	1,377,099	9	1.43%	--	--		--
Linton Delray LLC	63,482,505	1,421,982	10	1.48%	38,772,011	291,038	8	0.54%
Alta Congress Owner LLC	--	--		--	40,757,372	305,941	6	0.57%
Fairfield Spring Harbors LLC	--	--		--	56,301,788	422,624	2	0.78%
Ocean Properties Ltd	--	--		--	39,455,700	296,170	7	0.55%
Morse Operations Inc.	--	--		--	28,654,649	215,093	10	0.40%
Totals	$ 1,056,549,167	$ 21,178,554		22.03%	$ 465,822,817	$ 3,496,652		6.48%

Source: Palm Beach County Property Appraiser's Office

Net Tax Levy:			
	Fiscal Year	2023	96,146,015
	Fiscal Year	2014	54,077,708
City Millage Rate:			
	Fiscal Year	2023	6.6665
	Fiscal Year	2014	7.5064

CITY OF DELRAY BEACH, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ending 30,	Net Tax Levy*	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Property Tax Collections	Collections as a Percent of Current Levy
2014	$ 54,077,708	$ 51,832,318	95.85%	$ 138,739	$ 51,971,057	96.10%
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%

Note: All property taxes are assessed and collected by Palm Beach County without charge to the City. Collections are distributed in full as collected.

*Total Tax Levy for fiscal year are shown net of allowance for discounts for years 2008-2013 and gross for 2014-2017.

Source: Palm Beach County Tax Collector

CITY OF DELRAY BEACH, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities					Business-type Activities						
Fiscal Year	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	Total Primary Government	Total Debt as a Percentage of Personal Income	Debt Per Capita
2014	$ 17,970,000	$ 47,875,872	$ 503,906	$ --	$ --	$ 15,396,205	$ --	$ --	$ --	$ 81,745,983	2.70%	$ 1,304
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

CITY OF DELRAY BEACH, FLORIDA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Assessed Value of Taxable Property	Debt as a Percentage of Assessed Value of Taxable Property	Population	General Bonded Debt Per Capita
2014	$ 17,970,000	$ --	$ 17,970,000	$ 6,594,864,216	0.27%	62,700	$ 287
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

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, 2023

	Total Outstanding	Percentage Applicable to City of Delray Beach[1]	Amount Applicable to City of Delray Beach
Direct:			
City of Delray Beach	$ 50,621,169	100.00%	$ 50,621,169
Overlapping:			
Palm Beach County	16,370,000	4.90%	802,130
Palm Beach County School District Certificates of Participation	1,369,995	5.63%	77,131
Total overlapping debt	17,739,995		879,261
Total direct and overlapping debt	**$ 68,361,164**		**$ 51,500,430**
Population			68,650
Total direct and overlapping debt per capita			$ 750

[1] Estimates based on 2022 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

Fiscal Year		Gross Revenue [1]	Operating Expenses [2]	Revenue Available for Debt Coverage	Current Debt Service (3)	Current Coverage
2014		$ 32,002,573	$ 18,831,725	$ 13,170,848	$ 11,480,122	1.15
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	9,211,995	-	N/A

(1) Includes interest revenue and rents (does not include capital contributions).

(2) Excludes depreciation expense, interest expense and amortization expense.

(3) Increase in debt service for 2014 and 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

	Fiscal Year 2023			Fiscal Year 2014		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Delray Medical Center	1,280	1	3.42%	1,520	1	N/A
Palm Beach County School District	1,029	2	2.75%	990	2	N/A
City of Delray Beach	856	3	2.28%	803	-	N/A
Publix Supermarkets	725	4	1.93%	586	3	N/A
Seo Every Where	500	5	1.33%	-	-	-
Ed Morse Delray Toyota & Scion	450	6	1.20%	350	7	N/A
Annco Services	400	7	1.07%	400	6	N/A
Meisner Electric Inc of FL	370	8	0.99%	-	-	-
Shullman Technology Group	350	9	0.93%	-	-	-
Home Depot, Inc.	318	10	0.85%	318	9	N/A
Palm Beach County	-	-	-	520	4	N/A
Delray Motors	-	-	-	300	10	N/A
Target	-	-	-	350	7	N/A
Jetflite Inc	-	-	-	425	5	N/A
Totals	6,273		16.75%	6,562		

Note: Total Employment, Delray Beach: 2023 37,480
2014 Data is not available for 2014

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[1]	County Population[1]	Per Capita Personal Income[2]	Estimated Total Personal Income[3]	Median Age[1]	School Enrollment[4]	Unemployment Rate[1]
2014	62,700	1,360,238	$ 48,224	$ 3,023,644,800	45.7	8,059	6.4%
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%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	59	62.5	72.5	80.5	74	81	103	79	89	93
Public Safety										
Community Improvement	5	7.5	6	12	14	14	15	13	13	12
Planning & Zoning	12.5	14	15	16	16.5	14	16	16	19	20
Building Inspection	16	14	19	20	20	22	20	24	28	30
Code Compliance	15	18.5	18	18	16.5	18	16	19	19	16
Law Enforcement	225	212.5	216.5	222	230.5	229	227	237	217	207
Fire Control	157	173	182.5	186	196	196	192	202	194	189
Community Development										
Block Grant	6	5	9.5	6	6	3	2	2	3	4
Insurance	4	3	4	2	2	2	3	3	3	3
City Garage	12	10	13	14.5	13	11	13	13	13	19
Physical Environment										
Public Works	27	21.5	20.5	22	36	39	32	39	58	56
Engineering	7	6	6	7	9	9	8	11	15	12
Sanitation	4	4	4	4	3	3	3	3	11	12
Stormwater Utility	6	5	7	6.5	5	6	6	7	5	7
Parks and Recreation	136	110.5	105	107	112.5	89	75	69	67	102
Water & Sewer Utility	117	111	114	111	92	102	103	102	102	78
Total	**809**	**778**	**813**	**835**	**846**	**838**	**834**	**839**	**856**	**860**

CITY OF DELRAY BEACH, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Stations	3	3	3	2	2	1	1	1	1	1
Patrol units	201	209	212	206	214	223	228	212	213	213
Fire										
Fire stations [(1)]	6	6	6	6	6	6	6	6	6	6
Fire trucks	10	9	9	12	12	12	12	11	12	12
ALS rescue vehicles	9	9	9	12	12	12	12	11	11	11
Leisure Services										
Ballfields - lighted	15	15	15	15	15	15	15	15	15	15
Basketball courts	5	5	5	5	5	7	7	7	7	7
Football/Soccer fields [(2)]	7	7	7	7	7	7	7	7	7	7
Tennis courts	48	48	48	48	48	48	48	48	48	48
Parks	22	23	24	55	59	59	59	59	59	59
Roads and Streets										
Lane miles [(3)]	321	308	308	309	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 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Physical arrests	2,012	2,014	1,793	2,262	2,097	2,361	2,146	1,753	1,761	1,516
Traffic violations	10,913	19,702	19,703	17,815	18,472	22,396	17,801	21,064	16,893	18,303
Fire										
Number of calls	13,610	13,255	12,136	16,404	15,877	16,383	16,397	16,214	17,094	17,116
Parks and Recreation										
Library										
Circulation	226,938	191,759	187,400	180,989	170,969	200,348	138,977	205,534	192,329	168,288
Programs offered	808	791	756	1,506	1,982	2,612	2,276	907	1,790	1,735
Program attendance	23,055	24,488	22,232	19,663	26,894	34,891	19,205	8,590	12,113	13,239
Leisure Services [1]										
Youth athletic participants	38,220	35,638	29,573	24,000	36,000	2,405	2,136	1,444	1,711	1,225
Camp program participants	382	2,021	1,845	953	900	364	58	250	247	2,364
Class participants	59,342	50,747	49,786	36,605	25,000	21,096	20,320	9,071	5,187	6,441
Water/Sewer Utility										
Water customers	22,010	22,132	22,212	20,392	22,556	20,985	21,761	21,738	22,219	22,530
Water main breaks	374	477	373	305	268	11	13	6	23	15
Sewer customers	20,505	20,784	20,329	20,475	19,413	19,686	20,625	20,637	20,956	21,188
Sewer main breaks	-	-	1	1	5	2	2	2	-	6
Avg daily water consumption (Million Gallon Day)	10,925	11,000	11,759	12,008	14,960	15,800	11,285	12,519	12,537	12,155

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

REPORTING SECTION

MARCUM
ACCOUNTANTS ▲ ADVISORS

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 auditing standards generally accepted in the Unites 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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City, and have issued our report thereon dated April 30, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) of the City, 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 internal control of the City. 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item SD 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the City 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 Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
April 30, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Delray Beach, Florida (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the *State of Florida Department of Financial Services*' State Projects Compliance Supplement, that could have a direct and material effect on its major federal program and state projects for the fiscal year ended September 30, 2023. The City's major federal program and state projects 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 compliance requirements referred to above that could have a direct and material effect on its major federal program and State projects for the fiscal year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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*); 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 (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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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 opinion on compliance for each major federal program and state project. 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 and state projects.

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*, the Uniform Guidance, and Chapter 10.550, 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 and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, 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 and Chapter 10.550, 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 or State project 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 or State project 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 or state project 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 and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Marcum LLP

West Palm Beach, FL
April 30, 2023

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/ Pass-through Grantor Program or Cluster Title	Assistance Listing Number	Grant Number/ Pass-through Entity Identifying Number	Federal Expenditures
United States Department of Housing and Urban Development			
Direct Programs:			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants Cluster	14.218	B-20-MW-12-0033	$ 53,482
Community Development Block Grants/Entitlement Grants Cluster (CDBG-CV)	14.218	B-22-MC-12-0033	389,518
Total CDBG - Entitlement Grants Cluster			443,000
Total United States Department of Housing and Urban Development			**443,000**
United States Department of Justice			
Direct Programs:			
Public Safety Partnership & Community Policing Grants	16.710	2021BUBX21024912	32,858
Public Safety Partnership & Community Policing Grants	16.710	2020MHWXK022	20,466
Total Public Safety Partnership & Community Policing Grants			53,324
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	2020-DJ-BX-0867	27,466
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738	15PBJA-21-GG-01375-JAGX	31,395
Total Edward Byrne Memorial Justice Assistance Grant (JAG) Program			58,861
Total United States Department of Justice			**112,185**
United States Department of Transportation			
Indirect Programs:			
Highway Planning and Construction			
Passed through Florida Department of Transportation			
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	G1K33	642,282
Total Highway Planning and Construction			**642,282**
Highway Safety Cluster			
Passed through Florida Department of Transportation			
State and Community Highway Safety	20.600	G2G72	70,000
National Priority Safety Program	20.616	G2G71	60,000
Total Highway Safety Cluster			**130,000**
Total United States Department of Transportation			**772,282**
United States Department of Treasury			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Fund Award	21.027	N/A	3,369,740
Total United States Department of Justice			**3,369,740**
United States Department of Homeland Security			
Indirect Program:			
Passed through Florida Division of Emergency Management:			
Hurricane Irma Federal Assistance	97.036	Z1118	437,135
Homeland Security Grant Program	97.067	EMW-2020-SS-00035-S01	71,899
Passed through Florida Division of Emergency Management:			
Assistance to Firefighters Grant	97.083	EMW-2018-FH-00601	107,834
Total United States Department of Homeland Security			**616,868**
Total Expenditures of Federal Awards			**$ 5,314,075**

Note: No amounts provided to subrecipients.

(Continued)

N/A - None available

See notes to schedule of expenditures of federal awards.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Grantor/Program Title	CSFA Number	Grant Number/ Pass-through Entity Identifying Number	State Expenditures
State Financial Assistance			
Florida Department of Environmental Protection			
Direct Awards			
Beach Management Funding Assistance Program	37.003	21PB2	$ 33,060
Beach Management Funding Assistance Program	37.003	22PB1	202,117
Total Beach Management Funding Assistance Program			235,177
Grants and Aids to Local Governments and Nonstate Entities	37.085	L1802	145,000
Grants and Aids to Local Governments and Nonstate Entities	37.085	L2201	42,627
Grants and Aids to Local Governments and Nonstate Entities	37.085	L2202	104,030
Total Grants and Aids to Local Governments and Nonstate Entities			291,657
Tropic Isle Roadway and Underground Utility Improvements	37.098	22SRP60	1,203,335
Pass-through Awards from South Florida Water Management District			
Alternative Water Supply	37.100	4600004144	134,302
Alternative Water Supply	37.100	4600004358	601,293
Total Alternative Water Supply			735,595
Total Florida Department of Environmental Protection			**2,465,764**
Florida Housing Finance Corporation			
Direct Awards			
State Housing Initiatives Partnership Program	52.901	19.10	454,022
Total Florida Housing Finance Corporation			**454,022**
Total State Financial Assistance			**$ 2,919,786**

Note: No amounts provided to subrecipients.

CITY OF DELRAY BEACH, FLORIDA

NOTES TO SCHEDULE OF EXENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") presents the expenditure activity of all federal awards and state financial assistance of the City of Delray Beach, Florida (the "City") for the fiscal year ended September 30, 2023. 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) and Chapter 10.550, Rules of the Auditor General. 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.

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 and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City made no payments to subrecipients from Federal awards for the fiscal year ended September 30, 2023.

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, 2023.

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 and State Financial Assistance

Internal control over major federal program and state projects:	
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 program and state projects:	*Unmodified Opinion*
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, Rules of the Auditor General?	_____ Yes _X_ No

CITY OF DELRAY BEACH, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Identification of major federal program and state projects:

Major federal award program:	Assistance Listing No.
United States Department of Treasury – Coronavirus State and Local Fiscal Recovery Funds	21.017
Major state projects:	**CSFA No.**
Tropical Isle Roadway and Underground Utility Improvements	37.098
Alternative Water Supply	37.100
Dollar threshold used to distinguish between Type A and Type B Federal award programs:	$ 750,000
Dollar threshold used to distinguish between Type A and Type B state projects:	$ 300,000
Auditee qualified as low-risk auditee?	X Yes ___ No

SECTION II - FINANCIAL STATEMENT FINDING

SIGNIFICANT DEFICIENCY

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.

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.

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

SIGNIFICANT DEFICIENCY (CONTINUED)

SD 2021-001 – INTERNAL CONTROLS OVER PAYROLL PROCESS (REPEAT FINDING) (CONTINUED)

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.).

Current Year Status

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 and Phase 2 (employees utilizing time clocks) in February 2024. The City is in the process of implementing Phase 3 (Public Works, Utilities, Development Services) which is currently in the testing stage and expected to go live on May 18, 2024. The final phase (Phase 4 - Police and Fire departments) is currently testing and tentatively schedule to go live in June 2024.

Views Responsible Officials and Planned Corrective Action

See accompanying Corrective Action Plan.

SECTION III – FEDERAL AND STATE AWARD PROGRAMS FINDINGS AND QUESTIONED COSTS

None

CITY OF DELRAY BEACH, FLORIDA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE I – PRIOR YEAR FINANCIAL FINDINGS

SD 2021-001 – Internal Controls Over Payroll Process has not been addressed and is repeated.

NOTE II – PRIOR YEAR FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

MARCUM
ACCOUNTANTS ▲ ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF 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, 2023, and have issued our report thereon dated April 30, 2024.

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 (Chapter 10.550).

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 State Project; Report on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; 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 April 30, 2024, should be considered in conjunction with this management letter.

Marcum LLP / 525 Okeechobee Boulevard / Suite 750 / West Palm Beach, FL 33401 / **Phone** 561.653.7300 / **marcumllp.com**

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.	2022-21 FY Finding No.	2021-20 FY Finding No.
2021-001	2021-001	2021-001

This finding has not been addressed and requires further action and is reported as part of finding SD 2021-001 in the Schedule of Findings and Questioned Costs.

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, 2023.

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, 2023. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the City. 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 such recommendations, other than noted above in the prior audit findings section.

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.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, 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.

Marcum LLP

West Palm Beach, Florida
April 30, 2024

MARCUM
ACCOUNTANTS ▲ ADVISORS

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, 2023. 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 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, 2023.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and is not suitable for any other purpose.

Marcum LLP

West Palm Beach, Florida
April 30, 2024

Marcum LLP / 525 Okeechobee Boulevard / Suite 750 / West Palm Beach, FL 33401 / **Phone** 561.653.7300 / **marcumllp.com**

CITY OF DELRAY BEACH
100 N.W. 1st AVENUE • DELRAY BEACH, FLORIDA 33444 • 561/243-7000

DELRAY BEACH FLORIDA
All-America City
1993
2001

CORRECTIVE ACTION PLAN

SD 2021-001 – INTERNAL CONTROLS OVER PAYROLL PROCESS

Management concurs with the finding. City has signed an agreement with a third party provider for a time and attendance software. Implementation is ongoing and most departments are already using the software. Final phase (Police and Fire) which includes Telestaff integration is expected to be implemented before the end of the year.

BEFORE ME, the undersigned authority, personally appeared Hugh Dunkley 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 28th day of February 2024.

Notary Public State of Florida
Elizabeth Brown
My Commission
HH 195794
Exp. 11/7/2025

NOTARY PUBLIC

Print Name Elizabeth Brown

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires: 11/7/2025

Village By the Sea

100 NW 1st Ave Delray Beach, FL 33444
(561) 243-7000
MyDelrayBeach.com

APPENDIX C

COPY OF THE BOND RESOLUTION
(WITHOUT EXHIBITS)

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Resolution No. 56-24

CITY OF DELRAY BEACH, FLORIDA

GENERAL OBLIGATION BONDS, SERIES 2024
(PARKS PROJECTS)

BOND RESOLUTION

Adopted March 5, 2024

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Exhibit A Draft of Summary Notice of Sale and Official Notice of Sale and Official Bid Form.
Exhibit B Draft of Preliminary Official Statement.
Exhibit C Draft of Paying Agent Agreement.

RESOLUTION NO. 56-24

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AUTHORIZING THE ISSUANCE OF A SERIES OF BONDS IN THE INITIAL AGGREGATE PRINCIPAL AMOUNT OF NOT EXCEEDING $20,000,000 AND DESIGNATED CITY OF DELRAY BEACH, FLORIDA, GENERAL OBLIGATION BONDS, SERIES 2024 (PARKS PROJECTS) (THE "BONDS") TO FINANCE ALL OR A PORTION OF IMPROVEMENTS TO THE CATHERINE STRONG PARK, MILLER PARK AND OTHER CITY OWNED PARKS DESCRIBED IN THIS RESOLUTION; AUTHORIZING THE PUBLIC SALE OF THE BONDS BY COMPETITIVE BID SUBJECT TO CERTAIN PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORMS OF AN OFFICIAL NOTICE OF SALE AND AUTHORIZING THE PUBLICATION OF A SUMMARY THEREOF; APPROVING THE FORM AND ELECTRONIC DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND ELECTRONIC DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE CHIEF FINANCIAL OFFICER AND/OR OTHER CITY OFFICIALS TO MAKE CERTAIN DETERMINATIONS WITH RESPECT TO THE BONDS SUBJECT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPOINTING A PAYING AGENT AND REGISTRAR; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REGISTRAR/PAYING AGENT AGREEMENT; AUTHORIZING THE REGISTRATION OF THE BONDS UNDER A BOOK-ENTRY ONLY SYSTEM; PROVIDING FOR THE UNDERTAKING BY THE CITY REQUIRED BY RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION; PROVIDING FOR THE TERMS AND PAYMENT OF SUCH BONDS; PROVIDING FOR THE RIGHTS, SECURITY AND REMEDIES OF THE OWNERS THEREOF; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION THEREWITH; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City") is authorized under Florida law to borrow money to finance various capital projects; and

WHEREAS, the City will finance a portion of the Parks Projects (as herein defined) by the issuance of a series of General Obligation Bonds, Series 2024 (Parks Projects) in a principal amount of not exceeding $20,000,000 (herein, the "Bonds"); and

WHEREAS, pursuant to a bond referendum held and passed on March 14, 2023, the City is authorized to issue its general obligation bonds in one or more series in an aggregate principal amount of not exceeding $20,000,000 to finance all or a portion of certain improvements to the Catherine Strong Park, the Miller Park and certain other City-owned parks (collectively, the "Parks Projects"); and

WHEREAS, based on the advice of the City's Financial Advisor (as defined herein), the City Commission of the City of Delray Beach, Florida (the "Commission") hereby determines that the most efficient and timely way to sell the Bonds is through a competitive bid process in the manner provided in this Resolution; and

WHEREAS, the City shall issue its Bonds payable from ad valorem taxes on all taxable property located in the City; and

WHEREAS, the Bonds authorized under this Resolution will meet such requirements as a condition to issuance; and

WHEREAS, there have been prepared and submitted to the Commission:

(a) Official Notice of Sale (the "Official Notice of Sale") and Summary Notice of Sale (the "Summary Notice of Sale"), proposed forms of which are attached hereto as Exhibit A; and

(b) Preliminary Official Statement (the "Preliminary Official Statement"), relating to the Bonds, a proposed form of which is attached hereto as Exhibit B; and

(c) Registrar/Paying Agent Agreement (the "Paying Agent Agreement"), the proposed form of which is attached hereto as Exhibit C; and

WHEREAS, effective July 3, 1995, Rule 15c2-12 of the Securities and Exchange Commission, as amended, provides that it is unlawful for a broker dealer or municipal securities dealer to purchase or sell municipal securities, which includes the Bonds, unless the issuer, which

includes the City, has undertaken in a written agreement (herein, the "Undertaking") to provide to specified information repositories annual financial information and operating data relevant to the municipal securities and notice of certain specified material events and, accordingly such Undertaking is set forth herein with respect to the Bonds purchased thereby; and

WHEREAS, any capitalized terms not otherwise defined in these recitals shall have the meaning ascribed in Article 1 hereof.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF DELRAY BEACH, FLORIDA, AS FOLLOWS:

ARTICLE I
DEFINITIONS, FINDINGS AND STATUTORY AUTHORITY

Section 1. **DEFINITIONS.** In addition to the terms heretofore defined in the recitals set forth above, the following terms shall have the following meanings:

"ACT" shall mean the Constitution of the State of Florida, Chapter 166, Florida Statutes, as amended and supplemented, the Charter of the City of Delray Beach, Florida, as amended and supplemented (the "City Charter") and other applicable provisions of law.

"AD VALOREM TAXES" shall mean all ad valorem taxes levied on all taxable property in the City without limitation as to rate or amount which are authorized to be levied pursuant to the Referendum.

"BENEFICIAL OWNER" shall mean, except with respect to Section 4.H of Article III of this Resolution, during any period the Bonds are registered under the Book-Entry System, any purchaser of a Bond and others who acquire a beneficial ownership interest in a Bond held by the Securities Depository. In determining the Beneficial Owner of any Bond, the City, the Paying Agent and the Registrar may rely exclusively upon written representations made, and information given to the City, the Paying Agent and the Registrar by the Securities Depository or its

Participants with respect to any Bond held by the Securities Depository in which a beneficial ownership interest is claimed. With respect to Replacement Bonds, the City, the Paying Agent and the Registrar shall consider the owner of any such Replacement Bond as registered on the registration books of the City maintained by the Registrar to be the Beneficial Owner thereof. The term "BENEFICIAL OWNER" shall mean, for purposes of Section 4.H of Article III of this Resolution only, any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

"BOND COUNSEL" shall mean a firm or firms of nationally recognized attorneys-at-law selected by the City and experienced in the financing of capital projects for governmental units through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103(a) of the Code. Bond Counsel with respect to the Bonds shall be Greenburg Traurig, P.A.

"BONDHOLDER," "HOLDER OF BONDS," "OWNER," "OWNERS" or any similar term, shall mean any person who shall be the registered owner of any Bond or Bonds Outstanding under the terms of this Resolution.

"BONDS" shall mean the City's General Obligation Bonds, Series 2024 (Parks Projects).

"BOOK-ENTRY SYSTEM" shall mean the system under which the City may issue its Bonds and maintain the registration for such Bonds in book-entry form only.

"BUSINESS DAY" shall mean any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the State of Florida are authorized by law to close.

"CHIEF FINANCIAL OFFICER" shall mean the Chief Financial Officer of the City and his successor, or such person who is authorized to act on his behalf.

"CITY" shall mean City of Delray Beach, Florida, a municipal corporation of the State of Florida.

"CITY ATTORNEY" shall mean the City Attorney of the City and his/her successor, or such person who is authorized to act on his/her behalf.

"CITY MANAGER" shall mean the City Manager of the City and his successor, or such person who is authorized to act on his behalf.

"CLERK" shall mean the Clerk of the City and her successor, or such person who is authorized to act on her behalf.

"CODE" shall mean the Internal Revenue Code of 1986, as amended, and all subsequent tax legislation duly enacted by the Congress of the United States. Each reference to a section of the Code herein shall be deemed to include, if applicable, temporary or proposed regulations, revenue rulings and proclamations issued or amended with respect thereto.

"COMMISSION" shall mean the City Commission of the City of Delray Beach, Florida, the governing body of the City.

"CONDITIONAL NOTICE OF REDEMPTION" shall mean a notice of redemption which when given, sufficient funds have not been deposited with the Paying Agent but such funds are expected to be available on or before the proposed redemption date and/or some other condition for redemption has not yet been satisfied.

"DEFEASANCE OBLIGATIONS" shall mean to the extent permitted by law (other than with respect to the obligations described in clause (a) below) the below stated obligations acceptable, at the time of defeasance, to the Rating Agency or Rating Agencies, if any, then rating the defeased Bonds:

(a) U.S. Obligations, which are not redeemable prior to maturity;

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee or paying agent of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates' specified in such instructions, (ii) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate, and (iii) as to which the principal of and interest on the bonds and obligations of the character described in clause (a) hereof which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (b) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this clause (b), as appropriate; and

(c) evidence of ownership of proportionate interests in future interest and/or principal payments on obligations described in clause (a) held by a bank or trust company as custodian.

"DISCLOSURE COUNSEL" shall mean Greenberg Traurig, P.A. and any successor firm appointed by the Commission.

"EMMA" shall mean the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (http://www.emma.msrb.org).

"EMMA COMPLIANT FORMAT" shall mean a format for any document provided to the MSRB which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"FINANCIAL ADVISOR" shall mean PFM Financial Advisors LLC and its successors and assigns.

"FINANCIAL OBLIGATIONS" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"FISCAL YEAR" shall mean that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as may be prescribed by law as the fiscal year of the City.

"MOODY'S" shall mean Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities Rating Agency, "Moody's" shall be deemed to refer to any other nationally recognized securities Rating Agency designated by the City.

"MSRB" shall mean the Municipal Securities Rulemaking Board and its successors.

"OFFICIAL NOTICE OF BOND SALE" means the Official Notice of Bond Sale, a summary of which to be published by the City in connection with the public sale of the Bonds in substantially the form attached to this Resolution as Exhibit "A."

"OUTSTANDING" shall mean, when used with reference to the Bonds, as of any particular date, all Bonds theretofore, or thereupon being, authenticated and delivered by the Registrar under this Resolution, except (i) Bonds theretofore or thereupon canceled by the Registrar or surrendered to the Registrar for cancellation; (ii) Bonds with respect to which all liability of the City shall have been discharged in accordance with Section 4.G of Article III of this Resolution; (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Registrar pursuant to any provision of this Resolution; (iv) Bonds canceled after purchase in the open market or because of payment at redemption prior to maturity; and (v) Bonds held or purchased by the City, unless the City intends as evidenced by written communication to the Registrar that such Bonds shall remain Outstanding.

"PARTICIPANTS" shall mean brokers, dealers, banks and other financial institutions and other persons for whom, from time to time, the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"PAYING AGENT" shall mean U.S. Bank Trust Company, National Association and any successor bank or trust company appointed by subsequent proceedings of the Commission to act as Paying Agent hereunder.

"PAYING AGENT AGREEMENT" shall mean that certain Registrar/Paying Agent Agreement by and between the City and U.S. Bank Trust Company, National Association serving as Paying Agent and Registrar in substantially the form attached to this Resolution as Exhibit "C."

"PAYMENT DATE" shall mean such dates of each Fiscal Year on which interest and/or principal are payable on the Bonds that are then Outstanding which unless determined otherwise by subsequent proceedings of the Commission, shall be each January 1 and July 1 of each calendar

year commencing January 1, 2025 with respect to interest on the Bonds and on each July 1 commencing July 1, 2025 with respect to principal.

"PERMITTED INVESTMENTS" shall mean (i) U.S. Obligations and (ii) all other investments permitted under the laws of Florida and acceptable to the Chief Financial Officer.

"PLEDGED REVENUES" shall mean (i) the Ad Valorem Taxes deposited in the Debt Service Fund created and established under this Resolution, (ii) investment income received from the investment of moneys in the Debt Service Fund established hereunder, and (iii) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with the repayment of the Bonds. The Bonds are general obligations of the City and the full faith, credit and taxing power of the City is pledged to the payment of debt service on the Bonds.

"PRELIMINARY OFFICIAL STATEMENT" shall mean the Preliminary Official Statement substantially in the form attached hereto as Exhibit "B."

"RATING AGENCY" or "RATING AGENCIES" shall mean Moody's and/or S&P and/or such other nationally recognized securities Rating Agency, whichever shall have a rating then in effect with respect to the Bonds.

"RECORD DATE" shall mean the fifteenth day of the calendar month next preceding an Interest Payment Date whether or not such fifteenth day is a Business Day.

"REFERENDUM" shall mean that certain Bond Referendum held and passed on March 14, 2023 authorizing not exceeding $20,000,000 in general obligation bonds to finance all or a portion of the costs of certain improvements to certain City-owned parks within the City constituting the Parks Projects payable from the Ad Valorem Taxes.

"REGISTRAR" shall mean U.S. Bank Trust Company, National Association and any successor bank or trust company, appointed by subsequent proceedings of the Commission to act as Registrar hereunder.

"REPLACEMENT BONDS" shall mean certificated Bonds authenticated and delivered pursuant to Section 7 of Article II of this Resolution, whenever the Book-Entry System is discontinued.

"RESOLUTION" shall mean this Resolution as the same may from time to time be amended and supplemented in accordance with the terms hereof.

"RULE" shall mean Rule 15c2-12 of the Securities and Exchange Commission in effect from time to time and applicable to the City's continuing disclosure obligations.

"S&P" shall mean S&P Global Ratings, a division of S&P Global Inc., a corporation organized under the laws of the State of Delaware, its successors and its assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, S&P shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

"SECURITIES DEPOSITORY" shall mean, with respect to the Bonds to be issued in book entry form, The Depository Trust Company and its successors and assigns, or a successor clearing agency designated pursuant to Article II hereof and its successors and assigns.

"SERIAL BONDS" shall mean Bonds which shall be stated to mature in annual installments.

"STATE" shall mean the State of Florida.

"TAX CERTIFICATE" shall mean the certificate as to arbitrage and instructions as to compliance with the provisions of Section 103(a) of the Code, executed by the City on the date

of initial issuance and delivery of the Bonds, as such Tax Certificate may be amended from time to time, and which serves as a source of guidance for achieving compliance with the Code.

"TERM BONDS" shall mean Bonds which are not Serial Bonds and which are designated as such by the winning bidder for the Bonds.

"UNDERWRITERS" shall mean the underwriting firm or firms that have provided the best bid pursuant to the competitive process described in the Official Notice of Bond Sale.

"U.S. OBLIGATIONS" shall mean the direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America, and, if determined by subsequent proceedings of the Commission, certificates which evidence ownership of the right to the payment of the principal of, or interest on, such obligations.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

Section 2. **FINDINGS.** It is hereby ascertained, determined and declared:

A. The recitals hereinbefore mentioned are hereby adopted.

B. The Commission deems it necessary, desirable and in the best interest of the citizens and residents of the City to issue the Bonds to provide the funds to finance the Parks Projects.

C. The principal of and interest on the Bonds to be issued pursuant to this Resolution will be paid from the Pledged Revenues, all as provided herein, which Pledged

Revenues include the obligation of the City to levy and collect Ad Valorem Taxes on all taxable property within the City.

D. The City is authorized to levy, collect and pledge the Ad Valorem Taxes. The Ad Valorem Taxes will be sufficient to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution, as the same becomes due and payable.

E. The Commission hereby determines, based on the recommendation of the City's Financial Advisor, that the Bonds be sold on a competitive basis.

Section 3. **AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the Act.

Section 4. **RESOLUTION CONSTITUTES CONTRACT.** In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the City and such Owners and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the Owners of any and all of such Bonds all of which shall be of equal rank and without preference, priority, or distinction of any of the Bonds over any other thereof except as expressly provided therein and herein.

ARTICLE II
AUTHORIZATIONS, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 1. **AUTHORIZATION OF BONDS.** Subject and pursuant to the provisions of this Resolution, obligations of the City to be known as "City of Delray Beach, Florida General Obligation Bonds, Series 2024 (Parks Projects)," are hereby authorized to be issued in the initial aggregate principal amount of not exceeding TWENTY MILLION DOLLARS ($20,000,000), to be issued, delivered and secured as provided herein. The Bonds shall be issued for the purposes described in Section 2.B. of Article I hereof and to pay the cost of issuing the Bonds.

Section 2. **GENERAL DESCRIPTION OF BONDS.** The Bonds shall be issued in registered form, shall be in the denomination of $5,000 each, or any integral multiple thereof; and the Bonds shall mature on such dates in such years and in such amounts as shall be determined by the results of the competitive bid process of the Bonds subject to the parameters set forth in Sections 8 and 9 hereof of this Article II. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Principal shall be payable at the designated corporate trust office of the Paying Agent. The Bonds shall be numbered in such manner as may be prescribed by the Registrar. The Bonds shall bear interest at not exceeding the maximum rate or rates permitted by law, payable by check or draft made payable to the Holder of Bonds and mailed to the address of such Holder of Bonds, as such name and address as appear on the registration books of the City maintained by the Registrar on the fifteenth day of the calendar month preceding each Payment Date or the fifteenth day prior to the date notice of redemption is given, whether or not such 15th day is a Saturday, Sunday or holiday (herein the "Record Date"); provided, however, that payment of interest on the Bonds may, at the option of any Holder of Bonds in an aggregate principal amount of at least $1,000,000, be transmitted by wire transfer to the Holder at the domestic bank account number on file with the Paying Agent as of the Record Date. The Bonds authenticated prior to the first Payment Date shall be dated and bear interest from the date of delivery of the Bonds. Bonds authenticated subsequent to the first Payment Date shall bear interest from the next preceding Payment Date on which such interest has been paid, unless such Bond is registered on an Payment Date or during the period between a Record Date and the next succeeding Payment Date, then from such Payment Date if interest is then paid, as the case may be; provided, however, that if and to the extent there is a default in the payment of the interest due on such Payment Date, such defaulted interest shall be paid to the persons in whose name

Bonds are registered on the registration books of the City maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent Payment Date established by notice mailed by the Registrar to the registered owner not less than the tenth day preceding such subsequent Payment Date, such interest shall be payable semiannually on January 1 and July 1 of each year (unless the Commission shall by subsequent proceedings establish different Payment Dates for the Bonds).

The Bonds shall be payable, with respect to interest and principal in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts;

Section 3. **EXECUTION OF BONDS.** The Bonds shall be executed in the name of the City by the signature of the Mayor of the Commission (or in the absence of the Mayor, the Vice Mayor) and its official seal shall be affixed thereto or imprinted or reproduced thereon and attested by the Clerk. The signatures of said Mayor (or Vice Mayor) and Clerk on the Bonds may be manual or facsimile signatures. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed shall have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office.

The Bonds shall bear thereon a certificate of authentication, in the form set forth in Section 6 hereof, executed manually by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Registrar. Such certificate of the Registrar upon any Bond executed on

behalf of the City shall be conclusive evidence that the Bond has been so authenticated and that the Owner thereof is entitled to the benefits of this Resolution.

Section 4. **NEGOTIABILITY, REGISTRATION AND CANCELLATION.** Except as otherwise provided in the last paragraph of this Section 4, at the option of the registered owner thereof and upon surrender thereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its duly authorized attorney and upon payment by such Owner of any charges which the Registrar may make as provided in this Section, the Bonds may be exchanged for Bonds of the same maturity of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by an Owner thereof in person or by its attorney duly authorized in writing only upon the books of the City kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Owner or his duly authorized attorney. Upon the transfer of any such Bond, the City shall issue in the name of the transferee a new Bond or Bonds.

The City, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute Owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Owner or upon his or her order shall be valid and effectual to satisfy and discharge the liability such Bond to the extent of the sum or sums so paid, and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Registrar and canceled by the Registrar in the manner provided in this Section. There shall be no charge for any such exchange or transfer of Bonds, but the City or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Record Date to the next succeeding Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a term Bond is redeemed or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such term Bond so surrendered, a registered term Bond in the appropriate denomination and interest rate.

All Bonds paid at or before maturity, shall be delivered to the Registrar when such payment is made, and such Bonds, together with all Bonds purchased by the City with the intent of cancellation, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Registrar, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers described by the Bonds so destroyed, and one executed certificate shall be filed with the City and the other executed certificate shall be retained by the Registrar.

The City is hereby authorized to provide for the registration of the Bonds by herein authorizing the use of the Book-Entry System for such Bonds. Bonds held by the Securities Depository while the Bonds are registered under the Book-Entry System shall be registered in the name of the Securities Depository or its nominee and beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the Securities Depository and its Participants.

Section 5. **BONDS MUTILATED, DESTROYED, STOLEN OR LOST.** In case any Bond shall become mutilated, destroyed, stolen or lost, the City may execute and the Registrar shall authenticate and deliver a new Bond of like date, maturity and denomination as the Bond so mutilated, destroyed, stolen or lost; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the City and, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the City and the Registrar evidence of such loss, theft, or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event any such Bond shall be about to mature or have matured instead of issuing a duplicate Bond, the City may pay the same without surrender thereof. The City and the Registrar may charge the Owner of such Bond their reasonable fees and expenses in connection with this transaction. Any Bond surrendered for replacement shall be canceled in the same manner as provided in Section 4 of this Article II.

Any such duplicate Bonds issued pursuant to this Section shall constitute additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Pledged Revenues with all other Bonds issued hereunder.

Section 6. **FORM OF BONDS.** The text of the Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable:

(Form of Bonds)

No. R- $_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
CITY OF DELRAY BEACH, FLORIDA
GENERAL OBLIGATION BONDS
SERIES 2024
(PARKS PROJECTS)

Interest Rate	Maturity Date	Dated Date	CUSIP
	July 1, _____		247271

Registered Owner: ----------CEDE & CO.----------

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS, that the City of Delray Beach, Florida, a municipal corporation of the State of Florida (the "City"), for value received, hereby promises to pay, from the Pledged Revenues, hereinafter mentioned, to the Registered Owner or registered assigns on the Maturity Date specified above, upon the presentation and surrender hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, as paying agent (said U.S. Bank Trust Company, National Association and any bank or trust company becoming successor paying agent being herein called the "Paying Agent"), the Principal Amount stated hereon with interest thereon at the Interest Rate stated above, payable on the first day of January and July of each year, commencing January 1, 2025 until the City's obligation with respect to the payment of such principal sum shall be discharged. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registration books of U.S. Bank Trust Company, National Association, as registrar (said U.S. Bank Trust Company, National

Association and any bank or trust company becoming successor registrar being herein called the "Registrar"), on the fifteenth day of the calendar month preceding each Payment Date, whether or not such fifteenth day is a Saturday, Sunday or holiday (the "Record Date"); provided, however, that payment of interest on the Bonds may, at the option of any Holder of Bonds in an aggregate principal amount of at least $1,000,000, be transmitted by wire transfer to the Holder to the domestic bank account number on file with the Paying Agent as of the Record Date. Such interest shall be payable from the most recent Payment Date next preceding the date of authentication to which interest has been paid, unless the date hereof is an January 1 or July 1 to which interest has been paid, in which case from the date of authentication, or unless the date hereof is prior to January 1, 2025, in which case from the Dated Date, or unless the date hereof is between a Record Date and the next succeeding Payment Date, in which case from such Payment Date; provided, however, that if and to the extent there is a default in the payment of the interest due on such Payment Date, such defaulted interest shall be paid to the persons in whose name Bonds are registered on the registration books of the City maintained by the Registrar at the close of business on the fifteenth day prior to a subsequent Payment Date established by notice mailed by the Registrar to the registered owner not less than the tenth day preceding such subsequent Payment Date. The Principal Amount and accrued interest thereon is payable in any coin or currency of the United States of America, which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond shall not be valid or obligatory for any purpose until the certificate of authentication set forth hereon shall have been duly executed by the Registrar.

This Bond is one of an authorized issue of Bonds of the City designated as its General Obligation Bonds, Series 2024 (Parks Projects) (herein called the "Bonds"), in the aggregate

principal amount of $_____ of like date, tender, and effect, except as to number, date of maturity and interest rate, issued for the purpose of financing all or a portion of the Parks Projects (as defined in the herein referred to Resolution), under the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly, Chapter 166, Florida Statutes, as amended and supplemented, the City Charter, as amended and supplemented and other applicable provisions of law, and a resolution duly adopted by the City Commission of the City of Delray Beach, Florida on March 5, 2024, as may be amended and supplemented from time to time (herein referred to as the "Resolution"), and is subject to all the terms and conditions of the Resolution. Any capitalized term not otherwise defined in this Bond shall have the meaning ascribed to such term in the Resolution.

This Bond is payable from and secured by a lien upon and pledge of the Pledged Revenues, all in the manner provided in the Resolution and which pledge represents the Ad Valorem Taxes the City is authorized to levy pursuant to the Referendum.

"Ad Valorem Taxes" shall mean all ad valorem taxes levied without limitation as to rate or amount on all taxable property in the City which are authorized to be levied pursuant to the Referendum.

"Pledged Revenues" shall mean (a) Ad Valorem Taxes deposited in the Debt Service Fund created and established under the Resolution, (b) investment income received from the investment of moneys in the Debt Service Fund, and (c) any other moneys deposited in the Debt Service Fund or received by the Paying Agent in connection with the repayment of the Bonds.

It is further agreed between the City and the Owner of this Bond that this Bond and the obligation evidenced thereby shall not constitute a lien upon any property or in the City, but shall constitute a lien only on the Pledged Revenues pledged thereto, all in the manner provided in the

Resolution. The original registered owner, and each successive registered owner of this Bond shall be conclusively deemed to have agreed and consented to the following terms and conditions:

[REDEMPTION PROVISIONS]

(1) The Registrar shall maintain the books of the City for the registration of Bonds and for the registration of transfers of Bonds as provided in the Resolution. The Bonds shall be transferable by the registered Owner thereof in person or by his attorney duly authorized in writing only upon the books of the City kept by the Registrar and only upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Upon the transfer of any such Bond, the City shall issue in the name of the transferee a new Bond or Bonds.

(2) The City, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his or her order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

(3) At the option of the registered owner thereof and upon surrender hereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney and upon payment by such registered owner of any charges which the Registrar or the City may

make as provided in the Resolution, the Bonds may be exchanged for Bonds of the same maturity of any other authorized denominations.

(4) In all other cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. There shall be no charge for any such exchange or transfer of Bonds, but the City or the Registrar may require payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Record Date to the next succeeding Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a term Bond is redeemed or defeased, the City shall execute and the Registrar shall authenticate and deliver, upon the surrender of such term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such term Bond so surrendered, a registered term Bond in the appropriate denomination and interest rate.

It is hereby certified and recited that all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of this Bond, and of the issue of Bonds of which this Bond is one, is in full compliance with all constitutional or statutory limitations or provisions.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the City of Delray Beach, Florida has caused this Bond to be signed by the Mayor or the Vice Mayor of the City Commission of the City of Delray Beach, Florida, either manually or with his/her facsimile signature, and the seal of said City to be affixed hereto or imprinted or reproduced hereon, and attested by the City Clerk (or Deputy Clerk), either manually or with his/her facsimile signature, all as of the Dated Date.

CITY OF DELRAY BEACH, FLORIDA

(SEAL)

_____
Mayor/Vice Mayor of the City Commission
of the City of Delray Beach, Florida

ATTEST:

CITY CLERK/DEPUTY CITY CLERK

By: _____
Name: _____
Title: _____

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Bond is one of the Bonds delivered pursuant to the within mentioned Resolution.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Registrar

By: _____
Authorized Officer

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with rights of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - _____ Custodian _____
(Cust) (Minor)

Under Uniform Transfer to Minors Act_____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

_____

(please print or typewrite name and address of assignee)

_____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

_____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

_____

Please insert social security or other identifying number of Assignee.

Section 7. BOOK-ENTRY SYSTEM

A. As long as the Bonds are registered under the Book-Entry System, the City and the Registrar, as the case may be, shall comply with the terms of the agreements with the Securities Depository (collectively, the "Book-Entry Agreement"). The Blanket Issuer Letter of Representations on file with the Securities Depository, to evidence the Book-Entry System of registration with respect to certain of the City's bonds and previously filed with Securities Depository shall be applicable to the Bonds. The Mayor or Vice Mayor of the Commission, the Clerk, or Chief Financial Officer are each hereby authorized and directed to execute and deliver such other documents and certificates to evidence the Book-Entry System of registration for the Bonds. The Book-Entry System through the Securities Depository may be terminated upon the happening of any of the following:

1. The Securities Depository or the City, based upon advice from the Securities Depository, advise the Registrar that the Securities Depository is no longer willing or able to properly discharge its responsibilities under the Book-Entry Agreement and the Registrar and the City are unable to locate a qualified successor clearing agency satisfactory to the Registrar and the City; or

2. The City, pursuant to the rules and regulations of the Securities Depository, elects to terminate the Book-Entry System by notice to the Securities Depository and the Registrar.

B. Upon the occurrence of any event described in Section 7.A above, (i) the City and the Registrar shall, if necessary, enter into a resolution supplemental to this Resolution to add to the provisions of this Resolution any provisions deemed reasonably necessary or required by the Registrar with respect to Replacement Bonds (including, but not limited to, the provision

for the cost and expenses for the printing thereof) and to account for the fact that, thereafter, the Bonds will no longer be registered under the Book-Entry System, and (ii) the Registrar shall notify the Securities Depository of the occurrence of such event and of the availability of definitive or temporary Replacement Bonds to Beneficial Owners requesting the same, in an aggregate Outstanding amount representing the interest of each such Beneficial Owner, making such adjustments and allowances as it may find necessary or appropriate as to accrued interest and previous payments of principal. Definitive Replacement Bonds shall be issued only upon surrender to the Registrar of the Bond of each maturity by the Securities Depository, accompanied by registration instructions for the definitive Replacement Bonds for such maturity from the Securities Depository. Neither the City nor the Registrar shall be liable for any delay in delivery of such instructions and conclusively may rely on, and shall be protected in relying on, such instructions.

C. Whenever the Bonds are registered under the Book-Entry System and notice or other communication to the Bondholders is required under this Resolution, unless and until definitive Replacement Bonds shall have been issued with respect to the Bonds, the City or the Registrar, as the case may be, shall give to the Securities Depository one copy of each such notice or communication specified herein or required by this Resolution to be given to the Beneficial Owners of the Bonds.

Section 8. SALE AND AWARD OF BONDS; DELEGATION OF AUTHORITY; PARAMETERS. The City Manager or Chief Financial Officer is hereby authorized and directed to provide for the public sale of the Bonds by competitive bid in the manner provided in Section 218.385, Florida Statutes, at an aggregate purchase price of not less than 99% per maturity with 100.00% minimum of the aggregate original principal amount of the Bonds issued and at a true interest cost rate ("TIC"), not to exceed 5.50% (the "Maximum TIC"). Any original issue discount

or premium shall be such as may be necessary to sell the Bonds. Without limiting the generality of the foregoing, such public sale shall be conducted by an internet bidding process via IHS Markit's Parity/BidComp ("PARITY") or other similar website. The Chief Financial Officer is hereby authorized to determine the most advantageous date and time of sale and to publish the Official Notice of Bond Sale, or a summary thereof, in one or more newspapers of general circulation or financial journals published within or without the State of Florida, as deemed appropriate, such publication to be not less than ten (10) days prior to the date of sale of Bonds; and if all bids received are rejected, such Bonds may again be offered for sale in the manner provided herein. The Official Notice of Bond Sale shall be in substantially the form thereof attached hereto as Exhibit "A," with such deletions, changes, revisions or modifications as may be approved by the Chief Financial Officer, including, without limitation, such changes as may be required to provide for public sale by competitive bids through a different internet bidding process. Proposals for purchase of the Bonds will be received electronically via PARITY as provided in the Official Notice of Bond Sale, on such date and time as set forth in the Official Notice of Bond Sale as may be established by the Chief Financial Officer. The Chief Financial Officer is further authorized to award the Bonds to the bidder(s) providing the lowest TIC (but not in excess of the Maximum TIC) and who otherwise meets and satisfies the terms and conditions of the Official Notice of Bond Sale.

In making the determinations set forth above and in Section 9 hereof as to the details and other matters relating to the Bonds and the documentation related thereto, the Chief Financial Officer is entitled to consult with and seek advice from the City Manager, the Financial Advisor, the City Attorney and Bond Counsel. To evidence compliance with the foregoing parameters and the parameters set forth in Section 9 of this Article II, the Financial Advisor shall provide a written

certification to that effect to the Chief Financial Officer and City Manager prior to the official award of the Bonds. The City's Financial Advisor shall also file with the Chief Financial Officer and City Manager a written summary of the final details of the Bonds including original issuance discount or premium, if any, interest rates, principal amounts for the Bonds, costs of issuance for the Bonds, Underwriters' discount, management fee and takedown for the Bonds. Such written summary shall be entered into Commission records as an attachment to this Resolution. The Chief Financial Officer is hereby authorized to consent, on behalf of the City, to any changes to this Section 8 or Section 9 below if the City's Financial Advisor certifies in writing that such changes are necessary to market the Bonds within the parameters set forth above.

Section 9. GENERAL TERMS AND REDEMPTION PROVISIONS.

A. The Bonds shall be dated the date of delivery, shall be issued in such principal amount, shall bear interest from the date thereof, payable semiannually on each Payment Date at the rates, and shall mature on July 1, commencing on July 1, 2025, in accordance with the maturity schedule, shall consist of Serial Bonds and/or Term Bonds and may be subject to optional and/or mandatory sinking fund redemption, all as set forth in the final Official Statement, as such rates, dates, principal amount, maturity schedule and redemption provisions may be approved by the Chief Financial Officer, provided that the aggregate principal amount shall not exceed $20,000,000, the TIC shall not exceed the Maximum TIC and the final maturity of the Bonds shall not be later than thirty (30) years from issuance.

B. The Bonds may be subject to optional redemption prior to maturity at the option of the City, in whole or in part, at such times, and at the redemption prices, as approved and determined by the Chief Financial Officer, as shall be set forth in the Official Statement but not later than July 1, 2034; provided, however, that the redemption price of the Bonds shall not exceed

one hundred percent (100%) of the principal amount of the Bonds to be optionally redeemed. In addition, any Bonds issued as Term Bonds shall be subject to mandatory sinking fund redemption as set forth in the written summary provided by the City's Financial Advisor.

C. Notice of redemption shall be given by deposit in the U.S. mail, postage prepaid, at least thirty (30) days before the redemption date to all registered owners of the Bonds or portions of the Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to mail any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred. The foregoing notwithstanding, if it is determined that the giving of notice by U.S. mail is not feasible, any other industry-accepted means of giving notice, including, but not limited to, facsimile or electronic transmission, may be utilized for the giving of notice, provided that it can be established that the notice was in fact given by such other means.

Such notice shall set forth the date fixed for redemption, the rate of interest borne by each Bond being redeemed, the date of publication, the name and address of the Registrar and Paying Agent, the redemption price to be paid and, if less than all of the Bonds then Outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond may be issued upon request of the Owner. Conditional Notice of Redemption is authorized to be given for any optional redemption.

The Registrar also shall mail (by certified mail, return receipt requested) a copy of such notice for receipt not less than the second Business Day prior to the date the notice of redemption is mailed to the registered Holders of the Bonds to the following: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax (516) 227-4039 or such other securities depository designated by the City; provided, however, that such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Bonds.

A second notice of redemption shall be given sixty (60) days after the redemption date in the manner required above to the registered owners of redeemed Bonds which have not been presented for payment within thirty (30) days after the redemption date.

Notwithstanding the above, so long as the Bonds are held in a book-entry only system maintained by Securities Depository, such notice of redemption shall only be sent to Securities Depository or its nominee.

Any notice mailed or otherwise provided by such other means, all as set forth in this Section 9, shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

D. Notice having been given in the manner and under the conditions hereinabove provided, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption for such Bonds or portions of Bonds on such date; provided, however, that the Bonds or portions of Bonds called for optional redemption for which a Conditional Notice of Redemption was given, shall not become due and payable on the redemption date if sufficient moneys to pay the redemption price of such Bonds or portions of such Bonds have not been

received by the Paying Agent on or prior to the redemption date. On the date so designated for redemption, moneys for payment of the redemption price being held in a separate account by the Paying Agent in trust for the registered owners of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution and shall be deemed paid hereunder, and the registered owners of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of the Bonds.

E. Unless the Bonds are registered pursuant to the Book-Entry System, in case part, but not all, of an Outstanding fully registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the City or its designated Paying Agent for payment of the principal amount thereof so called for redemption, and the City shall execute and deliver to or upon the order of such registered owner, without charge therefor, for the unredeemed balance of the principal amount of the Bonds so surrendered, a new Bond or Bonds fully registered as to principal and interest.

F. If the date for payment of the principal of or interest on the Bonds or the date for the taking of any action in connection with the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions where the designated corporate trust office of the Paying Agent is located are authorized by law or executive order to close, then the date for such payment or for the taking of such action shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and

payment or the taking of such action on such day shall have the same force and effect as if made or taken on the nominal date specified for the payment or action.

Section 10. **PRELIMINARY AND OFFICIAL STATEMENT**. The Official Statement in substantially the form of the Preliminary Official Statement attached hereto as Exhibit B with such changes and completion as to the details of the Bonds as shall be approved by the City Attorney, Disclosure Counsel, the Chief Financial Officer, the City Manager and the City's Bond Counsel, be and the same is hereby approved, and the Commission hereby approves the use of the final Official Statement by the Underwriters (by way of electronic distribution) in connection with the offering and sale of the Bonds and the Commission hereby further approves the use by the Underwriters of any supplement or amendment to the Official Statement. The Mayor of the Commission (or, in the absence of the Mayor of the Commission, the Vice Mayor of the Commission) is hereby authorized and directed to execute the Official Statement and any amendment or supplement thereto, in the name and on behalf of the City, and thereupon to cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters with such approval to be conclusively evidenced by his or her execution and delivery thereof. In addition, the Commission hereby authorizes, approves and consents to the use by the Underwriters (by way of electronic distribution) of the Preliminary Official Statement (attached hereto as Exhibit B) when in final form in connection with the public offering of the Bonds. Prior to such distribution, the Chief Financial Officer is hereby authorized to deem such Preliminary Official Statement relating to the Bonds "final" within the meaning of the Rule as of its date, except for certain "permitted omissions" as defined therein.

Section 11. **PAYING AGENT AND REGISTRAR; PAYING AGENT AGREEMENT.** U.S. Bank Trust Company, National Association is hereby appointed as paying

agent (the "Paying Agent") and registrar (the "Registrar") for the Bonds. By the acceptance of such appointment, U.S. Bank Trust Company, National Association agrees to comply with the terms of this Resolution and Paying Agent Agreement applicable to it. The Paying Agent Agreement in substantially the form of the Paying Agent and Registrar Agreement attached hereto as Exhibit C with such changes and completion as to the details of the Bonds as shall be approved by the City Attorney, Disclosure Counsel, the Chief Financial Officer and the City's Bond Counsel, be and the same is hereby approved. The Mayor of the Commission (or, in the absence of the Mayor of the Commission, the Vice Mayor of the Commission) or the Chief Financial Officer is hereby authorized and directed to execute the final Paying Agent Agreement and in the name and on behalf of the City, and thereupon to cause the Paying Agent Agreement to be delivered to the Paying Agent and Registrar with such approval to be conclusively evidenced by his execution and delivery thereof.

ARTICLE III
COVENANTS, FUNDS AND APPLICATION THEREOF

Section 1. **TAXING POWER OF THE CITY.** The Bonds are general obligations of the City and shall be secured by the pledge of the Pledged Revenues. The full faith and credit is pledged for the payment of debt service on the Bonds.

It is agreed between the City and the Bondholders that the Bonds and the obligations evidenced thereby shall not constitute a lien upon any of the Parks Projects or on any other property of or in the City, but shall constitute a lien only on the Pledged Revenues pledged thereto, all in the manner provided in this Resolution.

Section 2. **BONDS SECURED BY LIEN ON AND PLEDGE OF THE PLEDGED REVENUES.** The payment of the principal of and interest on all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on and pledge of the Pledged Revenues in

an amount sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the required payments into the Debt Service Fund, hereinafter created, and all other payments provided for in this Resolution as the same become due and payable.

Section 3. **APPLICATION OF BOND PROCEEDS**. All net proceeds received by the City from the sale of the Bonds authorized and issued pursuant to this Resolution shall be disbursed in the following manner and order of priority:

A. All of the net proceeds derived from the sale of the Bonds shall be deposited in a fund in a bank or trust company in the State which is eligible under State law to receive deposits of City funds, which fund is hereby created, established and designated as the "Parks Improvement Fund" together with other moneys lawfully available therefor, if any, to be used to finance all or a portion of the Parks Projects. There is hereby created and established in the Parks Improvement Fund a separate line item to be known as the "Cost of Issuance Cost Center," into which shall be deposited on the date of initial issuance and delivery of the Bonds an amount sufficient to pay the costs of issuance of the Bonds, unless the City elects to pay all costs of issuance of the Bonds from another source. No withdrawals shall be made from the Parks Improvement Fund, except for amounts in the Cost of Issuance Cost Center, without receipt of a written requisition executed by the duly authorized official of the City responsible for the administering of the Parks Projects, specifying the purpose for which such withdrawal is to be made and certifying that such purpose is to finance any portion of the Parks Projects. If, for any reason, the moneys in the Parks Improvement Fund, or any part thereof, are not necessary for, or are not applied to, the purposes of acquiring the Parks Projects, then such surplus proceeds shall be deposited, upon certification of the Chief Financial Officer, that such surplus proceeds are not needed for the purposes of the Parks Improvement Fund, in the following order:

1. First, to the Debt Service Fund (as herein defined) in the amounts determined by subsequent proceedings of the Commission; and

2. Second, the balance, if any, to the City to be used for any lawful capital purpose consistent with the purposes identified in the Referendum upon receipt of an opinion of Bond Counsel to the effect that such use will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The moneys deposited in the Parks Improvement Fund may, pending their use for the purposes provided in this Resolution, be temporarily invested in Permitted Investments maturing not later than the dates on which such moneys will be needed for the purposes of the Parks Improvement Fund. Subject to the provisions of the Code and the Tax Certificate, all the earnings and investment income from such investments shall remain in and become a part of said Parks Improvement Fund and be used for the purposes of the Parks Improvement Fund.

Any moneys received by the City from the State, from Palm Beach County, or from the United States of America or any agencies thereof for the purpose of financing any part of the Parks Projects, may be deposited in the Parks Improvement Fund and used in the same manner as the net proceeds from the Bonds are used therein; provided, however, that such moneys shall not be so deposited in the event and to the extent that the City has incurred debt or has effected an inter-fund loan in anticipation of the receipt of such moneys; and provided further, that separate accounts may be established in the Parks Improvement Fund for moneys received pursuant to the provisions of this paragraph whenever required by federal or State regulations.

All of the net proceeds from the sale of the Bonds deposited hereunder shall be and constitute trust funds for the purposes hereinabove provided, and there is hereby created a lien upon such moneys, until so applied, in favor of the Owners of the Bonds.

Section 4. **COVENANTS OF THE CITY.** As long as any of the principal of or interest on any of the Bonds shall be Outstanding and unpaid, or until there shall have been set apart in the Debt Service Fund, a sum sufficient to pay, when due, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, or until the provisions of Section 4.G of this Article III have been complied with, the City covenants with the Owners of any and all of the Bonds issued pursuant to this Resolution as follows:

A. Pledge of Ad Valorem Taxes. Until all of the Bonds are paid or deemed paid pursuant to the provisions of this Resolution, the City hereby covenants to levy and collect Ad Valorem Taxes without limitation as to rate or amount on all taxable property within the City expected to pay debt service on the Bonds.

B. Tax Covenant.

1. In order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, and for no other purpose, the City covenants to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the City agrees to comply with the provisions of the Tax Certificate executed by the City on the date of initial issuance and delivery of the Bonds.

2. The City covenants that the City shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts on deposit in the fund and account established in connection with the Bonds or from other legally available funds of the City.

3. Notwithstanding any other provision of this Resolution to the contrary, as long as necessary in order to maintain the exclusion of the interest on the Bonds from

gross income for federal income tax purposes, the covenants contained in this Section shall survive the payment of the Bonds and the interest thereon, including any payment or discharge thereof pursuant to Section 4.G. of this Article III.

C. Establishment of the Debt Service Fund. There is hereby created and established a "Debt Service Fund" with a bank or trust company in the State which is eligible under State law to receive deposits of City funds. The Debt Service Fund shall constitute a trust fund for the benefit of the Holders of the Bonds until so applied in accordance with the terms hereof. Principal and interest due on the Bonds shall be payable from the Debt Service Fund.

D. Disposition of Pledged Revenues. The City shall deposit the Ad Valorem Taxes into the Debt Service Fund at such times (but in no case later than the Business Day next preceding an Payment Date) and in such amounts as shall be sufficient to make full and timely payments of the principal of and interest on the Bonds, as the same become due and payable, in each year that the Bonds are Outstanding and unpaid. The City may invest the moneys on deposit in the Debt Service Fund in Permitted Investments to mature not later than such times as shall be necessary to pay debt service on the Bonds (whether at maturity, by redemption, or otherwise).

E. Books and Records. That the City will keep books and records in each Fiscal Year of the receipt of the Ad Valorem Taxes in accordance with generally accepted accounting principles for government units, and any Owner or Owners of Bonds issued pursuant to this Resolution shall have the right at all reasonable times to inspect the records, accounts and data of the City relating thereto.

F. Remedies. Any Owner of Bonds or any trustee acting for such Owners in the manner hereinafter provided, may either at law or in equity, by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights under

the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution or by any applicable statutes to be performed by the City or by any officer thereof.

The Owner or Owners of Bonds in an aggregate principal amount of not less than fifty one per centum (51%) of Bonds issued under this Resolution then Outstanding may by a duly executed certificate in writing appoint a trustee for Owners of Bonds issued pursuant to this Resolution with authority to represent such Owners in any legal proceedings for the enforcement and protection of the rights of such Owners. Such certificate shall be executed by such Owners or their duly authorized attorneys or representatives, and shall be filed in the office of the Clerk.

Acceleration of the payment of principal of and interest on the Bonds shall not be a remedy available to the Owners of the Bonds.

G. Discharge and Satisfaction of Bonds. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds in anyone or more of the following ways:

1. by paying the principal of and interest on Bonds when the same shall become due and payable; or

2. by depositing in the Debt Service Fund or such other funds or accounts which are irrevocably pledged to the payment of the Bonds as the City may hereafter create and establish by proper proceedings moneys which, together with other moneys lawfully available therefor and deposited therein, if any, shall be sufficient at the time of such deposit to pay the principal of the Bonds and the interest thereon as the same become due on said Bonds on or prior to the maturity date thereof; or

3. by depositing in the Debt Service Fund or such other funds or accounts which are irrevocably pledged to the payment of the Bonds as the City may hereafter create and establish by proper proceedings moneys which, together with other moneys lawfully available therefor and deposited therein, if any, when invested in Defeasance Obligations, except for any beginning cash balance, will provide moneys which shall be sufficient to pay the principal of the Bonds and interest thereon as the same shall become due on said Bonds on or prior to the maturity date thereof.

4. Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge of any maturity of the Bonds, any portion of a maturity of the Bonds or any combination thereof.

Upon such payment or deposit in the amount and manner provided in this Section 4.G, the Bonds shall no longer be deemed to be Outstanding for the purposes of this Resolution and all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged and extinguished, and the Owners thereof shall be entitled for payment solely out of the moneys or securities so deposited.

H. Rule 15c2-12 Undertaking. That in order to assist the Underwriters of the Bonds issued under this Resolution with respect to compliance with the Rule, the City undertakes and agrees to provide the information described below to the persons so indicated. The City's undertaking and agreement set forth in this Section 4.H. of this Article III shall be for the benefit of the registered owners and Beneficial Owners of the Bonds.

1. The City undertakes and agrees to provide to MSRB, through EMMA and to the State of Florida information depository (herein, the "SID") if and when such a SID is created (i) the City's financial statements generally consistent with the financial statements

presented in the Official Statement relating to the Bonds, and (ii) update the information in the Official Statement regarding the City's Ad Valorem Taxes set forth in the Official Statement under the heading "AD VALOREM TAXATION" or at the discretion of the City, any other information under such other heading related to the operations of the City. The information referred to in clauses (i) and (ii) is herein collectively referred to as the "Annual Information." The Annual Information and any notice described in paragraph 5 of this Section 4.H. shall be filed in EMMA Compliant Format.

2. The Annual Information described in clause (i) of subparagraph 1 above in audited form (for as long as the City provides such financial information in audited form) is expected to be available on or before March 31 of each year for the Fiscal Year ending on the preceding September 30, commencing March 31, 2025 for the Fiscal Year ending on the preceding September 30, 2024. The Annual Information referred to in clause (i) of subparagraph 1 above in unaudited form (if the audited financial statements are not available or if the City no longer provides such financial information in audited form) will be available on or before March 31 for the Fiscal Year ending on the preceding September 30. Notwithstanding the foregoing, if the City is not able to deliver audited financial statements by March 31 of any year, such audited financial statements must be provided to the MSRB, through EMMA and the SID, if any, by June 1 of such year. The City also agrees to provide the Annual Information to each registered owner and Beneficial Owner of the Bonds who request such information and pays to the City its costs and reproduction and transmission of such Annual Information. The City agrees to provide to the MSRB, through EMMA and the SID, if any, timely notice of its failure to provide the Annual Information. As long as the City files the unaudited financials by March 31 of any year, if the audited financials are not available, and the audited financial statements by June 1 of that same

year, no notice shall be required to be filed. Such notice shall also indicate the reason for such failure and when the City reasonably expects such Annual Information will be available. Timely notice shall be given within ten (10) Business Days of the date of such failure. All filings with EMMA shall be in EMMA Compliant Format.

3. The Annual Information referred to in clause (i) of subparagraph 1 above and presented in the Official Statement has been prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board, as in effect from time to time, as such principles are modified by generally accepted accounting principles, promulgated by the Financial Accounting Standards Board, as in effect from time to time, and such other State mandated accounting principles as in effect from time to time.

4. If, as authorized by subparagraph 6 below, the City's Undertaking with respect to subparagraph 1 above requires amending, the City undertakes and agrees that the Annual Information described in clause (i) of subparagraph 1 above for the Fiscal Year in which the amendment is made will, to the extent possible, present a comparison between the Annual Information prepared on the basis of the new accounting principles and the Annual Information prepared on the basis of the accounting principles described in subparagraph 3 above. The City agrees that such a comparison will, to the extent possible, include a qualitative discussion of the differences in the accounting principles and the impact of the change on the presentation of the Annual Information.

5. The City undertakes and agrees to provide to MSRB, through EMMA, and to the SID, if any, within ten (10) Business Days of the occurrence of the events listed below (except as otherwise provided with respect to the event listed in clause (h)) notice of the occurrence of any of the following events with respect to the Bonds, if material or deemed material:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on any debt service reserve account reflecting financial difficulties;*

(d) unscheduled draws on credit enhancements reflecting financial difficulties;*

(e) substitution of credit or liquidity providers, or their failure to perform;*

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) modifications to rights of Bondholders, if material;

(h) Bond calls, if material, and tender offers;

(i) defeasances of the Bonds;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) any failure on the part of the City to comply with its undertaking;

(m) bankruptcy, insolvency, receivership or similar event of the City or any other obligated person (which is considered to occur when any of the following occur:

* Not applicable to the Bonds.

the appointment of a receiver, fiscal agent or similar officer for the City or any other obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City or any other obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City or any other obligated person);

(n) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(o) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(p) incurrence of a Financial Obligation of the City or any other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City or any other obligated person, which affect security holders, if material;

(q) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the City or any other obligated person, which reflect financial difficulties; and

(r) any amendment to the accounting principles to be followed by the City in preparing its financial statements, as required by this Section 4.H. of Article III.

Events described in clauses (a), (f), (i), (k), (l), (m), and (q) shall always be deemed material.

Notwithstanding the foregoing, notice of the event described in clause (h) need not be given any earlier than the time notice is required to be given to the registered owners of the Bonds.

6. Notwithstanding any other provision of this Resolution to the contrary regarding amendments or supplements, the City undertakes and agrees to amend and/or supplement this Section 4.H (including the amendments referred to in paragraph 4 above) only if:

(a) The amendment or supplement is made only in connection with a change in circumstances existing at the time the Bonds were originally issued that arises from (i) a change in law, (ii) SEC pronouncements or interpretations, (iii) a judicial decision affecting the Rule or (iv) a change in the nature of the City's collection of its Ad Valorem Taxes;

(b) The City's Undertaking, as amended, would have complied with the requirements of the Rule at the time the Bonds were originally issued after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or supplement does not materially impair the interests of the registered owners and Beneficial Owners of the Bonds as determined by Bond Counsel or by a majority of the registered owners of the Bonds.

In the event of an amendment or supplement under this Section 4.H, the City shall describe the same in the next report of Annual Information and shall include, as applicable, a narrative

explanation of the reason for the amendment or supplement and its impact, if any, on the financial information and operating data being presented in the Annual Information.

7. The City's Undertaking as set forth in this Section 4.H shall terminate if and when the Bonds are paid or deemed paid within the meaning of Section 4.G. of this Article III.

8. The City acknowledges that its Undertaking pursuant to the Rule set forth in this Section 4.H is intended to be for the benefit of the registered holders and Beneficial Owners of the Bonds and shall be enforceable by such holders and Beneficial Owners; provided that, the holder's and Beneficial Owners' right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder, and any failure by the City to comply with the provisions of this Undertaking shall not be or constitute a covenant or monetary default with respect to the Bonds under this Resolution.

9. The City reserves the right to satisfy its obligations under this through agents; and the City may appoint such agents without the necessity of amending this Resolution. The City may also appoint one or more employees of the City to monitor and be responsible for the City's Undertaking hereunder.

ARTICLE IV
MISCELLANEOUS PROVISIONS

Section 1. **MODIFICATION OR AMENDMENT.** Except as otherwise provided in Section 4.H of Article III of this Resolution, no material modification or amendment of this Resolution or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the Owners of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or any redemption provision or a reduction in the rate of interest thereon,

or affecting the unconditional promise of the City to pay the interest of and principal on the Bonds, as the same mature or become due, from the Pledged Revenues, or reduce such percentage of Owners or such Bonds required above for such modification or amendments, without the consent of the Owners of all the Bonds.

In addition to the provisions of Section 4.H of Article III of this Resolution regarding amendments to the City's Undertaking, this Resolution may be amended, changed, modified and altered without the consent of the Owners of Bonds, (i) to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions contained herein, (ii) to provide other changes which will not adversely affect the interest of such Owners, (iii) to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, (iv) to secure or maintain a rating on the Bonds, or (v) to implement or discontinue a Book-Entry System.

Section 2. **SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions of the Resolution or of the Bonds issued hereunder.

Section 3. **FURTHER AUTHORIZATIONS.** The Mayor of the Commission, the Vice Mayor, the City Manager, the Clerk, the Chief Financial Officer, and any other authorized official of the City, be and each of them is hereby authorized and directed to execute and deliver any and all documents and instruments, including but not limited to entering into a paying agent

and registrar agreement if so required, and in a form acceptable to the City Attorney and Bond Counsel and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

Section 4. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

The Mayor/Vice Mayor thereupon declared the resolution duly passed and adopted this 5th day of March, 2024.

THE CITY OF DELRAY BEACH, FLORIDA

By: _____
Mayor/Vice Mayor

Date: March 5, 2024

ATTEST:

_____
City Clerk

The foregoing Resolution is hereby approved by me as to form this 5th day of March, 2024.

By: _____
City Attorney

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APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

Upon delivery of the Series 2024 Bonds (as defined below) in definitive form, Greenberg Traurig, P.A., as Bond Counsel, proposes to render its final approving opinion with respect to such Series 2024 Bonds in substantially the following form:

_____, 2024

Mayor and City Commission of the
City of Delray Beach, Florida

Dear Mayor and Members of the City Commission:

We have examined the Florida Constitution and laws of the State of Florida, including Chapter 166, Florida Statutes, as amended, the Charter of the City of Delray Beach, Florida, as amended (the "City") and other applicable provisions of law (collectively, the "Act"), and Resolution No. 56-24 adopted by the City Commission on March 5, 2024 (the "Bond Resolution"), and other legal proceedings and proofs submitted, relative to the issuance and sale by the City of its

$9,545,000
CITY OF DELRAY BEACH, FLORIDA
GENERAL OBLIGATION BONDS, SERIES 2024
(PARKS PROJECTS)
(the "Series 2024 Bonds")

issued on the date hereof and maturing in such amounts and at such times, bearing interest and subject to redemption, all as set forth or provided for in the final official statement relating to the Series 2024 Bonds. Capitalized terms used herein without definitions have the meanings ascribed to them in the Bond Resolution, unless the context clearly indicates otherwise.

As to questions of fact material to our opinion, we have relied upon such certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have also examined the Series 2024 Bonds as executed and authenticated.

The Series 2024 Bonds are being issued for the purpose of providing funds to (i) finance certain Parks Projects and (ii) pay the costs of issuance of the Series 2024 Bonds.

The Series 2024 Bonds constitute general obligations of the City to which the full faith, credit and taxing power of the City are pledged. The City has covenanted in the Bond Resolution

in each Fiscal Year while any of the Series 2024 Bonds are outstanding to assess, levy and collect a tax, without limitation as to rate or amount, on all taxable property within the corporate limits of the City (excluding exemptions as provided by applicable law), sufficient in amount to pay the principal of and interest on the Series 2024 Bonds as the same shall become due.

Based on the foregoing, we are of the opinion that:

1. The Bond Resolution has been duly adopted by the City Commission and approved and authorized the issuance of the Series 2024 Bonds and the execution and delivery thereof.

2. The Series 2024 Bonds have been duly and legally authorized, executed and delivered by the City and are valid, binding and enforceable general obligations of the City in accordance with their terms.

3. The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2024 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2024 Bonds. The City has covenanted in the Bond Resolution to comply with the requirements of the Code in order to maintain the exclusion of the interest on the Series 2024 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

Under existing statutes, regulations, rulings and court decisions, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the covenants described in the Bond Resolution, interest on the Series 2024 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and, furthermore, interest on the Series 2024 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2024 Bonds is not excluded from the determination of adjusted financial statement income.

4. The Series 2024 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations as defined therein.

It is to be understood that the rights of the holders of the Series 2024 Bonds and the enforceability thereof and of the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted, and that their enforcement may be subject to general principles of equity and the exercise of judicial discretion in appropriate cases.

Except as stated in paragraphs 3 and 4 above, we express no opinion as to any other tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of the Series 2024 Bonds.

In rendering the foregoing opinions we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We express no opinion herein with respect to any other document or agreement entered into by the City or by any other person in connection with the Series 2024 Bonds, other than as expressed herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

GREENBERG TRAURIG, P.A.

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CITY OF DELRAY BEACH, FLORIDA • GENERAL OBLIGATION BONDS, SERIES 2024 (PARKS PROJECTS)

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