

City of Riviera Beach, Florida

Comprehensive Annual Financial Report

Fiscal Year ended September 30, 2020





Comprehensive Annual Financial Report

OF THE

CITY OF RIVIERA BEACH, FLORIDA

Fiscal Year Ended September 30, 2020

Prepared by the Finance and Administrative Services Department



Table of Contents

SECTION I

Introductory Section

Letter of Transmittal	2
Organizational Chart	10
Elected Officials	11
Elected Officials and Principal Officers	12

SECTION II

Financial Section

Independent Auditor’s Report	15
Management’s Discussion and Analysis	18

BASIC FINANCIAL STATEMENTS 34

Government-wide Financial Statements:

Statement of Net Position	35
Statement of Activities	37

Fund Financial Statements:

Governmental Fund Financial Statements:

Balance Sheet - Governmental Funds	38
Reconciliation of the Balance Sheet to the Statement of Net Position	39
Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.	41

Proprietary Fund Financial Statements:

Statement of Net Position - Proprietary Funds	42
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	44
Statement of Cash Flows - Proprietary Funds	45

Fiduciary Fund Financial Statements:

Statement of Fiduciary Net Position - Fiduciary Funds	47
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	48

NOTES TO THE BASIC FINANCIAL STATEMENTS 49

REQUIRED SUPPLEMENTARY INFORMATION 116

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	117
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Redevelopment Agency (CRA)	118
Notes to the Budgetary Comparison Schedule.	119
Schedule of Changes in the City’s Net Pension Liability and Related Ratios - General Employees’ Retirement System	120
Schedule of Changes in the City’s Net Pension Liability and Related Ratios - Police Pension Fund	121
Schedule of Changes in the City’s Net Pension Liability and Related Ratios - Firefighters’ Pension Trust Fund.	122
Schedule of Methods and Assumptions	123
Schedule of City’s Contributions	124
Schedule of Investment Returns	125
Schedule of Changes in the City’s Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Pension Plan	126
Schedule of Changes in the City’s Proportionate Share of the Net Pension Liability - Florida Retiree Health Insurance Subsidy (HIS) Trust Fund	127
Schedule of Contributions – FRS and HIS Plans	128
Schedule of Changes in Total OPEB Liability and Related Ratios	129

Table of Contents

OTHER SUPPLEMENTARY INFORMATION	130
Combining and Individual Fund Financial Statements and Schedules	132
Nonmajor Governmental Funds	133
Description of Funds	134
Combining Balance Sheet – Nonmajor Governmental Funds – Summary by Fund Type	136
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds – Summary by Fund Type	137
Combining Balance Sheet – Nonmajor Special Revenue Funds	138
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds	141
Combining Balance Sheet – Nonmajor Capital Projects Funds	144
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Capital Projects Funds	145
Combining Balance Sheet – Nonmajor Debt Service Fund	146
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Debt Service Funds	147
Nonmajor Enterprise Funds	148
Description of Funds	149
Combining Statement of Net Position – Nonmajor Enterprise Funds	150
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Enterprise Funds	151
Statement of Cash Flows – Nonmajor Enterprise Funds	152
Internal Service Funds	153
Description of Funds	154
Combining Statement of Net Position – Internal Service Funds	155
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	156
Statement of Cash Flows – Internal Service Funds	157
Fiduciary Funds	158
Description of Funds	159
Combining Statement of Net Position – Fiduciary Funds	160
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds	161
Budgetary Comparison Schedules	162
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Revenue Funds	163
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Project Funds	181
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund	186

Table of Contents

SECTION III

Statistical Section

Financial Trends	190
Net Position by Component	191
Changes in Net Position	192
Fund Balances of Governmental Funds	194
Changes in Fund Balances of Governmental Funds	195
Revenue Capacity	196
Governmental Funds Revenues by Source	197
Governmental Funds Expenditures by Function	198
Governmental Fund Fund Balance Compared to Annual Expenditures	199
General Fund Revenues by Source	200
General Fund Tax Revenue by Source	201
Property Tax Levies and Collections	202
Taxable Values and Gross Assessed Value of Property	203
Direct and Overlapping Property Tax Rates	204
Principal Property Taxpayers	205
Debt Capacity	207
Outstanding Debt Per Capita by Type	208
Direct and Overlapping Debt	209
Schedule of General Government Pledged Revenue Coverage	210
Schedule of Community Redevelopment Agency Tax Increment Revenue Coverage	212
Schedule of Water and Sewer Pledged Revenue Coverage	213
Schedule of Stormwater Pledged Revenue Coverage	214
Demographic and Economic Information	215
Demographic and Economic Statistics	216
Principal Employers	217
Operating Information	218
Full-time Equivalent Employees by Function	219
Operating Indicators by Function / Program	220
Capital Asset Statistics by Function / Program	221

SECTION IV

Compliance Section

Independent Auditor’s 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	224
Independent Auditor’s Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Florida Auditor General	226
UNIFORM GUIDANCE / GRANTS COMPLIANCE	228
Schedule of Expenditures of Federal Awards and State Financial Assistance	229
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	232
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	234
REPORTING SECTION	246
Independent Auditor’s Report on Compliance with Section 218.415, Florida Statutes, Local Government Investment Policies	247
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	249

SECTION I:
INTRODUCTORY SECTION



Our Mission, Vision, and Values

Our Mission

We are committed to creating an exceptional City by providing excellent customer service, progressive leadership, and accountable stewardship.

Our Vision

To be the best waterfront City in which to live, work, and play.

Our Values

- Professionalism
- Ethics
- Excellence in Customer Service
- Integrity
- Diversity
- Respect for Opinions
- Transparency
- Innovation



INTRODUCTORY SECTION

Overview

The Introductory Section of the City's Comprehensive Annual Financial Report (Annual Report) provides the Letter of Transmittal from the Finance and Administrative Services Director, the City's Organizational Chart, the City's Elected Officials and Principal Officers.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Letter of Transmittal	2
Organizational Chart	10
Elected Officials	11
Elected Officials and Principal Officers	12



City of Riviera Beach, Florida
Finance & Administrative Services
600 W. Blue Heron Blvd., Suite C114
Riviera Beach, FL 33404
Web: www.rivierabeach.org
Office: 561-845-4040
Email: finance@rivierabeach.org

June 28, 2021

**To: The Honorable Mayor, Members of the City Council,
and Residents of the City of Riviera Beach, Florida**

I am pleased to present the Comprehensive Annual Financial Report (Annual Report) of the City of Riviera Beach, Florida (City) for the fiscal year ended September 30, 2020, with the Independent Auditors' Report submitted in accordance with the City's Charter, City Ordinances, and Florida Statutes. The Annual Report has been prepared by the Department of Finance and Administrative Services in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB), Generally Accepted Accounting Principles (GAAP), and other reporting standards as mandated by financial governing authorities. The audit was conducted by a firm of licensed certified public accountants in accordance with Generally Accepted Auditing Standards (GAAS), governmental auditing standards as issued by the Comptroller General of the United States, OMB Circular A-133 and State Single Audit requirements, and the Rules of the Auditor General of the State of Florida.

As stipulated by the City's Charter, an annual audit of the City's financial accounting records is required. The records have been audited by HCT Certified Public Accountants and Consultants, LLC (HCT) and are presented in the Basic Financial Statements in this Annual Report. The report also includes the financial information for the City's enterprise funds, fiduciary funds, and component unit, the Riviera Beach Community Redevelopment Agency (CRA). Management believes that the data, as presented, is accurate in all material respects and is organized in a manner which fairly sets forth the financial position and results of the operations of the City as measured by the financial activity of its various funds.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and that the included disclosures will provide the reader with an understanding of the City's financial affairs. Please refer to Management's Discussion and Analysis for additional detail to presentation on the FY 2020 financial results.

The Auditor has issued an unmodified 'clean' opinion on the City of Riviera Beach's financial statements for the fiscal year ended September 30, 2020. The Independent Auditors' Report is included in the Financial Section of this report.

Financial Report Sections

The City's Annual Report is presented in four sections:

The [Introductory Section](#) includes information about the organizational structure and the letter of transmittal from the Director of Finance and Administrative Services.

The [Financial Section](#) is prepared in accordance with the GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments requirements by including the Management Discussion and Analysis, the Basic Financial Statements including notes and the Required Supplementary Information. The Basic Financial Statements include the government-wide financial statements that present an overview of the City's entire financial operations and the fund financial statements that present the financial information of each of the City's major funds, as well as non-major governmental, fiduciary, and other funds. Also, included in this section is the Independent Auditor's Report on the Basic Financial Statements.

The [Statistical Section](#) includes tables containing historical financial information, revenue and debt trends, and demographic, economic and operating information of the City.

The [Compliance Section](#) includes the Independent Auditor's Report on internal controls, schedule of expenditures of federal awards and state financial assistance along with relevant notes, summary of findings, and management letter issued by the auditor.

The Reporting Entity and its Services

The City was incorporated in 1922 and operates under a mayor-council-manager form of government. Policy making and legislative authority are vested in the governing council, which consists of five members. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the council, for overseeing day-to-day operations, and appointing department heads. Council members are elected to three-year staggered terms according to district, though they compete city-wide, with two council members elected one year and three council members the following year. Council members also sit as the Board of the CRA and Utility Special District (USD). The Mayor does not vote, but has appointment power in some matters and veto power in other matters and has the authority to take disciplinary action.

This Annual Report includes the financial activities of the primary government, which encompasses several enterprise activities, as well as its component units. Component units include legally separate entities for which the primary government is financially accountable and have the same board as the City. For reporting purposes, the operations of the USD, Marina, Stormwater, Solid Waste Collection, and Parking are blended with the City. In addition, the CRA, which is a legally separate entity, for reporting purposes is shown as discretely presented component unit.

Municipal services provided to the citizens of Riviera Beach include law enforcement, fire protection, emergency management services, community planning and development services, traffic engineering, road and drainage construction and maintenance, a library, parks and recreational facilities, recreational activities, code compliance and inspections, and other general governmental administrative services. There are additional operations reported as enterprise funds, which are self-supporting from user charges established by the Council such as water and wastewater collection services, stormwater management, marina, and solid waste collection.

City's Economy and Outlook

Local Economy

The City is part of the Miami-Fort Lauderdale-West Palm Beach, Florida, Metropolitan Statistical Area (MSA), which includes Palm Beach County. The general concept of a metropolitan statistical area is one of a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that nucleus. Riviera Beach is a trade and industrial center for Palm Beach County and the surrounding area, with the Port of Palm Beach encompassed within the City limits.

Riviera Beach is a relatively small municipality comprising approximately 8.52 square miles of land with a relatively ethnically diverse population. According to the 2020 U.S. Census, Riviera Beach had an estimated population of 35,463 residents of which 69% of residents are Black or African American, 25% are White Non-Hispanic, and 6% comprise other races. Foreign born residents comprise 18% of the City's population. Of the residents foreign born, 9% were born in Europe, 10% were born in Asia and 73% were born in Latin American. (2015 ACS) 87.4% of the residents are a high school graduate or higher and 24.5% of residents have a Bachelor's degree or higher (2010 U.S. Census).

As of February 2021, the City's unemployment rate has increased to 7.1%, which is in line with the national rate of 6.3% while the state of Florida's rate is now 4.8%. As the national economic took a downturn due to the COVID 19 virus negatively affecting the City's local economy, overall the City has retained a solid foundation of business and industry diversification; Riviera Beach has large employers which include the Veterans' Administration, Cheney Brothers, Tropical Shipping, Pepsi and Lockheed Martin Corporation. The small business sector is also strong and diverse as Fiscal 2020 saw an additional 306 small businesses begin operations.

With the opening of the Riviera Beach Marina Village along with Intracoastal Waterway in 2016, the City's waterfront has been transformed into a modern and vibrant center for recreational activities, hosting of events, and open air markets. In addition, the improved Bicentennial Park also provides a venue for shows, concerts, and festivals. The newly re-built and expanded marina features 140 wet slips for annual, seasonal, monthly, or transient dockage. Floating wet slips at the Marina can accommodate vessels up to 120 feet and the catamaran slips accommodate catamarans with more than 2,000 linear feet of face dock. Phase IV expansion is currently under way; adding boat lifts and additional transient slips and restrooms at water's edge. Environmental best management practices designed by the Florida Department of Environmental Protection which address critical issues such as sensitive habitat, waste management, storm water control, spill prevention, and emergency preparedness have been implemented to preserve Florida's waterways. As such, the Marina has obtained the distinguished Clean Marina designation.

Financial Trends

For FY 2020, the General Fund's four major operating revenue sources were property taxes, public service (utility) taxes, franchise fees, and sales tax totaling \$56.0 million, an increase of \$2.2 million or 4.0% over FY 2019. Property values continue to increase along with other tax revenues. The four major operating revenue sources comprise over 69% of the total operating revenues.

The following table shows the historical trends for the General Fund's major revenue sources for the past five years.

	FY 2016 ACTUAL	FY 2017 ACTUAL	FY 2018 ACTUAL	FY 2019 ACTUAL	FY 2020 ACTUAL
Property taxes	\$37,506,969	\$40,381,674	\$41,570,107	\$43,045,894	\$45,672,050
Public Service taxes	4,633,809	4,762,948	4,886,000	5,144,247	4,999,397
Franchise fees	2,586,398	2,774,685	2,765,329	2,814,988	2,695,046
Sales tax	2,678,737	2,676,005	2,752,320	2,844,050	2,660,804
Total	\$47,405,913	\$50,595,312	\$51,973,756	\$53,849,179	\$56,027,297

Property Taxes

The City's property tax revenue, is the single largest revenue source for the General Fund, increasing by an average of 10.5% over the past four years. Total assessed property value for FY 2020 was \$5.6 billion with an approved millage rate of 8.4520 generating property tax revenue of \$47.7 million in comparison to \$44.5 million in FY 2019, an increase of \$3.2 million or 7.2%.

Public Service Taxes

Public service taxes are levied in accordance with the City Code and Florida Statutes which authorize any municipality within the State to levy a public service tax on the purchase of electricity, gas, and water services. The City levies a public service tax rate of 10% and a rate of four cents per gallon on the purchase of fuel oil, representing the maximum rate allowed under Florida law. Public service taxes are collected by the City from purchasers at the time of sale and remitted to the City. Taxes appear on the bills rendered to consumers by FP&L for electricity and by the City for water service. Public service taxes decreased 1.9% in FY 2020, moving from \$5.1 million in FY 2019 to \$5.0 million in FY 2020.

Franchise Fees

Franchise fees are derived from revenues received by the City pursuant to franchise agreements that the City has entered into with private entities to provide certain services within the City. Franchise fees consist of payments made by FP&L and Florida Public Utilities pursuant to long-term agreements which provide payment to the City of 6% of the entity's gross revenue derived from accounts within the City's limits. Franchise agreements with FP&L and Florida Public Utilities will expire during 2040 and 2020, respectively, unless extended. Franchise fees decreased from \$2.81 million in FY 2019 to \$2.70 million in 2019.

Sales Tax

Sales tax is the fourth largest revenue source for the General Fund and is allocated to the City based on the City's population relative to the county's total population. Sales tax decreased by 3.2% moving from \$2.84 million in FY 2019 to \$2.66 million in FY 2020.

Major Initiatives and Achievements

The City continues work on a number of significant initiatives, as described below that will have a positive impact on the City's financial stability and its ability to provide services to its residents and businesses.

City Facilities

The City continues to improve existing facilities and move forward construction of new structures designed to meet the needs of its citizens. Projects ranging in costs from \$500,000 to over \$6,000,000 are in progress and planned for existing or new facilities throughout the City. Significant projects include the following:

- Fire Station 88 - Design continued on the replacement of Fire Station 88, the City's oldest operating station. The new facility will add additional apparatus bays, provide enhanced administrative amenities and meet current standards with hardening features, segregated restrooms, and sleeping quarters. Property has been acquired to site the new facility.
- City Hall Complex and Mixed Use Development - The City is contemplating entering into a public/private partnership to leverage capital investment in constructing major City facilities to include a city hall complex to include a city hall complex to include public safety.

Cultural and Recreational Facilities

- Library - Planning for the construction of a new state of the art library comprising of approximately 32,000 square feet is ongoing. A building was acquired to temporarily house the Library and Youth Empowerment Program while new facilities are being constructed.

Infrastructure

The City continues to improve its infrastructure to meet the needs of its citizens. Significant projects include the following:

- Street Improvements - Significant improvements for the City's roadways are ongoing, which include improvements to the water, wastewater, and stormwater collection systems.
- Water and Sewer Improvements - USD will replace its antiquated water and wastewater infrastructure and systems, which includes intra-coastal water mains, water meters, and rehabilitation of raw water wells, lift stations, and pumps.
- Stormwater Improvements - Improvements to the stormwater collection system will be conducted during the City's roadway improvements.
- Marina Improvements Phase III - Dredging, engineering and construction of additional new docks are currently in process to add docks for larger vessels to the south-end of the marina.
- Parking - The City has adopted a parking master plan for the City. Parking will be operated as an enterprise fund and will initially compass parking operations at the Ocean Mall and the marina.

Technology

- Tyler Munis Financial Solution - The City continued steps in the implementation of the 2015 IT Strategic Master Plan. The number one priority identified in the Plan was a new, comprehensive Enterprise Resource Program. After a lengthy, needs assessment and evaluation process, the City entered into a seven year SAAS contract with Tyler Technologies. Implementation commenced in November 2017. The Financial component went live on October 1, 2018, and the Human Resource components went live on October 1, 2019. The Community Development and the Utility Billing components are scheduled to be available in mid-2021.

Strategic and Financial Planning for Fiscal Year 2020 and Beyond

The FY 2021 budget was developed within the FY2022 unknowns at the top of the considerations; how will COVID-19 impact property values, which industries will rebound and which industries will falter or fail, will housing and rental markets hold and will jobs return? Compared to FY2020, FY2021 ad valorem tax revenue increased 5.97%, however, FY2021 non-ad valorem revenues decreased 4.33% producing a true net growth of \$3.9 million. Fiscal pressures of wage demands and benefit cost increases, escalating needs for capital infrastructure projects and suffocating economic conditions led to the elimination of 45 mostly vacant positions. The FY2021 budget was balanced without a draw on fund balance.

The City has a long range financial plan in the areas of capital projects, equipment replacement, cash and investment management and debt. The City's mission and values provide the basic framework for the development of the annual operating budget and capital plan. Over the past few years, the economy and its impact on the City's revenues required the City to implement appropriate and fiscally responsible policies to balance its budget. The City's strategic plan continues to incorporate the discussion of internal and external factors that may impact the City over the next few years along with the assessment of the City's current situation.

Other Financial Information

Accounting and Administrative Controls

City management is responsible for establishing and maintaining an internal control system which is designed to ensure that the assets of the City are protected from loss, theft, or misuse. Furthermore, management ensures that accounting data is adequate for the preparation of financial statements in conformity with GAAP. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition. The controls are intended to provide assurance as to the reliability of financial records as related to the preparation of financial statements and accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

The examination of controls is performed by members of the Finance and Administrative Services Department, who continually review and assess the soundness and adequacy of the accounting and budgetary aspects of the City's financial system. Financial transactions and related data are examined for accuracy, completeness and authorization. Furthermore, data processing applications and systems are analyzed to ensure that necessary controls are in effect.

Internal control evaluations occur within the above framework. Management believes that the current internal accounting controls adequately safeguard the City's assets. In addition to these internal controls, annual financial audits are performed by independent certified public accountants.

Budgetary Controls

The City maintains budgetary controls in order to ensure compliance with legal provisions contained in the annual appropriated budget approved by Council. Annual budgets are legally adopted for activities of the general fund, special revenue funds, capital projects funds, and debt service fund. Without Council approval, expenditures may not legally exceed appropriations at the department level. Administrative controls are exercised at the category level for current expenditures and at the line item level for capital outlay. Encumbrance accounting is utilized in governmental funds in order to reserve, the encumbered portion of the appropriation.

Annual Budget

The annual budget is the foundation of the City's financial planning and control. Public workshops and hearings are held throughout the budget process to obtain input from citizens. The City Manager directs department directors to develop proposed budgets within the appropriate annual guidelines. Budgetary control is maintained at the departmental

and fund level. The City Manager reviews each proposal and assembles a tentative budget that is presented to the Council. The Council holds budget workshops to discuss and amend the proposed budget. During the first required public hearing, the Council adopts a proposed budget and approves the proposed millage rate and a second required public hearing is held to adopt a final budget and approve the final millage rate.

Capital Improvement Plan

The City Manager presents a Five-year Capital Improvement Plan outlining the City's plan to provide for improvements to the City's public facilities for the next five fiscal years and the proposed financing of these capital improvement projects. The first year of the Five-year Capital Improvement Plan is the Capital Budget. The Capital Budget is adopted by the Council with the adoption of the annual operating budget. There is no commitment to expenditures or appropriations beyond the first year of the plan, except for those improvements included in the City's Comprehensive Plan. The City recognizes that the capital improvement plan must be realistic both in terms of needs and the availability of resources to fund the capital projects.

Pension Trust Funds

The City sponsors three separate single employer defined benefit pension plans: General Employees' Retirement System, Police Pension Fund, and Firefighters' Pension Trust Fund. In February 2015, all general employees and firefighters hired by the City on or after June 1, 2015 and elected officials are required to participate in the Florida Retirement System instead of the City sponsored pension plans. The City sponsored plans' most recent actuarial valuations, as of October 1, 2018, estimate that the plans are fully funded: Funded ratio for the pension plans for General Employees - 112%; Police - 97.3%; and Firefighters - 104.4%.

Cash Management

The City's pooled deposits and investments are invested pursuant to the City's Investment Policy and in accordance with Florida Statutes. The City's Investment Policy emphasizes safety of principal, liquidity of funds, and return on investment. The Policy addresses soundness of financial institutions holding the City's assets and the types of investments permitted. As of September 30, 2020, the City has a contract with Public Financial Management (PFM) to provide investment management services. After consultation with the Director of Finance and Administrative Services, PFM supervises and directs the investment of equities, money markets funds, and fixed income securities. The investments are held by a third party custodian in the City's name.

Risk Management

The City is exposed to risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters for which the City carries commercial insurance. Most of the major policies and coverages, such as personal property, liability, errors and omissions, and workers' compensation are provided under Public Entity Package provided by Lloyd's of London.

Credit Rating

In March 2017, Fitch Ratings upgraded the City's default rating from A+ to AA, which reflects the City's moderate long-term liability burden, solid expenditure flexibility, expectations for strong financial performance throughout the economic cycle, and strong revenue growth prospects. The City's liquidity has recovered strongly since the Great Recession as the City has pursued policies intended to bolster financial flexibility by reducing outstanding receivables and rebuilding general fund cash coupled with the strong signs of recovery of the City's tax base.

In February 2018, Standard & Poor's (S&P) upgraded the City's bond rating from A+ to AA- based on its revised criteria application. A rating of AA- means that the City has a very strong capacity to meet its financial commitments. S&P confirmed the City's outlook as stable which means that the rating is not likely to change. The ratings on the implied General Obligation (GO) reflect the City's wealth indicators, balanced finances, liquidity, moderate debt, and opportunity for economic growth given its location within Palm Beach County.

In September 2020, Fitch Ratings affirmed the A+ rating on the Riviera Beach Utility Special District. The rating is based on a stable service area, affordable rates, and low operation costs. Fitch Ratings confirmed the District's outlook as stable, while recognizing the need for significant capital investments.

Independent Audit

In accordance with Florida Statutes and City Ordinances, the financial statements have been audited by HCT Certified Public Accountants and Consultants, LLC. The goal of the auditor is to provide reasonable assurance that the financial statements are free of material misstatements. The auditor examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessed the accounting principles used and significant estimates made by management. The audit was designed to meet federal requirements of the Single Audit Act of 1984, as amended, and the related Uniform Guidance. Additionally, the audit meets the requirements of Chapter 10.550 of the Rules of the Florida Auditor General and Section 215.97, Florida Statutes pertaining to the Florida Single Audit Act. The Independent Auditor's Report on the basic financial statements is included in the financial section of the Annual Report.

Request for Information

The Annual Report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Riviera Beach
Finance and Administrative Services
600 W. Blue Heron Boulevard
Riviera Beach, FL 33404
(561) 845-4040
financedept@rivierabeach.org

The City's financial statements, operating budgets, and capital improvement plans for current and prior years are available on the City's website at: www.rivierabeach.org.

Acknowledgements

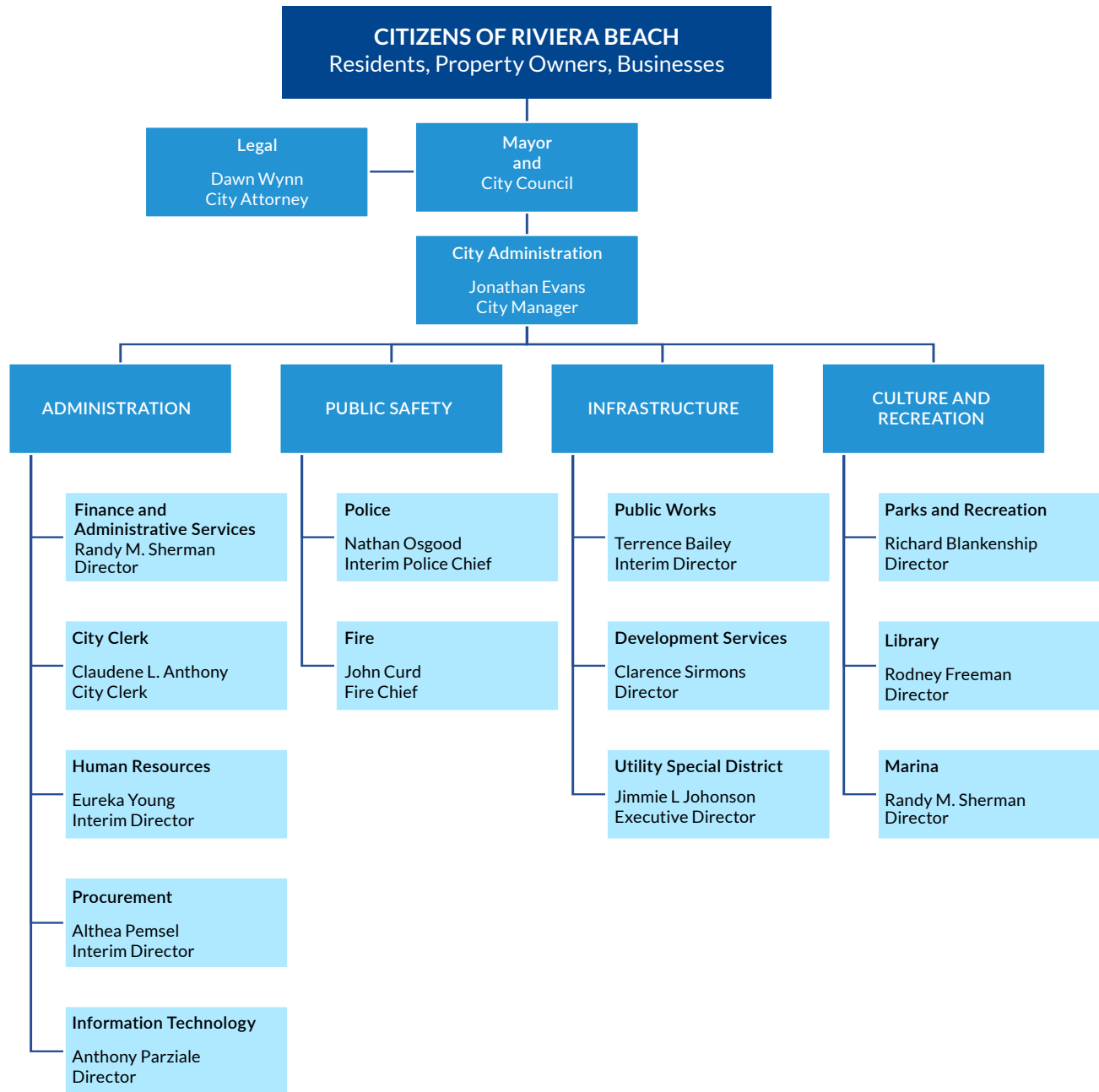
I trust that the financial information presented in the Annual Report is helpful to our citizens, elected officials, and employees. I personally thank the staff of the Finance and Administrative Services Department for their efficient and dedicated service in the preparation of the Annual Report. I also acknowledge the efforts of other City departments in adhering to strong financial management and providing information and assistance during the preparation of the financial report. I thank the Mayor and Council for their continued support.

Respectfully submitted,



Randy M. Sherman, CPA, CPFO, CTP
Director of Finance and Administrative Services

Organizational Chart



The elected officials responsible for the governance of the City of Riviera Beach as of September 30, 2020 are as follows:



Ronnie Felder
Mayor



Tradrick McCoy
Councilperson District 1



KaShamba L. Miller-Anderson
Councilperson District 2



Shirley Lanier
Councilperson District 3



Julia Botel, Ed. D
Chair District 4



Douglas Lawson
Chair Pro Tem District 5



ELECTED OFFICIALS

Mayor	Ronnie L. Felder
Chairperson – District 4	Julia A. Botel
Chair Pro-Tem – District 5	Douglas A. Lawson
Councilperson – District 1	Tradrick McCoy
Councilperson – District 2	KaShamba Miller-Anderson
Councilperson – District 3	Shirley D. Lanier

PRINCIPAL OFFICERS

City Manager	Jonathan Evans
Deputy City Manager	Elizabeth McBride
Assistant City Manager	Deirdre Jacobs
City Attorney	Dawn S. Wynn
City Clerk	Claudene L. Anthony
Finance and Administrative Services Director	Randy M. Sherman
Human Resources Director (Interim)	Eureka Young
Procurement Director	Althea Pemsel
Information Technology Director	Anthony Parziale
Police Chief	Nathan Osgood
Fire Chief	John Curd
Public Works Director (Interim)	Terrence Bailey
Development Services Director	Clarence Sirmons
Parks and Recreation Director	Richard Blankenship
Library Director	Rodney Freeman
Utility Special District Executive Director	Jimmie L. Johnson
Marina	Randy M. Sherman

SECTION II:
FINANCIAL SECTION



FINANCIAL SECTION

Overview

The Financial Section of the City's Comprehensive Annual Financial Report (Annual Report) includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information (RSI), and various other combining and individual fund financial statements and schedules.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Independent Auditor's Report	15
Management's Discussion and Analysis	18
Basic Financial Statements	34
Notes to the Basic Financial Statements	49
Required Supplementary Information	116
Other Supplementary Information	130

HCT Certified Public Accountants & Consultants, LLC

INDEPENDENT AUDITOR’S REPORT

The Honorable Mayor and Members of the City Council
 City of Riviera Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Riviera Beach, Florida (the “City”) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Riviera Beach Police Pension Fund, the Firefighters’ Pension Trust Fund, and the Florida Retirement System. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the fiduciary funds, is based solely on the report of the other auditors. The financial statements of the Riviera Beach Police Pension Fund, Firefighters’ Pension Trust Fund, and Florida Retirement System were conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

West Palm Beach
 Phone (561) 655-2664

Miami
 Phone (305) 331-8768

Hollywood
 Phone (954) 966-4435

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules relating to pensions and other post-employment benefits on pages 19-32, 117-119, and 120-129 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*, and is also not a required part of the basic financial statements.

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

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the combining and individual nonmajor fund financial statements and 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, 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 those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida

June 28, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)



As management of the City of Riviera Beach, Florida (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020-. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-9 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities at the close of the most recent fiscal year by \$238,460,493 (net position). Of this amount, \$82,313,150 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6,888,975 due an increase in current assets and capital assets.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$79,873,721, an increase of \$7,845,560 in comparison with the prior year. Approximately 38% of this amount is unassigned fund balance, which is available for spending at the City's discretion.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$30,179,839, or approximately 44% of total general fund expenditures.
- The City's total bonds and capital leases increased by \$5,398,491 during the current fiscal year due to an increase of debt by the CRA and the City's new capital lease arrangements during the fiscal year.

Overview Of The Financial Statements

The discussion and analysis provided are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic 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, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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 or related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation 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 general government, fire, police, streets, parks, recreation, and library. The business-type activities of the City include water, sewer, stormwater, solid waste collection, marina, parking, and the Marina Event Center.

The Riviera Beach Community Redevelopment Agency (CRA), a component unit, is included in the governmental activities in the government-wide statements. Component units are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy.

The government-wide financial statements can be found on pages 35-37 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for 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 on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and the CRA to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 38-41 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, stormwater, solid waste collection, marina, parking, and the Marina Event Center. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various departments. The City uses internal service funds to account for the management of general insurance, information technology, and fleet of vehicles. These services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds 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 Utility Special District, Stormwater, Marina, Solid Waste Collection, and Parking. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 42-46 of this report.

Fiduciary Funds

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

Included in this report are the three pension plans for the City's general employees, police, and firefighters. Information and description for each pension plan are included in the Notes to Basic Financial Statements section. The police and firefighters' pension plans are independently audited and reported in their own financial statements, which are available upon request.

The fiduciary fund financial statements can be found on pages 47-48 of this report.

Notes to the Financial Statements.

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 49-115 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 116-129.

The combining statements of non-major governmental funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 130-186 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$238,608,840, at the close of the most recent fiscal year

THIS SPACE INTENTIONALLY LEFT BLANK

Management's Discussion and Analysis (MD&A)

September 30, 2020

City's Net Position

The following is a condensed version of the Statement of Net Position presented in the basic financial statements section.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 119,976,751	\$ 122,849,609	\$ 105,959,500	\$ 107,523,548	\$ 225,936,251	\$ 230,373,157
Capital assets (net)	128,273,915	123,531,910	101,342,709	93,279,058	229,616,624	216,810,968
Total assets	248,250,666	246,381,519	207,302,209	200,802,606	455,552,875	447,184,125
Deferred outflows of resources	22,341,843	11,917,516	2,735,641	2,395,709	25,077,484	14,313,225
Total assets and deferred outflows of resources	270,592,509	258,299,035	210,037,850	203,198,315	480,630,359	461,497,350
Liabilities						
Current and other liabilities	15,076,025	13,482,573	7,672,706	7,985,715	22,748,731	21,468,288
Long-term liabilities	121,206,655	116,395,826	79,706,899	82,641,573	200,913,554	199,037,399
Total liabilities	136,282,680	129,878,399	87,379,605	90,627,288	223,662,285	220,505,687
Deferred inflows of resources	16,697,711	8,389,038	1,661,523	1,031,107	18,359,234	9,420,145
Total liabilities and deferred inflows of resources	152,980,391	138,267,437	89,041,128	91,658,395	242,021,519	229,925,832
Net position						
Net investment in capital assets	43,913,329	38,778,397	63,907,036	54,161,179	107,820,365	92,939,576
Restricted	27,537,870	31,022,594	26,361,054	35,602,871	53,898,924	66,625,465
Unrestricted	46,160,919	50,230,607	30,728,632	21,775,870	76,889,551	72,006,477
Total net position	\$ 117,612,118	\$ 120,031,598	\$ 120,996,722	\$ 111,539,920	\$ 238,608,840	\$ 231,571,518

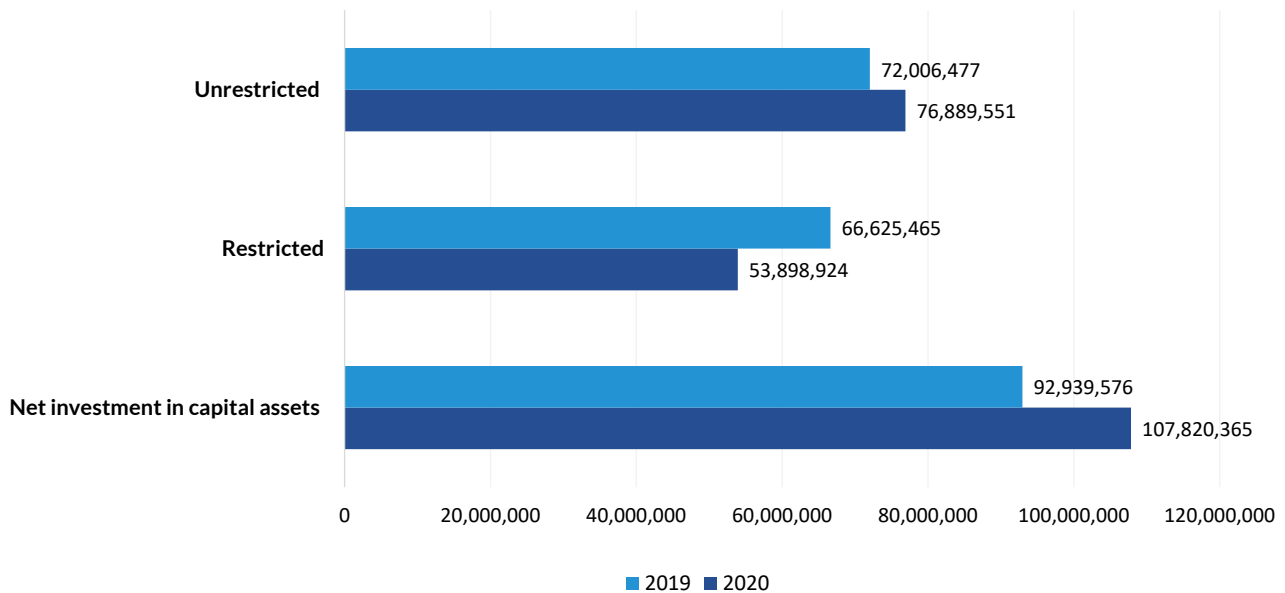
In the governmental activities, total assets and deferred inflows increased by \$12.3 million resulting mainly from an increase of \$4.7 million in capital assets, net of depreciation, and a reduction in deferred outflows of resources of \$10.4 million related to pensions. Current assets, mainly cash and equivalents, decreased by \$2.8 million. Total liabilities and deferred inflow of resources increased by \$14.1 million due mainly from increases in long-term debt and an increase in deferred inflows of resources related to pensions.

In the business-type activities, total assets and deferred inflows decreased by \$7.2 million resulting from an increase of \$8.1 million in capital assets and resulting in a reduction of \$1.2 million in current assets due to the capital improvements to the water and sewer infrastructure resulting in a reduction in cash equivalents. Total liabilities and deferred outflows decreased by \$2.1 million due mainly to the reduction from principal payments made on long-term debt.

Long-term liabilities, which consist of bonds, leases, compensated absences, OPEB liability, capital leases, and advances increased by \$12.7 million from the prior year for both governmental and business-type activities combined. Bonds payable decreased by \$5.4 million due to principal payments made and capital leases increased by \$0.3 million for the acquisition of vehicles through a lease arrangement.

Net position is the difference between the assets and deferred outflow of resources and liabilities and deferred inflow of resources. Total net position increased by \$7.0 million or 3.04%, with net position for governmental activities decreasing by \$2.4 million or 2.02% and for business-type activities increasing by \$9.5 million or 8.48%. Investment in capital assets, net of accumulated depreciation and less any related outstanding debt used to acquire those capital assets represents \$107.8 million or 45.2% of total net position. This represents a significant portion of net position, however, the repayment of debt is from resources given that capital assets cannot be used to repay debt. Restricted net position represents \$53.9 million or 22.6% of total net position. These are resources that are subject to external restrictions that stipulate how these resources may be used. The remaining balance of net position is unrestricted which is \$76.9 million or 32.2% of total net position which may be used for obligations to its citizens and creditors. As of September 30, 2020, the City has reported positive balances in all three components of net position: (1) net investment in capital assets, (2) restricted, and (3) unrestricted for both governmental and business-type activities and as a whole for total government.

CITY'S NET POSITION
 September 30, 2019 and 2020



Management's Discussion and Analysis (MD&A)

September 30, 2020

City's Changes in Net Position

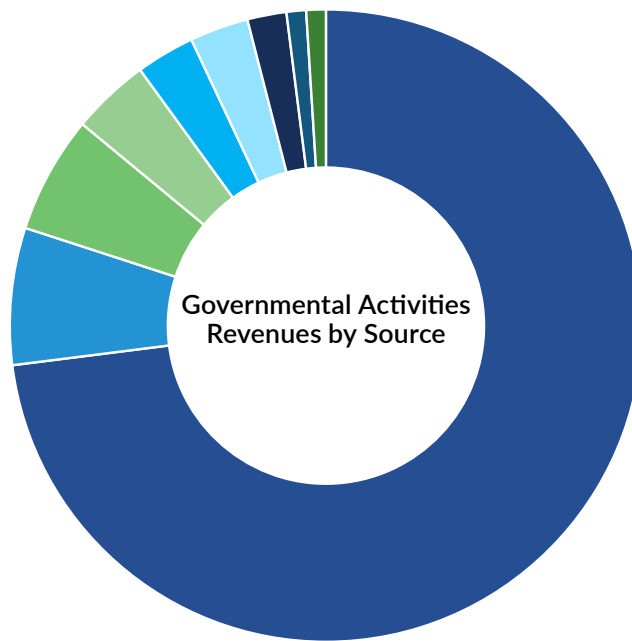
The table presented below shows the City's changes in net position for fiscal years ended September 30, 2020 and 2019. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The overall net position of the City increased by \$7.0 million during the fiscal year, which is attributable to the increase business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues:						
Charges for services	\$ 6,698,073	\$ 5,067,589	\$ 38,301,208	\$ 34,969,544	\$ 44,999,281	\$ 40,037,133
Operating grants and contributions	12,046,933	12,207,521	-	-	12,046,933	12,207,521
Capital grants and contributions	266,519	1,170,091	1,546,330	1,845,790	1,812,849	3,015,881
General revenues:						
Property taxes	54,389,529	51,424,369	-	-	54,389,529	51,424,369
Utility service taxes	4,999,397	5,144,247	-	-	4,999,397	5,144,247
Franchise fees	2,695,046	2,814,989	-	-	2,695,046	2,814,989
Communications service tax	1,065,266	1,095,242	-	-	1,065,266	1,095,242
Intergovernmental	4,553,581	4,936,605	-	-	4,553,581	4,936,605
Interest	1,913,135	2,328,757	1,771,293	1,368,926	3,684,428	3,697,683
Miscellaneous	719,789	2,309,956	694,546	3,156,579	1,414,335	5,466,535
Local business taxes	1,812,378	2,481,735	-	-	1,812,378	2,481,735
Local surtax	2,453,144	2,567,770	-	-	2,453,144	2,567,770
Total revenues	93,612,790	93,548,871	42,313,377	41,340,839	135,926,167	134,889,710
EXPENSES						
Governmental activities:						
General government	34,173,985	25,833,637	-	-	34,173,985	25,833,637
Public safety	41,592,770	36,931,253	-	-	41,592,770	36,931,253
Transportation	1,613,403	1,516,053	-	-	1,613,403	1,516,053
Human services	1,513,044	1,241,684	-	-	1,513,044	1,241,684
Culture and recreation	6,537,958	7,313,077	-	-	6,537,958	7,313,077
Economic environment	7,501,750	6,170,861	-	-	7,501,750	6,170,861
Interest on long term debt	4,197,656	4,263,949	-	-	4,197,656	4,263,949
Business-type activities:						
Marina	-	-	2,799,914	5,498,225	2,799,914	5,498,225
RB CDE	-	-	522,499	559,941	522,499	559,941
Refuse Collection	-	-	4,644,760	4,064,048	4,644,760	4,064,048
Stormwater	-	-	2,751,920	2,570,584	2,751,920	2,570,584
Utility Special District	-	-	21,039,186	20,767,160	21,039,186	20,767,160
Total expenses	97,130,566	83,270,514	31,758,279	33,459,958	128,888,845	116,730,472
Change in net position before special items and transfers	(3,517,776)	10,278,357	10,555,098	7,880,881	7,037,322	18,159,238
Transfers	1,098,297	2,826,951	(1,098,297)	(2,826,951)	-	-
Change in net position	(2,419,479)	13,105,308	9,456,801	5,053,930	7,037,322	18,159,238
Net position - beginning	120,031,597	106,926,289	111,539,921	106,256,415	231,571,518	213,182,704
Net position - ending	\$ 117,612,118	\$ 120,031,597	\$ 120,996,722	\$ 111,310,345	\$ 238,608,840	\$ 231,341,942

Governmental activities – Change in Net Position

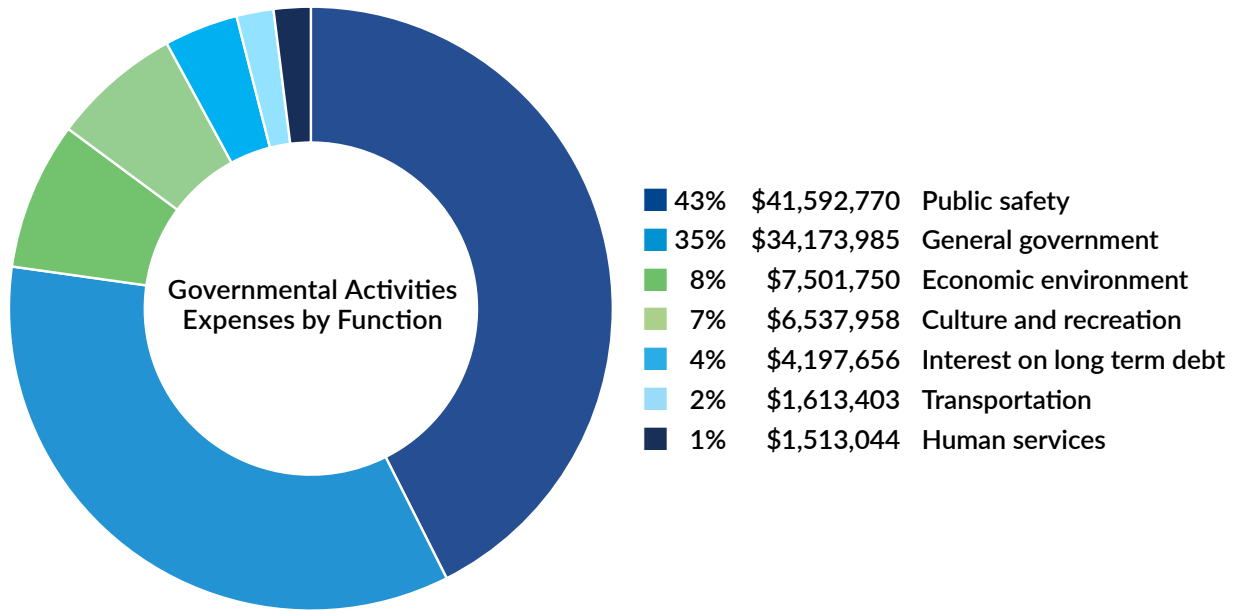
During FY 2020, net position for governmental activities decreased by \$2.4 million from the prior fiscal year for an ending balance of \$117.6 million. This reduction was due mainly from reductions in program revenues namely grants and contributions and increases in expenses. Expenses increased by \$13.9 million due to the increase in personnel costs, increase in pension costs associated with the net pension liability for the pension plans, compensated absences, and other post-employment benefits costs. General government and public safety were areas with the most significant increases in expenses.

The revenues by source for the City's governmental activities for the fiscal year ended September 30, 2020 are as shown below:



■	73%	\$54,389,529	Property taxes
■	7%	\$4,999,397	Utility taxes
■	6%	\$4,553,581	Intergovernmental
■	4%	\$2,695,046	Franchise fees
■	3%	\$2,453,144	Local surtax
■	3%	\$1,913,135	Interest
■	2%	\$1,812,378	Local business taxes
■	1%	\$1,065,266	Communications service tax
■	1%	\$719,791	Miscellaneous

The components of the expenses by function for the City's governmental activities for the fiscal year ended September 30, 2020 are as shown below:



Business-type activities - Change in Net Position

During FY 2020 net position for business-type activities increased by \$9.5 million due mainly from an increase in revenues by \$0.8 million which is mainly from increases in charges for services and increases of \$0.25 million in investment earnings. Expenses decreased by \$1.7 million due mainly from a reduction in the cost of operations for the marina.

Financial Analysis of Governmental Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

For fiscal year end 2020, the City's governmental funds reported combined fund balances of \$79.9 million, an increase of \$7.8 million or 9.1% over the prior year. Unassigned fund balance represents 37.8% of the total fund balances, which is available for spending at the City's discretion. The remainder of fund balance is 62.2% which comprises nonspendable, restricted and committed. Fund balance in nonspendable form is \$0.3 million which represents inventory, restricted is \$59.6 million which is restricted for capital projects and development services, and committed is \$1.8 million for programs funded through grants and contributions.

Analysis of Individual Funds

The General Fund is the City's primary operating fund used to account for financial resources and expenditures for general operations, except those required to be accounted for in another fund. The major revenue sources are property taxes, utility service taxes, licenses, permits, franchise fees, and sales tax. Expenditures are for general administration, police, fire, roads and street maintenance, planning and development, parks and recreation, library, and other services. At the end of the fiscal year, unassigned fund balance of the general fund was \$30.2 million, while total fund balance increased by \$1.6 million to \$34 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 44% of total general fund expenditures, while total fund balance represents 50% of that same amount.

The fund balance of the City's general fund increased by \$1.6 million during the current fiscal year. General Fund's total revenues increased by \$2.3 million primarily from the increases in property tax revenues attributable to an increase in property value and building permit fees. Total expenditures increased by \$1.5 million, which was due primarily an increase in personnel related costs.

The capital projects funds, which include both major and nonmajor funds, had a decrease of \$0.9 million in fund balance during the current fiscal year moving from \$21.7 million to \$20.8 million. The major capital project funds are funded through the issuance of bonds had a restricted fund balance of \$4.5 million. This reduction was due to the spending of bond proceeds obtained through the issuance of long-term debt in prior years on capital acquisition and infrastructure improvements in the current year. Capital improvements projects require the use of those resources.

The debt service fund had an increase in fund balance of \$0.1 million during the current fiscal year. The debt service fund is used solely for the payment of principal and interest on long term debt.

The special revenue funds had an increase in fund balance of \$0.3 million. The special revenue funds fund balance is committed to expenditures for specific purposes derived from specific revenue sources. For fiscal year end 2020, special revenue funds reported fund balances of \$7.2 million.

CRA is reported as a major fund, which records the activity for redevelopment and revitalization activities within a certain redevelopment area with emphasis on providing housing and infrastructure improvements. The CRA is an independent agency within the City with defined boundaries. The CRA reported an ending fund balance of \$17.8 million, which is an increase of \$6.9 million over the prior year resulting in the issuance of notes for improvements within the redevelopment area. The entire CRA's fund balance is restricted for the purposes of redevelopment within the CRA district. Revenues had a slight increase of \$0.3 million and expenditures declined by \$1.6 million due to a mainly from a reduction in capital outlay expenditures during FY 2020.

The total net positions of the major governmental funds for the fiscal years ended September 30, 2020 and 2019 are as follows:

	Governmental Funds Fund Balances (in millions)	
	2020	2019
General Fund	\$ 33.943	\$ 32.392
Capital Bonds Funds	4.529	5.126
Riviera Beach CRA	17.755	10.892
Nonmajor Governmental Funds	23.647	23.618
Total	\$ 79.874	\$ 72.028

Proprietary Funds

The City's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail. Unrestricted net position at fiscal year end for all the City's proprietary funds was \$36.152 million comprising of USD at \$41.3 million, Stormwater with a deficit of \$5.6 million, and the nonmajor enterprise funds with a deficit of \$5.1 million. The City's two main proprietary funds are the Utility Special District and Marina funds. The Utility Special District funds account for the administration, operations, debt service, maintenance of the City's water and sewer utility systems. The Marina funds account for activities of the City's marina. The Riviera Beach CDE, Inc (RB CDE) is a non-profit corporation and its primary purpose is to facilitate the redevelopment and improvement of areas of blight and deterioration within the municipal limits of the City and to own and operate a community facility open to the public. The RB CDE is the sole member of the Riviera Beach Event Center LLC.

The nonmajor enterprise funds include the Solid Waste Collection, Stormwater and Parking funds. The Solid Waste Collection fund is used to accounts for the activities of the City's residential and commercial solid waste collection system. The Stormwater Management Utility system fund accounts for the cost of operating and maintaining the stormwater system and financing for the repairs, replacements, and improvements to the stormwater system and the regulation of groundwater. The Parking fund accounts for the activities relating to the City's parking facilities and systems.

During FY 2020, total net position for business-type activities increased by \$9.3 million due mainly from an increase in revenues by \$1.6 million, which is mainly from increases in charges for services for water and sewer. Expenses decreased by \$1.6 million due mainly from a reduction cost of the marina.

The total net positions of the proprietary funds for the fiscal years ended September 30, 2020 and 2019 are as follows:

	Enterprise Funds Net Position (in millions)	
	2020	2019
Utility Special District	\$ 95.529	\$ 87.175
Stormwater	12.463	11.412
RB CDE	0.110	(0.005)
Nonmajor Enterprise Funds	12.894	12.728
Total	\$ 120.996	\$ 111.310

General Fund Budgetary Highlights

Original budget compared to the final budget – The difference between the original budget and the final amended appropriations for the General Fund is \$1.0 million which represents the funds allocated for outstanding purchase orders that have been placed but goods or services have not yet been received and the funds are made available and carried forward to the new fiscal year. During the fiscal years, budget transfers are required between expenditure line items at the departmental budget level.

Final budget compared to actual results – The excess of revenues over expenditures was \$2.6 million due mainly to revenues being above the final budget by \$1.1 million. Actual expenditures were above the final budget by \$0.641 million mainly from personnel related costs for public safety and an increase in operational costs.

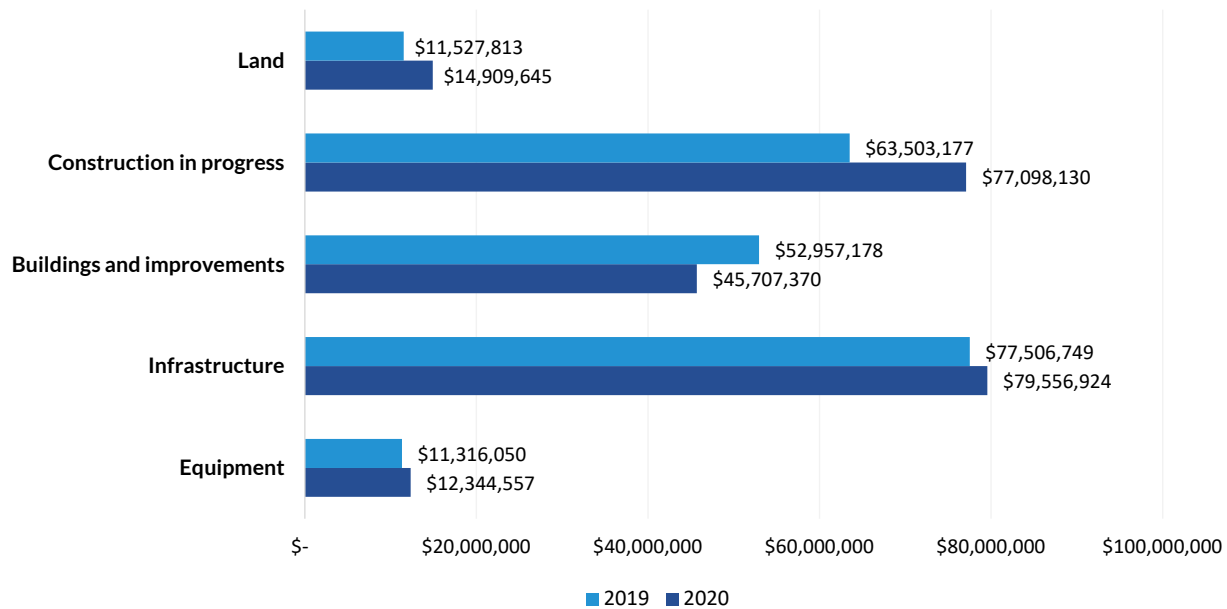
A detailed comparative analysis is provided in the *Required Supplementary Information* section, which shows the variances between the original budget, final budget and actual revenues and expenditures of the General Fund.

Capital Assets And Debt Administration

Capital assets – The City’s investment in capital assets (net of accumulated depreciation) for governmental and business-type activities amounts to \$229.6 million an increase of \$12.8 million or 5.9% over September 30, 2020. Major capital assets placed in service during this year include, street improvements, park improvements, machinery and equipment acquisitions for police and fire, water and sewer improvements and infrastructure, and stormwater improvements and infrastructure. Additional information on capital assets is included in the Notes to the Financial Statements section.

CITY'S SCHEDULE OF CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,007,986	\$ 10,626,154	\$ 901,659	\$ 901,659	\$ 14,909,645	\$ 11,527,813
Construction in progress	40,502,912	32,808,116	36,595,218	30,695,061	77,098,130	63,503,177
Buildings and improvements	30,410,158	36,729,307	15,297,212	16,227,871	45,707,370	52,957,178
Infrastructure	33,875,927	34,325,373	45,680,997	43,181,376	79,556,924	77,506,749
Equipment	9,476,933	9,042,959	2,867,624	2,273,091	12,344,557	11,316,050
Total	\$128,273,916	\$123,531,909	\$101,342,710	\$93,279,058	\$229,616,626	\$216,810,967



Major capital assets acquisitions and improvements during the fiscal year are as follows:

Governmental activities:

- Various projects related to streets, sidewalks, bridges and beach nourishment - \$1 million
- Improvements to parks and recreational facilities - \$0.6 million
- Upgrades to fire stations - \$1 million
- Improvements and acquisition of information technology equipment and infrastructure - \$0.5 million
- Purchase of fire vehicles and equipment - \$1.6 million
- Acquisition of property by the CRA and the City - \$4.2 million

Business-type activities:

- Improvements to the water and sewer systems and infrastructure - \$6.6 million
- Improvements to the Stormwater system and infrastructure - \$0.5 million
- Improvement and expansion of the City's marina - \$3.5 million

Additional information on the City's capital assets can be found in Note 6 – Capital Assets of this report.

Long-term debt

As of September 30, 2020, the City had \$174.9 million in outstanding debt, a reduction of \$4.3 million, which resulted from the regularly scheduled principal repayments. During the fiscal year, the City did not issue any new debt. The City entered two new capital lease arrangements for the purchase of police and fire vehicles for a total of \$1.7 million. The CRA issued revenue notes in the amount of \$29.6 million to payoff existing notes and additional funding for various improvement projects within the CRA district. The Charter provides limitation on bonded indebtedness equal to 25% of the assessed valuation of the taxable property within the City's limits.

The City has no outstanding General Obligation bonds. General Obligation bonds require a pledge to levy a property tax to meet debt service requirements and can only be issued with voter approval. The City can issue revenue supported bonds without voter approval. Additional information on the City's long-term liabilities is included in Note 8 – Long-term Liabilities of this report.

CITY'S SCHEDULE OF DEBT, NOTES, AND LEASES

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$103,293,641	\$99,961,563	\$57,915,000	\$60,100,000	\$161,208,641	\$160,061,563
Revenue bonds premiums	381,959	434,807	9,460,879	9,785,352	\$9,842,838	10,220,159
Total bonds	103,675,600	100,396,370	67,375,879	69,885,352	\$171,051,479	170,281,722
Capital leases	3,548,164	3,216,603	255,273	368,431	\$3,803,437	3,585,034
Total bonds, notes and leases	\$107,223,764	\$103,612,973	\$67,631,152	\$70,253,783	\$174,854,916	\$173,866,756

Economic Factors And Next Year's Budget

The City primarily relies on property taxes and other taxes levied by the state, charges for services, and fees to support governmental activities. There is limited amount of state-shared revenues and grants from local, state, and federal governments. For business-type and certain governmental activities, the user pays a fee or charge for the service. The following were the major economic factors that affect the City's FY 2021 budget:

- Ad Valorem taxes are projected to remain relatively flat and are based on projections from the Palm Beach County Property Appraiser's Office.
- State revenues are projected to remain relatively stable and based on projections received from the State of Florida.
- Utility taxes are projected to increase by 2% per annum.
- Franchise fees are projected to remain flat.
- Emergency medical services (EMS) fees are projected to remain flat.
- Administrative fees are based on the projected increases in departmental expenditures and calculated based on the full cost allocation plan prepared annually.
- Other revenue sources are projected based on historical trends.
- State revenues are projected to decrease by 25%.
- Salaries are projected to increase by an average of 3% per annum for the Cost of Living Adjustment (COLA) and labor agreements.
- Retirement costs are projected to remain relatively stable and are based on actuarial valuations.
- Health and dental costs are projected to increase by 15% per annum.
- General insurance costs are projected to increase by 20% per annum.
- Other expenses are projected to remain relatively stable and are based on historical trends, proposals, and cost estimates.

The City will continue to focus on efficiency while minimizing costs. The FY 2021 general fund's budget was balanced without the use of general fund reserves. The millage rate for FY 2021 remained unchanged at 8.4520, which is 6.22% more than the rolled back rate of 7.9567 mills. Taxable values total \$6 billion, an increase of 6.8% over last year's taxable value. The City continues to maintain its current service levels while focusing on the long-range fiscal challenges to ensure stability and investment in the City's infrastructure. The FY 2021 budget includes personnel reductions, revenue enhancements, as well as cuts in spending and restructuring. As a result of the current economic conditions, City staff are also looking at instituting a hard-hiring freeze for all positions, unless they are deemed mission critical. As positions become vacant through attrition, the City will look to reduce personnel to decrease long-term expenditure requests. The City is also moving toward reducing lease payments and finding alternative solutions to house employees versus commercial options. City staff will also look at using innovative and creative models to provide services in the 21st century and the City will incrementally move toward a more sustainable and practical government entity.

For FY 2021, City-wide expenditure amounts to \$175.4 million. The general fund budget for FY 2021 amounts to \$81.9 million which is 47% of the total City budget which primarily funds the police, fire, library, parks and recreation, community development and support departments. Enterprise funds account for 36% of the total budget, which include the operations of water, wastewater, stormwater, solid waste collection, and the marina.

In FY 2021, the City has projected to fund \$29.3 million in capital expenditures to include improvements to facilities, roadways, parks, bridges, equipment, and utility infrastructure improvements for water, sewer, and stormwater.

General Fund Budget

The FY 2021 budget for the General Fund is \$81.9 million, an increase of \$4.2 million or 5.4% over FY 2020. The General Fund is used to account for the revenues and expenditures used to fund various City services such as police, fire, library, parks and recreation, community development, roadways, and internal support functions such as finance, human resources, risk management, legal services, property maintenance, and city administration. The majority of revenues for the General Fund is generated from taxes and charges for services.

The City's General Fund revenue sources are diverse. Taxes account for 69% of the FY 2021 general fund revenues, which are from property, sales, fuel, communications, and businesses. The remaining revenue sources include licenses, fees and permits, intergovernmental, charges for services, fines and forfeitures, interest, miscellaneous, grants and contributions, and transfers from other funds.

The City's General Fund expenditures are used to support police and fire services, public works and engineering, building and permit issuance, streets and sidewalk maintenance, planning, parks and recreation, library, facility repair and maintenance, and internal support functions, such as finance, city administration, human services, and legal services.

Enterprise Funds Budget

The City provides water to its residents and customers, collects and treats wastewater, collects and disposes garbage and recyclable materials through a third party vendor, maintains the City's stormwater system, and owns a marina which is being managed by a third party arrangement. Enterprise operations are primarily funded by fees charged to customers for the provision of these services. Majority of the revenues collected will be used to fund the operations, maintain the infrastructure, and to invest in capital improvement to the utility infrastructure. Total operating budgets for the enterprise operations amount to \$40.1 million for FY 2021. Capital investment for enterprise projects for FY 2021 amount to \$18.6 million. The City continues significant rehabilitation of its water, wastewater, stormwater, and marina infrastructure.

Capital Projects

The City-wide Five-Year Capital Projects Plan for FY 2020/2021 through FY 2024/2025 is estimated at \$323.7 million, which includes \$116.8 million for general government projects and \$206.874 million for USD, Stormwater, and Marina. The FY 2021 capital budget amounts to \$45.2 million, which includes \$19.0 million for general government and \$26.2 million for enterprise projects. Approximately \$46.7 million is allocated to completing projects, which were started in previous years' budgets with \$12.4 million for general government and enterprise funds totaling \$34.3 million. Included in the Five-Year Capital Projects Plan is approximately \$106.1 million for additional debt issuance, grants or public-private partnerships, which are necessary to ensure construction of the infrastructure and capital projects disclosed in the Five-Year Capital Projects Plan for FY 2020/2021 through FY 2024/2025.

Request for Information

This financial report provides a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provide in this report or requests for additional financial information are to be addressed to the Finance and Administrative Services Director, City of Riviera Beach, 600 West Blue Heron Boulevard, Riviera Beach, FL 33404.

The City's financial statements, operating budgets, and capital improvement plans for current and prior years are available on the City's website at www.rivierabeach.org.





BASIC FINANCIAL STATEMENTS



	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 60,898,383	\$ 53,499,618	\$ 114,398,001
Receivables, net	7,289,098	5,378,493	12,667,591
Prepaid items	60,927	-	60,927
Inventory	384,967	104,754	489,721
Land held for resale	278,517	-	278,517
Cash and cash equivalents - restricted	19,936,377	27,501,160	47,437,537
Internal balances	10,062,160	(10,062,160)	-
Total current assets	<u>98,910,429</u>	<u>76,421,865</u>	<u>175,332,294</u>
Non-current assets			
Advance to CRA	10,194,621	-	10,194,621
Investment in joint venture	6,930,000	27,701,218	34,631,218
Non-depreciable	54,510,898	37,496,877	92,007,775
Depreciable (net)	73,763,017	63,845,832	137,608,849
Net pension asset	3,941,701	1,836,417	5,778,118
Total non-current assets	<u>149,340,237</u>	<u>130,880,344</u>	<u>280,220,581</u>
Total assets	<u>248,250,666</u>	<u>207,302,209</u>	<u>455,552,875</u>
Deferred outflows of resources			
Deferred outflows for pension	22,105,982	1,693,426	23,799,408
Deferred outflows for refunding	-	1,008,179	1,008,179
Deferred charge on OPEB	235,861	34,036	269,897
Total deferred outflows of resources	<u>22,341,843</u>	<u>2,735,641</u>	<u>25,077,484</u>
Total assets and deferred outflows of resources	<u>270,592,509</u>	<u>210,037,850</u>	<u>480,630,359</u>
Liabilities			
Current liabilities:			
Accounts payable	6,140,913	1,478,719	7,619,632
Accrued liabilities	613,752	2,907	616,659
Deposits and other liabilities	1,714,282	3,375,775	5,090,057
Compensated absences	512,439	25,583	538,022
Capital leases	1,024,171	-	1,024,171
Bonds and notes payable	5,070,468	2,789,722	7,860,190
Total current liabilities	<u>15,076,025</u>	<u>7,672,706</u>	<u>22,748,731</u>

Continued on next page.

Statement of Net Position

September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Liabilities			
Noncurrent liabilities:			
Bonds and notes payable	98,223,173	64,841,431	163,064,604
Recoverable grant	-	13,755,312	13,755,312
Compensated absences	4,747,749	314,015	5,061,764
Net OPEB liability	5,517,119	796,141	6,313,260
Advance from City	10,194,621	-	10,194,621
Capital leases	2,523,993	-	2,523,993
Total non-current liabilities	121,206,655	79,706,899	200,913,554
Total liabilities	136,282,680	87,379,605	223,662,285
Deferred inflows of resources			
Deferred inflows for pension	16,120,774	1,633,386	17,754,160
Deferred inflows for OPEB	194,977	28,137	223,114
Deferred inflows - bonds	381,960	-	381,960
Total deferred inflows of resources	16,697,711	1,661,523	18,359,234
Total liabilities and deferred inflows of resources	152,980,391	89,041,128	242,021,519
Net position			
Net investment in capital assets	43,913,329	63,907,036	107,820,365
Restricted for:			
Advances	10,194,621	-	10,194,621
Capital projects	7,533,309	26,361,054	33,894,363
Community redevelopment	6,329,258	-	6,329,258
Development services	3,480,682	-	3,480,682
Unrestricted	46,160,919	30,728,632	76,889,551
Total net position	\$ 117,612,118	\$ 120,996,722	\$ 238,608,840

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

CITY OF RIVIERA BEACH, FLORIDA
Statement of Activities
 For the Year Ended September 30, 2020

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 34,173,985	\$ 3,615,754	\$ 10,189,639	\$ -	\$ (20,368,592)	\$ -	\$ (20,368,592)
Public safety	41,592,770	2,414,342	921,921	4,224	(38,252,283)	-	(38,252,283)
Transportation	1,613,403	258,481	2,780	262,295	(1,089,847)	-	(1,089,847)
Human services	1,513,044	-	529,820	-	(983,224)	-	(983,224)
Culture and recreation	6,537,958	359,496	402,773	-	(5,775,689)	-	(5,775,689)
Economic environment	7,501,750	50,000	-	-	(7,451,750)	-	(7,451,750)
Interest on long term debt	4,197,656	-	-	-	(4,197,656)	-	(4,197,656)
Total governmental activities	97,130,566	6,698,073	12,046,933	266,519	(78,119,041)	-	(78,119,041)
Business-type activities:							
Marina	2,799,914	2,255,788	-	1,546,330	-	1,002,204	1,002,204
RB CDE	522,499	-	-	-	-	(522,499)	(522,499)
Refuse Collection	4,644,760	4,310,547	-	-	-	(334,213)	(334,213)
Stormwater	2,751,920	3,101,863	-	-	-	349,943	349,943
Utility Special District	21,039,186	28,633,010	-	-	-	7,593,824	7,593,824
Total business-type activities	31,758,279	38,301,208	-	1,546,330	-	8,089,259	8,089,259
Total Primary Government	\$ 128,888,845	\$ 44,999,281	\$ 12,046,933	\$ 1,812,849	\$ (78,119,041)	\$ 8,089,259	\$ (70,029,782)
General revenues:							
Property taxes					54,389,529	-	54,389,529
Utility taxes					4,999,397	-	4,999,397
Franchise fees					2,695,046	-	2,695,046
Communications service tax					1,065,266	-	1,065,266
Intergovernmental					4,553,581	-	4,553,581
Interest					1,913,135	1,771,293	3,684,428
Miscellaneous					719,789	694,546	1,414,335
Local business taxes					1,812,378	-	1,812,378
Local surtax					2,453,144	-	2,453,144
Transfers					1,098,297	(1,098,297)	-
Total general revenues, special items, and transfers					<u>75,699,562</u>	<u>1,367,542</u>	<u>77,067,104</u>
Change in net position					(2,419,479)	9,456,801	7,037,322
Net position – beginning					120,031,597	111,539,921	231,571,518
Net position - ending					\$ 117,612,118	\$ 120,996,722	\$ 238,608,840

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

Balance Sheet - Governmental Funds

September 30, 2020

	General Fund	Capital Bond Funds	CRA	Total Nonmajor Funds	Total Governmental funds
Assets					
Cash and cash equivalents	\$ 22,140,921	\$ -	\$ 14,462,187	\$ 16,765,737	\$ 53,368,845
Cash and cash equivalents - restricted	6,500	6,067,310	6,329,258	7,533,309	19,936,377
Receivables, net	2,418,563	50	-	3,024,689	5,443,302
Due from other funds	12,496,477	-	687,240	-	13,183,717
Deposits held in escrow	-	-	60,927	-	60,927
Inventory	278,517	-	-	-	278,517
Investment in joint venture	-	-	6,930,000	-	6,930,000
Total assets	\$ 37,340,978	\$ 6,067,360	\$ 28,469,612	\$ 27,323,735	\$ 99,201,685
Liabilities					
Accounts payable	\$ 1,406,963	\$ 24,121	\$ 195,735	\$ 331,583	\$ 1,958,402
Accrued liabilities	562,911	-	50,968	-	613,879
Unearned revenues	1,177,132	-	31,392	74,655	1,283,179
Due to other funds	-	1,514,368	10,433,534	1,368,275	13,316,177
Other liabilities	251,395	-	3,094	350,000	604,489
Total liabilities	3,398,401	1,538,489	10,714,723	2,124,513	17,776,126
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	1,551,838	1,551,838
Total deferred inflows of resources	-	-	-	1,551,838	1,551,838
Total liabilities and deferred inflows of resources	3,398,401	1,538,489	10,714,723	3,676,351	19,327,964
Fund Balances (Deficits)					
Non-spendable	278,517	-	50,421	-	328,938
Restricted	3,480,682	4,528,871	17,704,468	21,897,596	47,611,617
Committed	-	-	-	1,753,327	1,753,327
Unassigned	30,183,378	-	-	(3,539)	30,179,839
Total fund balances (deficits)	\$ 33,942,577	\$ 4,528,871	\$ 17,754,889	\$ 23,647,384	\$ 79,873,721
Total liabilities and fund balances (deficits)	\$ 37,340,978	\$ 6,067,360	\$ 28,469,612	\$ 27,323,735	\$ 99,201,685

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

Reconciliation of the Balance Sheet to the Statement of Net Position

September 30, 2020

Fund balances of governmental funds		\$ 79,873,721
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 governmental funds:		
Capital assets	206,133,476	
Less accumulated depreciation	<u>(77,859,561)</u>	128,273,915
Long term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore, are not reported in the governmental funds:		
Issuance of refunding bonds	(22,135,000)	
Capital leases	(3,548,164)	
Bonds and notes payable	(81,158,641)	
Unamortized bond premium	(381,960)	
Compensated absences	(5,260,188)	
Net OPEB liability	(5,517,119)	
Net pension asset (liability)	<u>3,941,701</u>	(114,059,371)
Net long-term liabilities		
Some revenues are not available to pay for current period expenditures and, therefore are deferred in funds.		2,835,017
Certain deferred inflows/outflows related to pension and OPEB are not reported on the modified accrual basis of accounting:		
Deferred outflows of resources related to pensions	22,105,982	
Deferred inflows of resources related to pensions	(16,120,774)	
Deferred inflows of resources related to OPEB	(194,977)	
Deferred outflows of resources related to OPEB	<u>235,861</u>	6,026,092
Net position of internal service funds are reported with governmental activities.		14,662,744
Net position of governmental activities		<u>\$ 117,612,118</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the Year Ended September 30, 2020

	General Fund	Capital Bond Funds	CRA	Total Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes	\$ 53,869,037	\$ -	\$ 8,717,479	\$ 2,678,082	\$ 65,264,598
Licenses and permits	6,093,727	-	-	851,287	6,945,014
Intergovernmental	3,807,927	-	-	-	3,807,927
Charges for services	11,709,817	-	50,000	-	11,759,817
Fines and forfeitures	466,054	-	-	6,079	472,133
Interest	941,565	55,227	9,574	547,906	1,554,272
Grants and contributions	538,230	-	-	2,283,769	2,821,999
Miscellaneous	401,515	-	331,693	1,310	734,518
Total revenues	<u>77,827,872</u>	<u>55,227</u>	<u>9,108,746</u>	<u>6,368,433</u>	<u>93,360,278</u>
Expenditures					
Current:					
General government	21,154,795	-	-	549,781	21,704,576
Public safety	37,419,266	-	-	730,398	38,149,664
Transportation	1,700,880	-	-	-	1,700,880
Human services	1,038,134	-	-	538,143	1,576,277
Culture and recreation	5,158,037	-	-	7,262	5,165,299
Economic environment	-	-	6,387,616	-	6,387,616
Debt service:					
Principal retirement	-	-	2,495,922	3,259,591	5,755,513
Interest	-	-	892,072	3,206,335	4,098,407
Capital outlay:					
Capital outlay	1,752,941	652,755	80,901	8,855,242	11,341,839
Total expenditures	<u>68,224,053</u>	<u>652,755</u>	<u>9,856,511</u>	<u>17,146,752</u>	<u>95,880,071</u>
Excess/(deficiency) revenues over expenditures	<u>9,603,819</u>	<u>(597,528)</u>	<u>(747,765)</u>	<u>(10,778,319)</u>	<u>(2,519,793)</u>
Other Financing Sources (Uses)					
Issuance of Notes	-	-	29,635,000	-	29,635,000
Capital lease	1,656,154	-	-	-	1,656,154
Other financing use - refunded bonds	-	-	(22,024,098)	-	(22,024,098)
Transfers in	1,450,730	-	11,037,426	11,160,142	23,648,298
Transfers out	(11,160,142)	-	(11,037,426)	(352,433)	(22,550,001)
Total other financing sources (uses)	<u>(8,053,258)</u>	<u>-</u>	<u>7,610,902</u>	<u>10,807,709</u>	<u>10,365,353</u>
Net change in fund balances	1,550,561	(597,528)	6,863,137	29,390	7,845,560
Fund balances - beginning	32,392,016	5,126,399	10,891,752	23,617,994	72,028,161
Fund balances - ending	<u>\$ 33,942,577</u>	<u>\$ 4,528,871</u>	<u>\$ 17,754,889</u>	<u>\$ 23,647,384</u>	<u>\$ 79,873,721</u>

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

Reconciliation of the Statement Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities For the Year Ended September 30, 2020

Net change in fund balances - total governmental funds		\$ 7,845,560
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the costs of those assets are depreciated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	11,183,648	
Less: Current year depreciation	(6,441,643)	4,742,005
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.		
Payment to escrow agent	22,024,098	
Issuance of bonds and notes	(29,635,000)	
Issuance of capital leases	(1,656,154)	
Principal paid on bonds and notes	4,278,824	
Principal paid on capital leases	1,324,593	
Amortization on bond premium	52,847	(3,610,792)
Some revenues in the statement of activities do not provide current financial resources and therefore not reported as revenues in the governmental funds.		
		252,513
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.		
Change in net pension asset (liability)	(11,254,044)	
Change in deferred inflows related to pensions	(8,368,648)	
Change in deferred outflows related to pensions	10,188,466	
Change in deferred inflows related to OPEB	7,128	
Change in net OPEB liability	(840,198)	
Change in compensated absences	(639,164)	
Change in deferred outflows related to OPEB	235,861	(10,670,599)
Internal service funds are shown as a proprietary fund for governmental fund presentations, while they are included in the statement of activities as a governmental activity.		
Change in net position for Internal Service Fund		(978,166)
Change in net position of governmental activities		\$ (2,419,479)

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

Statement of Net Position - Proprietary Funds

September 30, 2020

	Business-type Activities					Governmental Activities
	Utility Special District	Marina	RB CDE	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 46,543,314	\$ 2,222,343	\$ 104,419	\$ 4,629,541	\$ 53,499,617	\$ 7,529,537
Cash and cash equivalents - Restricted	26,352,722	-	1,148,439	-	27,501,161	-
Receivables, net	2,512,887	2,577,463	-	271,083	5,361,433	1,845,797
Interest and dividends receivable	-	-	17,060	-	17,060	-
Due from other funds	674,399	-	-	-	674,399	-
Inventory	65,808	38,947	-	-	104,755	384,967
Total current assets	76,149,130	4,838,753	1,269,918	4,900,624	87,158,425	9,760,301
Non-current assets:						
Advance to CRA	-	-	-	-	-	10,194,621
Investment in joint venture	22,939,818	-	4,761,400	-	27,701,218	-
Net pension asset	1,890,568	202,613	-	(256,764)	1,836,417	-
Non-depreciable	20,507,496	5,331,877	-	11,657,504	37,496,877	-
Depreciable, net of accumulated depreciation	36,771,509	12,771,856	7,994,645	6,307,822	63,845,832	-
Total non-current assets	82,109,391	18,306,346	12,756,045	17,708,562	130,880,344	10,194,621
Total assets	158,258,521	23,145,099	14,025,963	22,609,186	218,038,769	19,954,922
Deferred outflows of resources						
Deferred outflows related to pension	1,498,594	56,034	-	138,799	1,693,427	-
Deferred outflows related to OPEB	28,065	-	-	5,971	34,036	-
Deferred charges on refunding	987,294	-	-	20,885	1,008,179	-
Total deferred outflows of resources	2,513,953	56,034	-	165,655	2,735,642	-
Total assets and deferred outflows of resources	\$ 160,772,474	\$ 23,201,133	\$ 14,025,963	\$ 22,774,841	\$ 220,774,411	\$ 19,954,922

Continued on next page.

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

CITY OF RIVIERA BEACH, FLORIDA
Statement of Net Position - Proprietary Funds
 September 30, 2020

	Business-type Activities					Governmental
	Utility Special District	Marina	RB CDE	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Liabilities						
Current liabilities:						
Accounts payable	\$ 388,847	\$ 982,740	\$ 23,728	\$ 83,404	\$ 1,478,719	\$ 4,110,353
Accrued liabilities	-	2,907	-	-	2,907	-
Due to other funds	674,399	9,557,564	136,596	-	10,368,559	-
Other liabilities	2,909,840	171,149	-	662,789	3,743,778	1,181,825
Compensated absences-current	22,756	-	-	2,826	25,582	-
Bonds and notes payable-current	2,326,846	-	-	462,876	2,789,722	-
Total current liabilities	6,322,688	10,714,360	160,324	1,211,895	18,409,267	5,292,178
Non-current liabilities:						
Recoverable grant	-	-	7,298,000	-	7,298,000	-
Net OPEB obligation	656,467	-	-	139,674	796,141	-
Compensated absences-noncurrent	269,512	-	-	44,503	314,015	-
Bonds and notes payable-noncurrent	56,471,749	-	6,457,312	8,369,682	71,298,743	-
Total noncurrent liabilities	57,397,728	-	13,755,312	8,553,859	79,706,899	-
Total liabilities	63,720,416	10,714,360	13,915,636	9,765,754	98,116,166	5,292,178
Deferred inflows of resources						
Deferred inflows related to pension	1,499,961	23,353	-	110,072	1,633,386	-
Deferred inflows related to OPEB	23,201	-	-	4,936	28,137	-
Total deferred inflows of resources	1,523,162	23,353	-	115,008	1,661,523	-
Total liabilities and deferred inflows of resources	65,243,578	10,737,713	13,915,636	9,880,762	99,777,689	5,292,178
Net position						
Net investment in capital assets	27,837,977	18,103,733	-	17,965,326	63,907,036	-
Restricted for:						
Advances	-	-	-	-	-	10,194,621
Capital projects	26,352,722	-	8,332	-	26,361,054	-
Unrestricted	41,338,197	(5,640,313)	101,995	(5,071,247)	30,728,632	4,468,123
Total net position	\$ 95,528,896	\$ 12,463,420	\$ 110,327	\$ 12,894,079	120,996,722	\$ 14,662,744

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

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

September 30, 2020

	Business-type Activities				Governmental	
	Utility Special District	Marina	RB CDE	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
Operating revenues						
Charges for services	\$ 28,266,287	\$ 2,255,791	\$ -	\$ 7,412,410	\$ 37,934,488	\$ 9,422,822
Licenses and permits	366,721	-	-	-	366,721	-
Grants and contributions	-	1,546,330	-	-	1,546,330	-
Miscellaneous	107,055	280,462	323,904	(10,487)	700,934	2,551
Total operating revenues	<u>28,740,063</u>	<u>4,082,583</u>	<u>323,904</u>	<u>7,401,923</u>	<u>40,548,473</u>	<u>9,425,373</u>
Operating expenses						
Personnel services	5,105,996	366,676	-	907,850	6,380,522	2,855,357
Contractual services and operations	6,486,783	998,758	92,720	2,413,208	9,991,469	6,012,462
Supplies, materials and maintenance	3,184,737	477,332	-	341,624	4,003,693	1,894,582
Utilities	1,122,812	133,319	-	2,922,293	4,178,424	-
Rent and leases	93,811	-	-	-	93,811	-
Depreciation of capital assets	2,794,223	823,827	325,583	567,832	4,511,465	-
Total operating expenses	<u>18,788,362</u>	<u>2,799,912</u>	<u>418,303</u>	<u>7,152,807</u>	<u>29,159,384</u>	<u>10,762,401</u>
Operating income / (loss)	<u>9,951,701</u>	<u>1,282,671</u>	<u>(94,399)</u>	<u>249,116</u>	<u>11,389,089</u>	<u>(1,337,028)</u>
Nonoperating revenues / (expenses)						
Interest	1,633,357	(29,395)	84,928	76,014	1,764,904	358,862
Interest and debt service costs	(2,250,824)	-	(104,197)	(243,873)	(2,598,894)	-
Total non-operating revenues / (expenses)	<u>(617,467)</u>	<u>(29,395)</u>	<u>(19,269)</u>	<u>(167,859)</u>	<u>(833,990)</u>	<u>358,862</u>
Income / (loss) before transfers	9,334,236	1,253,273	(113,668)	81,257	10,555,098	(978,166)
Transfers in	15,147,950	4,422,018	-	509,993	20,079,961	-
Transfers out	(16,128,691)	(4,422,018)	-	(627,549)	(21,178,258)	-
Change in net position	<u>8,353,495</u>	<u>1,253,273</u>	<u>(113,668)</u>	<u>(36,299)</u>	<u>9,456,801</u>	<u>(978,166)</u>
Total Net position - beginning	<u>87,175,401</u>	<u>11,210,147</u>	<u>223,995</u>	<u>12,930,378</u>	<u>111,539,921</u>	<u>15,640,910</u>
Total Net position - ending	<u>\$ 95,528,896</u>	<u>\$ 12,463,420</u>	<u>\$ 110,327</u>	<u>\$ 12,894,079</u>	<u>\$ 120,996,722</u>	<u>\$ 14,662,744</u>

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

CITY OF RIVIERA BEACH, FLORIDA
Statement of Cash Flows - Proprietary Funds
 September 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Utility Special District	Marina	RB CDE	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities						
Cash received from customers	\$ 29,128,997	\$ 894,809	\$ 306,845	\$ 8,465,821	\$ 38,796,472	\$ 64,478
intergovernmental grants	-	1,546,330	-	-	1,546,330	-
Cash received from interfund charges	-	-	-	-	-	9,828,053
Payments to suppliers	(15,424,016)	2,125,803	1,933	(6,158,109)	(19,454,389)	(6,100,270)
Payments to employees	(4,444,181)	(382,093)	-	(696,849)	(5,523,123)	(2,843,566)
Net cash provided (used) by operating activities	9,260,800	4,184,849	308,778	1,610,863	15,365,290	948,695
Cash Flows from Noncapital Financing Activities						
Interfund transfers	(933,631)	-	(240,585)	(853,569)	(2,027,785)	-
Net cash provided (used) by noncapital financing activities	(933,631)	-	(240,585)	(853,569)	(2,027,785)	-
Cash Flows from Capital and Related Financing Activities						
Additions to capital assets	(8,152,350)	(3,604,554)	-	(801,696)	(12,558,600)	-
Principal paid on debt	(1,603,863)	-	35,312	(327,124)	(1,895,675)	-
Interest paid on debt	(2,812,927)	-	(104,197)	(373,414)	(3,290,538)	-
Net cash provided (used) by capital and related financing activities	(12,569,140)	(3,604,554)	(68,885)	(1,502,234)	(17,744,813)	-
Cash Flows from Investing Activities						
Change in real estate	-	-	229,575	-	229,575	-
Investments earnings	1,639,746	(29,395)	84,927	76,014	1,771,292	358,862
Net cash provided (used) by investing activities	1,639,746	(29,395)	314,502	76,014	2,000,867	358,862
Net increase (decrease) in cash and cash equivalents	(2,602,225)	550,900	313,810	(668,926)	(2,406,441)	1,307,557
Balances - beginning of year	75,498,261	1,671,443	939,048	5,298,467	83,407,219	6,221,980
Balances - end of the year	\$ 72,896,036	\$ 2,222,343	\$ 1,252,858	\$ 4,629,541	\$ 81,000,778	\$ 7,529,537
Displayed as:						
Unrestricted cash and cash equivalents	46,543,314	2,222,343	104,419	4,629,541	53,499,617	7,529,537
Restricted cash and cash equivalents	26,352,722	-	1,148,439	-	27,501,161	-
Total cash and cash equivalents	\$ 72,896,036	\$ 2,222,343	\$ 1,252,858	\$ 4,629,541	\$ 81,000,778	\$ 7,529,537

Continued on next page.

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

Statement of Cash Flows - Proprietary Funds

September 30, 2020

	Business-type Activities - Enterprise Funds					Governmental Activities
	Utility Special District	Marina	RB CDE	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income	\$ 9,951,703	\$ 1,282,668	\$ (94,399)	\$ 249,116	\$ 11,389,088	\$ (1,337,028)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,794,223	823,827	325,583	567,832	4,511,465	-
Changes in assets and liabilities:						
Investment in joint venture	(4,431,145)	-	-	-	(4,431,145)	-
Accounts receivable	(11,641)	(1,614,915)	(17,060)	1,024,942	(618,674)	467,159
Inventory	(16,330)	(6,584)	-	-	(22,914)	(191,927)
Prepaid expenses	-	-	350,501	-	350,501	-
Deferred outflows	(312,561)	(5,160)	-	(22,211)	(339,932)	-
Accounts payable	(73,734)	67,917	(255,847)	(477,358)	(739,022)	2,010,491
Due to other funds	-	3,675,015	-	-	3,675,015	-
Deposits and other liabilities	81,206	-	-	7,276	88,482	-
Accrued liabilities	-	(14,758)	-	-	(14,758)	-
Deferred inflows	603,864	(21,367)	-	47,920	630,417	-
OPEB liability	80,492	-	-	35,998	116,490	-
Compensated absences	12,617	-	-	25,364	37,981	-
Net pension asset (liability)	582,106	(1,794)	-	151,984	732,296	-
Net cash provided (used) by operating activities	\$ 9,260,800	\$ 4,184,849	\$ 308,778	\$ 1,610,863	\$ 15,365,290	\$ 948,695

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

CITY OF RIVIERA BEACH, FLORIDA
Statement of Fiduciary Net Position
September 30, 2020

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 7,723,151
Total Cash	7,723,151
Receivables:	
Receivables, net	373,165
Interest and dividends receivable	324,777
Unsettled trades	39,380
Total receivables	737,322
Investments at fair value:	
US Government and agency securities	29,594,343
Corporate bonds	31,788,724
Equity securities	168,300,286
Real estate funds	35,715,350
Money market funds	22,153,232
Mutual funds	12,718,230
Total investments	300,270,165
Prepaid expenses	20,625
Total assets	308,751,263
Liabilities	
Accounts payable	403,586
Deferred revenues	182,729
Payable for securities purchased	2,151,122
Total liabilities	2,737,437
Net position	
Restricted for:	
Pensions	306,013,826
Total net position	\$ 306,013,826

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

Statement of Changes in Fiduciary Net Position

For the Year Ended September 30, 2020

	<u>Pension Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 4,391,985
Employees	1,684,773
State	695,700
Total contributions	<u>6,772,458</u>
Investment earnings:	
Miscellaneous	13,421
Net increase in fair value of investments	15,963,516
Interest, dividends, and other	5,546,391
Total investment earnings	<u>21,523,328</u>
Less investment costs:	
Investment activity costs	1,669,143
Net investment earnings	<u>19,854,185</u>
Total additions	<u>26,626,643</u>
Deductions	
Benefits paid to participants or beneficiaries	17,112,154
Refunds and transfers to other systems	572,194
Administrative and other expenses	408,969
Total deductions	<u>18,093,317</u>
Net increase (decrease) in fiduciary net position	8,533,326
Net position - beginning of the year	297,480,500
Net position - end of the year	<u>\$ 306,013,826</u>

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



NOTES TO THE BASIC FINANCIAL STATEMENTS



Notes to the Basic Financial Statements

September 30, 2020

TABLE OF CONTENTS		PAGE
Note 1	Significant Accounting Policies	51
Note 2	Stewardship, Compliance, and Accountability	64
Note 3	Property Taxes	64
Note 4	Deposits and Investments	66
Note 5	Receivables and Unearned Revenue	77
Note 6	Capital Assets	78
Note 7	Lease Obligations	80
Note 8	Long-Term Liabilities	80
Note 9	Interfund Receivables, Payables, and Advances	87
Note 10	Interfund Transfers	88
Note 11	Investment in Joint Ventures	88
Note 12	Risk Management	90
Note 13	Pension Plans	91
Note 14	Other Post Employment Benefits	105
Note 15	Fund Balance Constraints	111
Note 16	Related Party Transactions	111
Note 17	Commitments and Contingencies	113
Note 18	On-Behalf Payments	114
Note 19	Stewardship	114
Note 20	Subsequent Events	114

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the City of Riviera Beach (City) are presented in conformity with Generally Accepted Accounting Principles (GAAP) for governments in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). These significant accounting policies are presented to assist the reader in interpreting the basic financial statements, which are considered essential and should be read in conjunction with the basic financial statements. The following is a summary of the City’s significant accounting policies and reporting practices.

A. Financial Reporting Entity

The City is a municipal corporation created and governed by Chapter 63-1844, Laws of Florida, enacted by the Florida Legislature. The City was originally incorporated in 1923 and was reincorporated in 1973 pursuant to the Municipal Home Rule Powers Act, Florida Statutes, Chapter 166. The City operates under a mayor-council-manager form of government and provides a wide range of community services, including general government, public safety, planning, zoning, public works, stormwater drainage, culture and recreation, marina, and water, wastewater and stormwater utilities. The Council is responsible for legislative and fiscal control of the City.

The GASB is the standard setting body for governmental accounting and financial reporting. The financial statements of the City have been prepared in accordance with GASB. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. The City has the option of following subsequent guidance for its enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

One of the objectives of financial reporting is to provide the reader with a basis for assessing the accountability of the elected officials. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations 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. The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has a separately elected or appointed governing body.

The financial reporting entity consists of the primary government, which includes all funds, agencies and departments, and those component units for which the City is financially accountable. Blended component units, while legally separate entities, are in substance part of the government’s operations, therefore, data from these units are presented with data of the City. Each blended component unit has a fiscal year end of September 30.

Although legally separate entities, the Riviera Beach Community Redevelopment Agency (CRA) and the Riviera Beach Utility Special District (USD) are in substance part of the City’s operations and are included as blended components in the governmental and enterprise funds, respectively. Based on the application of criteria set forth by the GASB, management has determined that there are no other component units that are required to be reported as part of the financial statements.

Blended Component Units:

The criteria for including component units consist of the identification of legally separate organizations for which the elected officials of the City are financially accountable. This criteria also includes identification of organizations 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. Blended component units, although legally separate entities, are in substance, part of the government’s operations and so data from these units are combined with information of the primary government. The City has no discretely presented component units.

Notes to the Basic Financial Statements

September 30, 2020

Utility Special District (USD) – The USD was formed on June 16, 2004, as a dependent special district under the Florida Constitution and laws of the State of Florida. A dependent special district is a local unit of special purpose government created to implement specialized functions, including water and sewer utility services. The USD’s governing body is the same as the governing body of the primary government, the City. USD was formed for the public purpose, among others, of acquiring, owning, operating and maintaining the water and sewer assets and establishing, implementing, financing and administering projects in furtherance of such purposes.

Riviera Beach Community Redevelopment Agency (CRA) – The CRA was established by a special act in 1969 of the Florida Legislature under Chapter 163 to develop and revitalize the blighted areas of the City. The CRA’s services are rendered wholly within the boundaries of the City, and its activities and transactions are intended to benefit the City by returning improved property to the City’s tax rolls, enhance the business and cultural environment and provide employment. The CRA was created on August 7, 1984 and its governance was bestowed on the five-member Council of the City. The CRA is responsible for over 858 acres within the City’s boundaries and over 185 acres of the Port of Palm Beach.

The City Council serves as the CRA board. Although legally separate, the CRA is blended as a governmental fund component unit into the primary government because the structure of the CRA meets the GASB Statement 61, The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34 (GASB Statement 61), criteria for blending. The criteria assessed and determined to result in blending are: (a) the boards of the CRA and the City are the same, and (b) management of the City has operational responsibility for the CRA. The operations of the CRA are reported as a Major Governmental Fund. Although legally separate, The CRA is dependent on the City to fund deficits, meet debt service requirements, and pay other expenditures in the event that the revenues of the CRA are insufficient.

Separate financial statements are issued for the CRA and may be obtained from Riviera Beach Community Redevelopment Agency, 2001 Broadway, Suite 300, Riviera Beach, Florida, 33404.

Riviera Beach CDE, Inc (RB CDE) – The RB CDE was organized on May 26, 2011, pursuant to the laws of the State of Florida as a 501(c)(3) non-profit corporation and its primary mission is to provide investment capital to low-income communities or persons of low-income and to engage in other community development activities for neighborhood improvement and community and economic development by providing sustainable job opportunities for low income residents. The RB CDE is certified by the U.S. Department of Treasury, CDFI Fund, as a Community Development Entity. The RB CDE is governed by a Board of Directors that is to consist of a minimum of five directors. At least three directors must be either City or CRA employees and two shall be residents of business owners of the CRA and represent low income communities.

The RB CDE is the sole member of the Riviera Beach Event Center, LLC (RBEC) which was formed on September 23, 2013, pursuant to the laws of the State of Florida as a limited liability company. The RBEC is also recognized by the Internal Revenue Service as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. The purpose of the RB CDE is to facilitate the redevelopment and improvement of areas of blight and deterioration within the municipal limits of the City and to own and operate a community facility open to the public. These entities are part of a combined New Markets Tax Credit financing structure created for the purpose of constructing the Riviera Beach Event Center to support the redevelopment of the Marina and to provide a community event center for the residents, businesses, and visitors of the City.

The RB CDE and RBEC are consolidated and all material intercompany transactions and balances have been eliminated in consolidation.

In accordance with standards prescribed by the Financial Accounting Standards Board (FASB), the RB CDE evaluated its interests and determined that based on the rights afforded to it in the agreements, the RB CDE controls the RBEC and both entities have been consolidated in its statements.

Separate financial statements are issued for the RB CDE and may be obtained from Riviera Beach Community Redevelopment Agency, 2001 Broadway, Suite 300, Riviera Beach, Florida, 33404.

Pension Trust Funds

The City sponsors three separate single employer defined benefits pension plans: City of Riviera Beach General Employees' Retirement System (GERS), Riviera Beach Municipal Firefighters' Pension Trust Fund (FPTF), and Riviera Beach Police Pension Fund (PPF). Each pension plan is a separate entity established to account for the financial activities of each plan and is governed by its own independent Board of Trustees. Although each pension plan is administered by its respective Board of Trustees, all three pension plans are fiscally dependent on the City, as the City is obligated to fund the liabilities of each based on actuarial valuations.

The pension plans are not incorporated into the government-wide statements. Net pension liability is reported in the accompanying financial statements with actuarial data disclosed in the *Notes to the Basic Financial Statements* at Note 13.

Joint Venture

The City is a participant with the East Coast Regional Wastewater Treatment Facilities (ECR) in a joint venture to receive, treat, and dispose of sewage generated within each member municipality. The City has an ongoing financial interest in this joint venture, which is discussed in Note 11.

Implementation of New GASB Pronouncements

GASB Statement 84, *Fiduciary Activities*. This statement was issued January 2017 to establish criteria for identifying fiduciary activities of all state and local governments. GASB Statement 84 will be effective for the fiscal year ending September 30, 2020. The adoption of this statement did not significantly impact the City's financial statements.

GASB Statement No. 88, "*Certain disclosures related to debt, including direct borrowings and direct placements*" will be effective for the fiscal years beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of this statement did not significantly impact the City's financial statements.

GASB Statement 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement 90 will be effective for the fiscal year ending September 30, 2020. The adoption of this statement did not significantly impact the City's financial statements.

Future Adoption of GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of September 30, 2020:

GASB Statement 87, *Leases*. This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement 87 will be effective for the fiscal year ending September 30, 2021.

GASB Statement 91, *Conduit Debt Obligations*. This statement was issued May 2019 to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement 91 will be effective for the fiscal year ending September 30, 2022.

GASB Statement No. 92, *Omnibus 2020* is effective for periods beginning after June 15, 2020 with the requirements related to GASB Statement No. 87 implementation, reinsurance recoveries and terminology related to derivative instruments effective immediately. The primary objectives of this Statement are to address the implementation issues which have

Notes to the Basic Financial Statements

September 30, 2020

been identified related to GASB Statement No. 87, *Leases*, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other post employment benefit (OPEB) plan; the applicability of Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not Within the Scope of GASB Statement No. 68*, and amendments to certain provisions of GASB Statements 67 and 68, as amended, and Statement No. 74, *Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for post employment benefits; the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to post employment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs); reporting by public entity risk pools for amounts that are recoverable from reinsurers; reference to recurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments.

The City will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements and component unit.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net costs per functional category which are otherwise being supported by general government revenues (property, utility service tax, local surtax, business taxes, licenses and permits, intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. The program revenues must be directly associated with the function (public safety, general government, transportation, culture and recreation, physical environment, and economic environment) or a business-type activity (water and sewer, marina, solid waste collection, stormwater, and parking). The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The governmental funds' major fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budgeted fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the page following each statement, which explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, the financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. The costs of these services are charged to the appropriate functional activity. Surpluses or deficits in the Internal Service Funds are allocated back to customers at the government-wide level Statement of Activities. This creates a reconciling item between the business-type activities column at the government-wide level and the proprietary fund statements at the fund level as reflected on the bottom of each statement.

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

C. Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, expenditures/expenses, deferred inflows of resources, and deferred outflows of resources.

GASB Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The non-major governmental funds are combined in a single column in the fund financial statements and detailed in the combining statements section.

Major Governmental Funds:

The measurement focus of the Governmental Funds (in the fund financial statements) is based upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major Governmental Funds of the City:

General Fund – Primary operating fund which accounts for all financial resources of the general government, except for those accounted for in another fund. Revenue is derived primarily from property taxes, state and federal distributions, grants and other intergovernmental revenue. The general operating expenditures, fixed charges, and capital outlay not paid through other funds are paid from the General Fund.

Community Redevelopment Agency Fund – Accounts for the incremental increase in ad valorem tax revenue collected within the designated community redevelopment area. Revenues must be utilized and expended in accordance with the respective community redevelopment plan.

Capital Bond Funds – Accounts for restricted funds received from transferring the water and sewer operations from the City to USD and the proceeds from the *Public Improvement Revenue Bonds, Series 2014*.

Proprietary Funds:

The focus of Proprietary Fund measurement is upon determination of operating income, changes in fund net position, financial position, and cash flows, which is similar to businesses. The following is a description of the Proprietary Funds of the City:

Utility Special District Fund – Accounts for the provision of water and wastewater services to the residents of the City and to some residents in surrounding areas.

Solid Waste Collection Fund – Accounts for the activities of the City's residential and commercial collection system.

Marina Fund – Accounts for the activities of the Marina.

Stormwater Fund – Accounts for the stormwater system.

Parking Fund – Accounts for the activities relating to the City's parking facility.

Internal Service Funds:

Internal service funds account for services provided to by one department to other City departments on a cost reimbursement basis. The City maintains three internal service funds.

Fleet Services Fund – Accounts for the acquisitions and maintenance services of the City's vehicles.

Notes to the Basic Financial Statements

September 30, 2020

Risk Management Fund – Accounts for the City’s risk management activities for worker’s compensation, auto liability, property and contents loss, and general liability.

Information Technology Fund – Accounts for the City’s network, applications, geographic information system, maintenance and replacement of the City’s infrastructure including hardware and software, desktops, laptops, and network equipment.

Fiduciary Funds:

Pension trust funds account for the activities of the City’s three pension plans that accumulate resources for pension benefits and disability payments as follows:

General Employees’ Retirement System – Accounts for the pension trust for general employees.

Riviera Beach Police Pension Fund – Accounts for the pension trust for police officers.

Riviera Beach Municipal Firefighters Pension Trust Fund – Accounts for the pension trust for firefighters.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues, expenditures, expenses, and transfers (and assets, deferred outflows of resources, liabilities, and deferred inflows of resources) are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The Government-wide financial statements and the Proprietary, Fiduciary, and Component Unit fund financial statements are presented on an accrual basis of accounting. The Governmental Funds in the fund financial statements are presented on a modified accrual basis.

Accrual:

Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual:

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means (except for property taxes) collectible within the following nine (9) months. Because of the statutorily defined property tax calendar, most property taxes are collected during the fiscal year in which they are levied, or within 60 days of the end of the fiscal year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt and compensated absences, if any, are recognized when due.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions* (GASB Statement 33) (the City may act as either provider or recipient), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and unearned revenue by the recipient.

E. Encumbrances

Encumbrance accounting is utilized by the governmental funds of the City. Monies are set aside when a purchase order is issued in order to reserve a portion of the applicable budget appropriation. Encumbrances lapse at year-end.

F. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance

1. Cash and Cash Equivalents

The City defines Cash and Cash Equivalents as cash on hand, demand deposits, cash with fiscal agents, and the City’s cash management pool. The cash management pool is used by all funds and component units, and consists of a variety of

short-term investments such as Treasury Securities, U.S. Government agencies and instrumentalities, various corporate debt, mortgages, commercial paper, and overnight investments. Interest earnings of the pool are apportioned to each fund based on the fund's relative share of the investment pool.

The City's cash management pool is treated as a cash equivalent for financial reporting purposes because each individual fund can deposit additional cash or make withdrawals (at any time) without prior notice or penalty.

2. Investments

All investments (including pension funds) are stated at fair value, generally based on quoted market prices. The fair values of investments without quoted market prices, including certain commingled funds, alternative investments and fixed income securities, are estimated by a third party utilizing various pricing sources or based on fund net asset value (NAV). However, because of the inherent uncertainty of valuation, the estimated fair values for investments without quoted market prices may differ significantly from the values that would have been used had a ready market for the investments existed.

Pension Trust Funds are discretely presented component units and separately invest their funds and report investments pursuant to their respective investment policies.

3. Accounts Receivable

Receivables include amounts due from other governments, and other services provided by the City are recorded when the revenue is earned. Accounts receivable are reported net of any allowances for uncollectible. Allowances for uncollectible receivables are based upon a review of accounts and the knowledge of the creditor's ability to pay. Management determines the allowance based on a review of accounts and their knowledge of creditors. Other long-term receivables are analyzed for collectability based on terms and conditions of the agreements.

4. Unbilled Accounts

USD, Solid Waste Collection, and Stormwater funds recognize revenue on the basis of monthly cycle billings to customers for services provided. As a result, there are unbilled receivables at the end of each fiscal year. Unbilled receivables are accrued at year end by prorating actual subsequent billings.

5. Interfund Receivables and Payables

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year of a short-term nature and any other outstanding balances between funds are reported as due to and due from other funds. The long-term portion of any borrowings between funds is reported as advances to and from other funds. Long-term advances of the governmental funds are recorded by the advancing fund as a receivable and non-spendable fund balance. Any residual outstanding balances between the governmental activities and business-type activities at year-end are reported in the government-wide financial statements as internal balances. Amounts receivable from, or payable to, other funds are reflected in the accounts of the fund until liquidated, usually within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as "internal balances".

6. Inventories

Inventories consist of materials and supplies held for consumption, are stated at the lower of cost or market value on a first-in, first-out basis. Perpetual inventory records are maintained and adjusted periodically to physical inventory amounts. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as expenditures at the time inventory items are used, rather than purchased. Inventories included in the enterprise funds consist of fuel, chemicals, food concessions, maintenance parts, and supplies. Inventories included in the Internal Service Funds consist of maintenance parts, tires, fuel, and supplies.

7. Prepaid Items

Prepaid items represent payments made to vendors for goods and services that will benefit the period beyond the fiscal year end. These services are recorded as expenditures / expenses when consumed.

Notes to the Basic Financial Statements

September 30, 2020

8. Restricted Assets

Proceeds of revenue bonds or funds set aside in accordance with bond covenants or by ordinance are classified as restricted assets on the fund level statement of net position of the enterprise funds. Restricted assets include operating accounts which are used for accumulations of resources equal to operating costs for specified periods; renewal and replacement accounts used for accumulation of resources for replacement of existing system assets; debt service accounts used for accumulation of resources to meet debt service requirements; capital projects accounts used for acquisition and construction of assets funded by revenue bond proceeds; impact fees restricted by local ordinance for future plant expansion; and customers' deposit accounts.

Restricted long-term assets are not required to be presented on the balance sheets of governmental funds under the modified accrual basis of accounting; however, certain assets are restricted as to use. Such assets include debt proceeds, permit fees, state and federal forfeiture awards, grants, and amounts held for debt service.

9. Capital Assets and Depreciation

Capital assets, which include land, buildings and improvements, improvements other than buildings, machinery and equipment, construction in progress, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined as property that has a value of \$10,000 or more with a useful life of three or more years and maintain its identity while in use.

Capital assets, constructed or acquired, are capitalized and reported at historical cost. Reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are recorded at acquisition value.

Expenditures that materially extend the useful life of existing assets are capitalized. The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts, and any resulting gain or loss is included in net income.

Construction in progress (CIP) is tracked as a separate asset until the time of completion, at which point the value is transferred to another appropriate fixed assets account.

Capital assets are depreciated using the straight-line method over the estimated useful lives, and assets purchased during the year are capitalized for six months during the first year, regardless of when acquired. Normal useful life is defined as the physical life that an asset is expected to last before it deteriorates to an unusable condition or becomes functionally obsolete. Asset classes have been assigned an estimated useful life as outlined below:

Asset Description	Useful Life in Years
Buildings and Improvements	20 to 40
Land Improvements	5 to 40
Utility Plant and Systems	20 to 50
Regional Sewer Systems	30 to 99
Furniture, Fixtures, Machinery and Equipment	3 to 12
Marina and Waterside Improvements	20 to 40

Enterprise Funds – Capital assets intended primarily for business activities are accounted for in the operating fund for the respective enterprise fund.

When capital assets are disposed of, the cost and accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is recognized in the government-wide and proprietary fund financial statements.

10. Capital Leases

Assets acquired through capital lease agreements are capitalized. A lease is a capital lease if at inception of the lease it meets any one of the following criteria: 1) ownership of property transfers from the lessor to the City at the end of the lease term; 2) the lease contains a bargain purchase option; 3) the lease term is 75% or more of estimated useful life of the leased property; and 4) the present value, at the beginning of the lease term, of the minimum lease payments required under the lease is at least 90% of the fair value of the asset at the inception of the lease.

11. Investment in Joint Venture

The City accounts for its investment in joint ventures using the equity method of in accordance with GAAP and the agreements pertaining to the respective joint venture.

12. Bond Discounts, Bond Premiums, and Issuance Costs

In the governmental funds, bond discounts and bond premiums are treated as period costs in the year of issue. Bond premiums and discounts are shown as an "Other Financing Source/Use". In the proprietary funds (and for the governmental activities, in the government-wide statements) bond discounts and bond premiums are amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest rate method. Bond discounts and premiums are presented as a reduction and increase, respectively, of the face amount of the bonds payable. Issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

13. Deferred Inflows of Resources and Deferred Outflows of Resources

In the proprietary funds (and for the governmental activities, in the government-wide statements) the difference between the re-acquisition price (new debt) and the net carrying value of the old debt on refunded debt transactions is recorded as a deferred outflow of resources and recognized as a component of interest expense using the bonds outstanding method over the shorter of the remaining life of the old debt or the life of the new debt. In the general fund, revenue that is not available to fund current operations, is recorded as deferred inflows of resources.

14. Deferred Inflows of Resources and Deferred Outflows of Resources Related to Pensions and OPEB

Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB derived from differences between projected and actual earnings on the respective pension or OPEB plan investments are amortized to pension or OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period.

Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB derived from differences between expected and actual experience with regard to economic or demographic factors (differences between expected and actual experience) in the measurement of the respective pension plan's total pension liability or the OPEB total liability are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan or OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

Deferred Inflows of resources and Deferred Outflows of resources related to pensions or OPEB that are derived from changes in actuarial assumptions about future economic or demographic factors or of other inputs are amortized to pension or OPEB expense over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the respective pension plan or OPEB benefits through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

Contributions to the pension or OPEB plan from the employer subsequent to the measurement date of the net pension or net OPEB liability and before the end of the reporting period are reported as a deferred outflow of resources related to pensions or OPEB. This contribution is included as an increase in the respective pension plan or OPEB plan fiduciary net position in the subsequent fiscal year.

Notes to the Basic Financial Statements

September 30, 2020

15. Unearned Revenue

In the governmental funds, certain revenue transactions have been reported as unearned revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. Revenue that is earned but not available is reported as a deferred inflow of resources until such time as the revenue becomes available. In the proprietary funds (and for the governmental activities in the government-wide statements), unearned revenue is reported regardless of its availability.

16. Compensated Absences

Regular full time employees accrue from 12 to 20 days of vacation and 12 days of sick leave annually. A liability is accrued for unused vacation leave at year end. Sick leave is accrued as a liability as the benefits are earned by the employee only to the extent that it is probable that the employee will be compensated for the benefits upon termination or retirement. Compensated absences liability is calculated based on the salary rate in effect at year end.

For proprietary funds and the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and government-wide presentations. Compensated absences liability is classified into two components – amounts due within one year (current portion) and amounts due in more than one year (non-current portion).

17. Pensions

For the purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's General Employees' Retirement System, Police Pension Fund, and the Firefighters' Pension Trust Fund (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Investments in real estate are recorded at market using valuation techniques such as the market approach or the income approach for which sufficient and reliable data is available. Certain money market funds and investments in real estate are recorded at net asset value (NAV) per share. This method of determining fair value uses member units to which a proportionate share of net assets is attributed. The Net Pension Liability is the difference between the actuarial present value of projected pension benefit payments attributable to employees' past service and the respective pension plan's fiduciary net position. See Note 13 for additional information on the Net Pension Liability.

18. Other Post-Employment Benefits (OPEB)

For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPEB and additions to/deductions from OPEB fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. The Net OPEB Liability is the difference between the actuarial present value of projected benefit payments attributable to employees' past service and the OPEB plan's fiduciary net position. See Note 14 for additional information on the Net OPEB Liability.

19. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary fund type Statement of Net Position. Bonds payable are reported net of the applicable bond premiums or discounts and deferred refunding amounts. Premiums, discounts, and issuance costs are amortized over the life of the bonds using the effective interest method. Deferred amounts on refunding are amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method, which does not result in a material difference from the effective interest method. Costs of issuing bonds and deferred charges on refunding bonds are capitalized in the governmental activities Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as issuance costs during the current period. The face amount of the debt 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. Debt payments are reported as expenditures.

20. Interfund Activity

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation. These transactions consist of one or more of the following types:

Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from that fund, are properly applicable to another fund.

Transfers in and transfers out, as appropriate, for all other interfund transactions are shown as other financing sources or uses.

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year of a short-term nature and any other outstanding balances between funds are reported as due to and due from other funds. The long-term portion of any borrowings between funds is reported as advances to and from other funds. Long-term advances of the governmental funds are recorded by the advancing fund as a receivable and non-spendable fund balance. Any residual outstanding balances between the governmental activities and business-type activities at year-end are reported in the government-wide financial statements as internal balances.

The City uses its cost allocation plan to identify costs associated with providing certain services. These indirect charges reimburse the administration and overhead services provided by certain General Fund departments (e.g., finance, personnel, procurement, legal, information technology, etc.).

21. Fund Balance

In the fund financial statements, governmental funds report the fund balance into classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on specific purposes for which those funds can be spent. Fund balance is divided into five classifications. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – The restricted fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation (City ordinances). Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts

Notes to the Basic Financial Statements

September 30, 2020

are imposed by Council, and anything separate from these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The City, for planning purposes, may assign fund balances for a specific purpose, such as setting aside funds for capital equipment replacement, emergency preparedness, and accrued benefit payouts to retired/terminated employees. Unlike commitments, assignments generally exist temporarily.

Unassigned – The unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, or unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then by unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balance are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

22. Net Position

In the governmental-wide financial statement and proprietary fund financial statements, net positions are classified as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.

Restricted net position is restricted by external creditors, grantors, contributors, or laws and regulations of other governments.

Unrestricted net position is all resources that do not meet the definition of "net investment in capital assets" or "restricted net position".

23. Estimates

Management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and amounts of revenues and expenses expenditures during the reporting period. Actual results could differ from management's estimates. Significant estimates used in these financial statements include the amount of insurance claims payable, actuarial assumptions related to pension plans, and allowances for uncollectible accounts.

24. Revenues, Expenditures, and Expenses

Substantially all governmental fund revenues (including sales taxes, franchise fees, and licenses) are accrued. Property taxes are generally billed and collected within the same period in which the taxes are levied.

Revenue from Federal and State reimbursement type grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. Only the portion of special assessments receivable due within the current

period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. Approximately, 90% the enterprise funds' operating revenues are from charges for services. Operating revenues for proprietary operations generally result from providing services in connection with a proprietary fund's principal on-going operation (e.g., USD, Stormwater, Solid Waste Collection, Marina, and Parking). The principal operating revenue of the proprietary funds is receipts from customers. Operating expenses for these operations include all costs related to providing the service. These costs include salaries, contractual services, depreciation, and administrative expenses. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Expenditures are recognized when the related fund liability is incurred except for the following:

General obligation long-term debt principal and interest and compensated absences are reported, if any, only when due. Inventory costs are reported in the period when inventory items are consumed, rather than in the period purchased.

25. Operating Subsidies, Grants, and Impact Fees

Subsidies and grants to proprietary funds, which finance either capital or current operations, are recorded as nonoperating revenue when earned.

The City's policy requires restriction of all monies collected as impact fees. These fees represent a capacity charge for the proportionate share of the cost of expanding, over-sizing, separating or constructing new additions to the water and sewer system. The City is obligated to expend these funds only to provide expanded capacity to the system.

Certain grants under federal, state, and local programs are accounted for in special revenue funds and reported as a component of intergovernmental revenues. Grants are disbursed from these funds as prescribed under the respective grant programs. These programs are dependent on continued financial assistance from federal and state governments. Potentially disallowable amounts, on reimbursement type grants constitute a contingent liability of the City. The City does not expect any such occurrences and since the potential disallowed amounts are not estimable, such contingencies are not reflected within the financial statements.

26. Income Taxes

The RB CDE and RBEC are exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code (IRC), except for income taxes on 'unrelated business income,' as defined in the IRC. Management believes that all material activities of the RB CDE and the RBEC are not subject to income taxes. The RB CDE and RBEC are required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, the consolidated financial statements of the RB CDE do not reflect a provision for income taxes and the RB CDE and RBEC have no other tax positions which must be considered for disclosure. Income tax returns filed by the RB CDE and RBEC are subject to examination by the IRS for a period of three years. The first year that the RB CDE was required to file tax returns with the IRS was 2014.

Notes to the Basic Financial Statements

September 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgeting Policy

The Council annually adopts the Budget Ordinance for all operating funds of the City except for certain restricted accounts of the proprietary funds and the pension trust funds. Budgetary control is legally maintained at the fund level. The budget is prepared using the modified accrual basis of accounting with encumbrances included as budgetary basis expenditures. The City’s Director of Finance and Administrative Services is authorized (1) to transfer within and between departments and funds, as long as the total budget of the City (net of interfund transfers) is not increased, (2) to implement grant budgets as the grant applications are accepted by the City, and (3) to amend (re-appropriate) each new year’s budget, to the extent of outstanding encumbrances, and/or unexpended project/grant appropriations at year end. City Council action is required for (1) use of the budgeted contingency, and (2) the approval of a supplemental appropriation(s).

All budget amounts presented in the accompanying supplementary information reflect the original budget (including the prior year carry forward) and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year.

Florida Statutes require that all city governments prepare, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. Accordingly, the City has established budgetary procedures.

Excess of Expenditures Over Appropriations

As of September 30, 2020, expenditures exceeded appropriations for the following General Fund departments:

Department	Amount	% of Budget
City Attorney	\$ 50,455	5.83%
Police	1,702,975	8.27%
Fire	760,274	5.49%

The departments exceeded their respective budgetary allowances during fiscal year 2020, due mainly to personnel and retirement related costs and repairs and operating costs.

NOTE 3 – PROPERTY TAXES

The Council is permitted by State law to levy taxes up to 10 mills of assessed valuation. The millage rate levied by the City for the fiscal year ended September 30, 2020 was 8.2450 mills. Current tax collections (inclusive of legally available early payment discounts) for the City were approximately 99% of the total tax levy.

Under Florida law, the assessment of all properties and the collection of all county, municipal, special district, and school board property taxes are provided by the County’s Property Appraiser and Tax Collector, respectively, who are elected County officials.

The property tax calendar provides for the tax revenue to be billed and collected within the applicable fiscal year.

Property Tax Calendar

- January 1, 2019 – Property taxes are based on assessed property value at this date as determined by the Palm Beach County Property Appraiser.
- June 27, 2019 – Property assessment roll and certificates of value by the Palm Beach County Property Appraiser are provided to the City.
- July 17, 2019 – Proposed tax millage rate approved by the Council.
- July 19, 2019 – Proposed tax millage rate provided to the Palm Beach County Property Appraiser Office for notices to be mailed to taxpayers.
- September 18, 2019 – Property tax millage rate ordinance approved by the Council.
- October 1, 2019 – Beginning of fiscal year for which taxes are levied.
- December 31, 2019 – City is notified of the taxable value on the final property tax assessment roll by the Palm Beach County Property Appraiser Office.
- April 1, 2020 – Unpaid property taxes become delinquent and become a lien.
- June 1, 2020 – Tax certificates are sold by the Palm Beach County Tax Collector.

Property Tax Collection

Assessment of real and tangible properties and the collection of county, municipal and school district property taxes are consolidated in the offices of the Palm Beach County Property Appraiser and the Palm Beach County Tax Collector. Property is reassessed according to its fair market value on January 1 of each year. Assessment rolls are submitted to the State Department of Revenue for review to determine compliance with State law.

Florida Statutes, Chapter 197, govern the collection of property taxes. The Palm Beach County Tax Collector bills and collects property taxes levied within Palm Beach County. The tax levy is established by Council prior to October 1 of each year during the budget process. The Palm Beach County Property Appraiser's Office incorporates the City's millage into the total tax levy, which includes taxes levied by Palm Beach County, Palm Beach County School Board, and Special Taxing Districts. During the month of November, the Palm Beach County Property Appraiser's Office prepares and delivers a Notice of Property Taxes and Non-Ad Valorem Assessments to each taxpayer.

The Tax Collector remits current taxes collected through four distributions to the City in the first two months of the tax year and at least one distribution each month thereafter. The City recognizes property tax revenue in the period in which they are levied. The Tax Collector pays the City interest on monies held from day of collection to day of distribution to the City.

Taxes imposed are due and payable starting in November. Discounts for allowed for early payment of 4% in November, 3% in December, 2% in January, and 1% in February. Unpaid taxes become delinquent on April 1 following the year in which assessed. On or prior to June 1, certificates are offered for sale for delinquent taxes on real property. Tax certificates bear interest at 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after two years. Unsold certificates are held by Palm Beach County.

As of fiscal year end, unpaid delinquent taxes owed are insignificant and have not been recorded by the City.

Property Tax Limitation

According to Florida Statutes, unless voted, no municipality shall levy ad valorem taxes against real or tangible property in excess of 10 mills. The total millage levied by the City for the fiscal year ended September 30, 2020 was 8.4520.

NOTE 4 – DEPOSITS AND INVESTMENTS**A. Pooling of Cash and Investments**

A cash management pool is available for use by all funds with the exception of the City's pension trust funds. Participation in the pool is limited to normal operating activities of the fund and other funds that are restricted because of statutory or contractual considerations. Investment earnings are distributed monthly to the individual funds based on the funds' average cash balance. Deposits and investments of the City's pension trust funds are held separately from those of the City and adhere to the investment policies and guidelines established for the pension trust funds.

B. Deposits and Investments**1. Primary Government Activities****Cash**

The City's cash deposits are held by banks that qualify as public depositories under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. The City's cash deposits are fully insured by the Public Deposits Trust Fund. The City is required to maintain a minimum balance at the City's primary banking institution in order to for the City to not pay bank fees and earn higher rates of interest on deposits.

i. Authorized Investment Instruments and Portfolio Composition

Florida Statutes, City Ordinances, the Investment Policy, and legal covenants related to outstanding bond issues govern the City's investment practices. Florida Statutes establish permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City's cash and investments assets. Investments are managed and governed according to meet investment objectives of safety of principal, maintenance of liquidity, and return on investment.

The Investment Policy states that the management and responsibility for City funds in the investment program and investment transactions is delegated to the Director of Finance and Administrative Services (Director) who will establish written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls to regulate the activities of employees. The City engages a registered investment manager to assist in investing, monitoring, or advising on investments. The Policy does not apply to the investment of accounts created by ordinance or resolution pursuant to the issuance of bonds. The three pension trust funds are not governed by the City's Investment Policy.

The City's Investment Policy authorizes the investments in following instruments, which are limited to credit quality ratings from Nationally Recognized Statistical Rating Organization (NRSRO) at the time of purchase:

- Florida PRIME investment pool that is consistent with Section 215.47, Florida Statutes and operated as a '2a7-like' fund using the U.S. Securities and Exchange Commission's (SEC) investment requirements for 2a-7.
- U.S. Treasury securities which are guaranteed by the full faith and credit of the United States with maturities not to exceed five years from the date of purchase.
- U.S. Government agencies and Federal Instrumentality obligations which are backed by the full faith and credit of the United States with maturities not to exceed five years from the date of purchase.
- Mortgage-Backed Securities, which are based on mortgages that are guaranteed by a government agency for payment of principal and guarantee of timely payment.
- Interest Bearing Time Certificates of Deposit or Savings Accounts provided that such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes with maturities not to exceed one year from the date of purchase.
- Repurchase Agreements that compose investments based on the requirements set forth by the City's Master Repurchase Agreement with maturities not to exceed 90 days from the date of purchase.

- Commercial Paper of any U.S. company that is rated, at the time of purchase, 'Prime1' by Moody's and 'A-1' by Standard and Poor's or the equivalent by accredited rating agencies with maturities not to exceed 270 days from the date of purchase.
- Corporate Notes issued by corporations organized and operating within the U.S. by depository institutions licensed by the U.S. that have a minimum long term debt rating, at the time of purchase, of 'A' or better by any NRSRO with maturities not to exceed 3 years from the date of purchase.
- Asset-Backed Securities which are backed by financial assets that have a minimum long term debt rating, at the time of purchase, of 'A' or better by any NRSRO with maturities not to exceed 3 years from the date of purchase.
- Bankers' Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System that have a minimum short term rating, at the time of purchase, of 'P-1' by Moody's or 'A-1' by Standard and Poor's with maturities not to exceed 180 days from date of purchase.
- State and/or Local Government Taxable and/or Tax-Exempt Debt that are rated least 'Aa' by Moody's and 'AA' by Standard & Poor's for long-term debt, or rated at least 'MIG-1' by Moody's and 'SP-1' by Standard & Poor's for short-term debt or the equivalent by accredited ratings agencies with maturities not to exceed three years from date of purchase.
- Money Market Mutual Fund shares in open-end, no-load funds that are registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. § 270.2a-7. The prospectus of such funds must indicate that the share value shall not fluctuate which have an average weighted maturity of 90 days or less.
- Mutual Funds shares in open-end and no-load mutual funds, with fluctuating net asset values, provided such funds are registered under the Federal Investment Company Act of 1940. The prospectus of such funds must indicate that the mutual fund's average duration is maintained at three (3) years or less and the mutual fund invests exclusively in investment instruments as authorized by the City's Investment Policy.
- Intergovernmental Investment Pools that are authorized pursuant to the Florida Inter-local Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

The City's investment portfolio is designed to reduce the concentration of credit risk within the City's investment portfolio. A maximum of 25% of available funds may be invested in the Florida PRIME Fund, 100% of available funds may be invested in U.S. Treasury Securities, 50% of available funds may be invested in U. S. Government Agencies with a 25% limit on individual issuers, 80% of available funds may be invested in Federal Instrumentalities with a 50% limit on individual issuers, 30% of available funds may be invested in Mortgage-Backed Securities with at 20% limit on individual issuers, 25% of available funds may be invested in non-negotiable interest bearing time certificates of deposit with a 15% limit on individual issuers, 50% of available funds may be invested in repurchase agreements with a 25% limit on any one institution, 30% of available funds may be directly invested in commercial paper with a 10% limit on individual issuers, 30% of available fund may be invested in Corporate Notes with a limit of 10% on individual issuers, 15% of available funds may be invested in Asset Backed Securities with a limit of 5% on individual issuers, 25% of available funds may be directly invested in Bankers' Acceptances with a 5% limit on individual issuers, 20% of available funds may be invested in taxable and tax-exempt debts, 75% of available funds may be invested in money market mutual funds with a limit of 25%, 40% of available funds may be invested in mutual funds with a limit of 20%, and 50% of available funds may be invested in intergovernmental investment pools. The maximum amount of corporate investments cannot exceed 40%, which is the combination of Commercial Paper, Corporate Notes, and Asset Backed Securities.

The City has investments in two investment pools, Florida Cooperative Liquid Assets Securities System (FL CLASS) administered by Public Trust Advisors, LLC and Florida Public Assets for Liquidity Management (FL PALM) is administered by PFM Asset Management. Investments in these two pools have been valued based on their respective fair value factor as of the financial statement date.

Notes to the Basic Financial Statements

September 30, 2020

Investment in any derivative products or use of reverse repurchase agreements requires specific Council approval prior to their use. If the Council approves the use of derivative products, the Director shall develop sufficient understanding of the derivative products and have the expertise to manage them. If the Council approves the use of reverse repurchase agreements or other forms of leverage, the investment shall be limited to transactions in which the proceeds are intended to provide liquidity and for which the Director has sufficient resources and expertise to manage such investments. As of September 30, 2020, the City did not have investments in any derivative products or reverse repurchase agreements. The city has no formal policy relating to foreign currency risk. For the year ended September 30, 2020, the City had no investment exposure to foreign currency.

The Investment Policy is reviewed annually by the Finance Director for any adjustments due to changes or developments that may benefit the City. Modifications to the Investment Policy must be approved by Council and adopted by resolution.

As of September 30, 2020, the primary government had cash and investment types and effective duration as presented below:

Investment Vehicle	Credit Rating	Percent of Portfolio at Year End	Effective Duration (years)	Cash Equivalents	Investments	Total Portfolio
Cash deposits	NR	24%	-	\$ 39,614,190	\$ -	\$ 39,614,190
Money market funds	AAAm	4%	0.11	6,067,310	-	6,067,310
FL PALM	AAAm	25%	0.13	39,729,111	-	39,729,111
FLCLASS	AAAm	5%	0.22	8,785,240	-	8,785,240
U.S. Treasuries	NR	13%	1.68	-	20,810,992	20,810,992
U.S. Government Agencies	NR	11%	2.27	-	18,446,033	18,446,033
Federal Instrumentalities	NR	5%	1.63	-	8,084,633	8,084,633
Municipal bonds	AA1	2%	1.55	-	3,862,344	3,862,344
Corporate notes	AAA to A3	10%	1.79	-	16,204,385	16,204,385
Asset backed securities	AAA	1%	0.23	-	231,300	231,300
		100%		\$ 94,195,851	\$ 67,639,687	\$ 161,835,538

Amounts from Statement of Net Position	Governmental	Business	Total
Cash and cash equivalents – unrestricted	\$ 28,935,222	\$ 17,823,092	\$ 46,758,314
Cash and cash equivalents – restricted	19,936,377	27,501,160	47,437,537
Investments – unrestricted	31,963,161	35,676,526	67,639,687
	\$ 80,834,760	\$ 81,000,778	\$ 161,835,538

ii. Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of its investment or collateral security that are in the possession of an outside party. The City's investment policy requires that all securities, with the exception of certificates of deposit, are held with a third-party custodian. Security transactions between the broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on delivery versus payment basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. As of September 30, 2020, the City's investment portfolio was held with a third-party custodian.

iii. Interest Rate Risk

Interest rate risk is the risk that interest rate changes adversely affect the fair value of an investment. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities may cause the price to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. As of fiscal year end, the City did not have investments with embedded options allowing the issuer to call the obligation or demand a stated increase in the interest rate.

iv. Credit Risk

Credit risk is the risk that an investment issuer will not fulfill its obligation. Credit risk is measured by the assignment of a rating by a nationally recognized rating agency. The Policy allows the City to invest in insured or registered securities including commercial paper and security repurchase agreements, however, the Policy provides limits for these investment types.

v. Concentration of Credit Risk

Concentration credit risk is the risk that an investment issuer or other counter party will not fulfill its obligations. The City's policy provides limits to control credit risk based on investment concentrations in various percentages for different types of investments. GASB Statement No. 40 requires disclosures when the percent is 5% or more of total investments position in any one issuer. The percentage allocation of each cash investment type in the City's portfolio is shown in the table above. As of September 30, 2020, all investments were within the allowable percentages.

vi. Maturity and Liquidity Requirements

The Policy sets limits for investment maturities to match known cash needs and cash flow requirements. Investments of current operating funds shall have maturities of no longer than twenty-four (24) months. Investments of reserves, capital funds, and other non-operating funds shall have a term appropriate to the needs for funds, but in no event shall exceed five (5) years and the average duration of the portfolio as a whole may not exceed three (3) years. As of September 30, 2020, there were no investments in the City's portfolio that exceeded this maximum maturity.

vii. Effective Duration

Short Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Policy requires that 100% of the short term portfolio be invested in maturities of no longer than twenty-four (24) months.

Long Term Portfolio: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Policy requires that the duration of the long term portfolio as a whole not exceed three (3) years.

viii. Fair Value Measurements

The City categorizes its investment portfolio using the fair value measurements in accordance with GASB Statement No. 72 which uses a hierarchy based on the valuation inputs used to measure the fair value of the asset. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are based on other significant observable inputs such as indices for fixed income bonds and quoted prices for similar assets in markets that are active and not active; Level 3 inputs are significant unobservable inputs.

Notes to the Basic Financial Statements

September 30, 2020

As of September 30, 2020, the City had the following cash and investments with stated maturities categorized as Level 2:

Investment Vehicle	Fair Value Measurements Using	
	Significant Other Observable Inputs (Level 2)	Total
U.S. Treasuries	\$ 20,810,992	\$ 20,810,992
U.S. Government Agencies	18,446,033	18,446,033
Federal Instrumentalities	8,084,633	8,084,633
Municipal bonds	3,862,344	3,862,344
Corporate notes	16,204,385	16,204,385
Asset backed securities	231,300	231,300
Total investments at fair value level	\$ 67,639,687	67,639,687
Money market funds		
FL PALM		39,614,190
FL CLASS		6,067,310
Certificates of deposits		39,729,111
Cash deposits		8,785,240
		\$ 161,835,538

2. Fiduciary Activities

The City reports three fiduciary accounts, which include three defined benefit pension plans. Each of the pension plan has a separate governing board of trustees, a separate investment policy, and differing investment restrictions/risks. Investments at year-end were in compliance with the respective plan investment policies. The investments are reported at fair value and are managed by third party money managers. Investments without quoted market prices include certain commingled funds for which fair value is determined by a third party utilizing various pricing sources. However, because of the inherent uncertainty of valuation, the estimated fair values for investments without quoted market prices may differ significantly from the values that would have been used had a ready market for the investments existed. Investments in certain alternative investments are valued using the net asset value (NAV) per shares outstanding. The difference between the cost and fair value of investments is recorded as unrealized gains (or losses) and is included in net investment earnings. Each plan employs a professionally qualified independent investment consultant to provide investment advisory services and performance monitoring and measurement services with respect to the funds.

3. Pension Plans Portfolios

The City maintains three separate single employer defined benefit pension plans: General Employees' Retirement System (GERS), Police Pension Fund (PPF), and Firefighters' Pension Trust Fund (FPTF). Each of the pension plan has adopted an investment policy that specifies investment objectives and guidelines for the portfolio. Investment policies are determined by the respective pension plan's Board of Trustees. The policies guide the operations of the plan in a manner so that the assets will provide for the pension and other benefits provided under applicable laws including City ordinances, preserving principal while maximizing return on investment. The policies authorize each Board of Trustees to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common.

i. General Investment Guidelines

Funds are covered by Securities Investor Protection Corporation insurance, and for the amount in excess of such federal depository insurance, by the State of Florida’s Security for Public Deposits Act. Provisions of the Act require that public deposits may only be held at QPDs. The Act requires each Qualified Public Depositories (QPD) to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by the QPD, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other QPDs of the same type as the depository in default. Cash and cash equivalents include demand accounts and short-term investment funds (STIF). STIF investments are custodial short-term commingled funds, commercial paper and U.S. government obligations. Deposits are carried at cost and are included in cash and cash equivalents in the Statement of Plan Net Position.

ii. Credit Risk

The schedule below provides the credit quality ratings of the fixed income investments of the City’s three pension plans:

Rating	General Employees		Police		Firefighters	
	Fair value	Percent of portfolio	Fair value	Percent of portfolio	Fair value	Percent of portfolio
U.S. government guaranteed*	\$ 14,791,123	53%	\$ 7,510,115	30%	\$ 3,918,461	18%
Credit risk debt securities:						
AAA	-	-	-	-	9,292,502	46%
AA+ to AA-	949,555	3%	3,374,644	13%	725,094	4%
A+ to A-	6,277,378	22%	8,506,930	33%	1,179,054	6%
BBB+ to B-	6,094,383	22%	6,207,864	24%	4,948,685	24%
Not rated	-	-	-	-	325,509	2%
Total credit risk debt securities	13,321,316	47%	18,089,438	70%	16,470,844	82%
Total fixed income securities	\$ 28,112,439	100%	\$ 25,599,553	100%	\$ 20,389,305	100%

Notes to the Basic Financial Statements

September 30, 2020

Fair Value Hierarchy

The following table presents fair value hierarchy for the pension funds' investments at fair value as of September 30, 2020:

General Employees

	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. Treasuries	\$ 13,306,975	\$ -	\$ 13,306,975
U.S. Government Agencies	1,484,148	1,484,148	-
Corporate bonds	13,321,316	-	13,321,316
Total debt securities	<u>28,112,439</u>	<u>1,484,148</u>	<u>26,628,291</u>
Equity securities			
Common stock	55,860,273	43,033,449	12,826,824
Total equity securities	<u>55,860,273</u>	<u>43,033,449</u>	<u>12,826,824</u>
Total investments at fair value	<u>83,972,712</u>	<u>44,517,597</u>	<u>39,455,115</u>
Investments measured at Net Asset Value (a)			
Core real estate fund	13,005,616	13,005,616	-
Pooled index equity fund	21,205,517	21,205,517	-
Total investments measured at Net Asset Value	<u>34,211,133</u>	<u>34,211,133</u>	<u>-</u>
Cash deposits (exempt)	3,420,601		
Total investments	<u>\$121,604,446</u>		

Police

	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. Government agencies	\$ 10,510,519	\$ 2,171,109	\$ 8,339,410
Corporate bonds	14,714,794	-	14,714,794
Mortgage pools	374,240	-	374,240
Preferred stock	157,600	157,600	-
Mutual fund fixed income	8,558,588	8,558,588	-
Total debt securities	<u>34,315,741</u>	<u>10,887,297</u>	<u>23,428,444</u>
Equity securities			
Common stock	34,279,923	34,279,923	-
Foreign stock	2,622,740	1,625,223	997,517
Partnerships	4,363	4,363	-
Mutual fund equities	7,856,964	7,856,964	-
Total equity securities	<u>44,763,990</u>	<u>43,766,473</u>	<u>997,517</u>
Total investments at fair value	<u>79,079,731</u>	<u>\$ 54,653,770</u>	<u>\$ 24,425,961</u>
Investments measured at Net Asset Value (a)			
Core real estate fund	<u>4,058,700</u>		
Total investments measured at Net Asset Value	<u>4,058,700</u>		
Total investments	<u>\$ 83,138,431</u>		

Notes to the Basic Financial Statements

September 30, 2020

Firefighters

	Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Debt securities:			
U.S. Treasuries	\$ 3,244,052	\$ 3,244,052	\$ -
U.S. Government agencies	674,409	-	674,409
Corporate bonds	3,752,614	-	3,752,614
Mutual fund fixed income	12,718,230	12,718,230	-
Total debt securities	<u>20,389,305</u>	<u>15,962,282</u>	<u>4,427,023</u>
Equity securities			
Common stock	37,686,337	37,686,337	-
Foreign stock	3,220,607	2,223,090	997,517
Mutual fund equities	10,357,046	10,357,046	-
International mutual fund equities	8,693,363	8,693,363	-
Total equity securities	<u>59,957,353</u>	<u>58,959,836</u>	<u>997,517</u>
Total investments at fair value	<u>80,346,658</u>	<u>\$ 74,922,118</u>	<u>\$ 5,424,540</u>
Investments measured at Net Asset Value (a)			
Real estate funds	<u>18,651,034</u>		
Total investments measured at Net Asset Value	<u>18,651,034</u>		
Money market funds (exempt)	<u>947,715</u>		
Total investments	<u>\$ 99,945,407</u>		

Investments measured at Net Asset Value (a)

As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

The following table summarizes investments for which fair value is measured using the net asset value per share (or its equivalent), including the related unfunded commitments and redemption restrictions.

General Employees	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Core real estate fund	\$ 13,005,616	\$ -	Quarterly	45 days
Pooled index equity fund	\$ 21,205,517	-	Daily	1 day
Total investments measured at NAV	<u>\$ 34,211,133</u>	<u>\$ -</u>		

Notes to the Basic Financial Statements

September 30, 2020

Real estate fund – This fund is an open-end, commingled real estate fund consisting primarily of real estate properties in the apartment, industrial, office, and retail sectors. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to the first business day of the following quarter.

Pooled index equity fund – This fund is an open-ended fund consisting of domestic equity (large-cap core) stocks. The investment is valued at NAV and redemption requests must be received by the fund 1 day prior to the trade date, where possible.

Firefighters	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate fund (1)	\$ 11,735,317	\$ -	Quarterly	45 days
Real estate fund (2)	3,742,659	-	Quarterly	10 days
Real estate fund (3)	3,173,058	-	Quarterly	10 days
Total investments measured at NAV	<u>\$ 18,651,034</u>	<u>\$ -</u>		

- (1) Real estate fund – This fund is an open-end, commingled real estate fund consisting primarily of real estate properties in the multi-family, industrial, office, retail and hotel sector. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to the quarter end.
- (2) Real estate fund – This fund is an open-end, commingled investment vehicle with a multi-disciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire core stable institutional quality office, retail, industrial and multi-family residential properties that are substantially leases and have minimal deferred maintenance or functional obsolescence. The investment is valued at NAV and redemption request must be received by the fund 10 days prior to quarter end.
- (3) Real estate fund – This fund is an open-end, commingled investment vehicle with a multi-disciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire yield-driven assets consisting of all property types. The investment is valued at NAV and redemption requests must be received by the fund 10 days prior to quarter end.

Police	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate fund	\$ 4,058,700	\$ 2,617,794	Daily	10 days
Total investments measured at NAV	<u>\$ 4,058,700</u>	<u>\$ 2,617,794</u>		

Real estate fund – This fund invests primarily in core institutional quality office, retail, industrial, and multi-family properties in the U.S. The fair value of the investment in the fund is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Notes to the Basic Financial Statements

September 30, 2020

Interest Rate Risk

The following table shows the sensitivity of the fair values of the pension plans' investments to market interest rate fluctuations:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
General Employees					
U.S. Treasuries	\$ 1,484,148	\$ -	\$ -	\$ 1,484,148	\$ -
U.S. Government Agencies	13,306,975	7,779,200	5,527,775	-	-
Corporate notes	13,321,316	-	3,940,751	6,694,105	2,686,460
Total fixed income securities	28,112,439	7,779,200	9,468,526	8,178,253	2,686,460
Police					
U.S. Treasuries	10,510,519	4,144,628	4,179,894	2,185,997	-
U.S. Government Agencies	374,240	-	50,790	-	323,450
Corporate notes	14,714,794	-	2,154,673	10,325,618	2,234,503
Total fixed income securities	25,599,553	4,144,628	6,385,357	12,511,615	2,557,953
Firefighters					
U.S. Treasuries	3,244,052	-	819,720	1,823,030	601,302
U.S. Government Agencies	674,409	-	273,143	-	401,266
Mutual funds	12,718,230	1,030,941	5,951,922	3,134,298	2,601,069
Corporate notes	3,752,614	88,320	1,750,706	1,271,859	641,729
Total fixed income securities	\$ 20,389,305	\$ 1,119,261	\$ 8,795,491	\$ 6,229,187	\$ 4,245,366

Investing in Foreign Markets

Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the U.S. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and present and future adverse political, social and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

Plans did not hold any securities in the portfolio which represent foreign investments, other than those which are represented by American Depository Receipts (ADR) which do have inherent political risk, but trade in U.S. dollars, and therefore are not subject to currency risk. These investments represent less than one percent of the combined portfolio.

Foreign Tax Withholdings and Reclaims

Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the U.S. and applicable foreign jurisdictions, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statement of operations. Where treaties allow for a reclaim of taxes, the plan will make a formal application for refund. Such reclaims are included as an addition to dividend income.

Investing in Real Estate

Plans are subject to risks inherent in the ownership and operation of real estate. These risks include, among others those normally associated with changes in the general economic climate, trends in the industry including creditworthiness of the tenants, changes in the tax laws, interest rate levels, and availability of financing and potential liability under environmental and other laws.

NOTE 5 – RECEIVABLES AND UNEARNED REVENUE

Receivables

Receivables as of September 30, 2020, for the City’s individual major and non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

Governmental	General Fund	Capital Bond Funds	Nonmajor Governmental Funds	Internal Service Funds	Total
Receivables:					
Accounts (gross)	\$ 2,536,605	\$ -	\$ 3,001,513	\$ 1,845,797	\$ 7,383,915
Allowance for uncollectibles	(118,042)	-	-	-	(118,042)
Accounts (net)	2,418,563	-	3,001,513	1,845,797	7,265,873
Interest	-	50	-	-	50
Assessments	-	23,176	-	-	23,176
Total receivables	\$ 2,418,563	\$ 23,226	\$ 3,001,513	\$ 1,845,797	\$ 7,289,099

Receivables for the business-type activities are as follows:

Business-type	Utility Special District (USD) Funds	Marina Funds	Nonmajor Enterprise Funds	Total
Receivables:				
Accounts (gross)	\$ 4,636,600	\$ 2,577,463	\$ 738,209	\$ 7,952,272
Allowance for uncollectibles	(2,123,713)	-	(467,126)	(2,590,839)
Accounts (net)	2,512,887	2,577,463	271,083	5,361,433
Total receivables	\$ 2,512,887	\$ 2,577,463	\$ 271,083	\$ 5,361,433

Notes to the Basic Financial Statements

September 30, 2020

Unearned/unavailable revenues

Unearned revenue from resources that have been received but not yet earned is reported on both the government-wide Statement of Net Position and on the fund financial statements. The governmental fund financial statements also report unavailable revenue from receivables for revenues that are not considered to be available to liquidate liabilities of the current period. The components of unearned/unavailable revenues as of September 30, 2020 are as follows:

	General Fund	Community Redevelopment Agency (CRA) Funds	Nonmajor Governmental Funds	Total
Revenues earned but not available				
Other receivables	\$ -	\$ -	\$ 1,551,838	\$ 1,551,838
Total unavailable	\$ -	\$ -	\$ 1,551,838	\$ 1,551,838
Unearned revenues:				
Prepaid business tax receipts	\$ 1,177,132	\$ -	\$ -	\$ 1,177,132
Grant receipts	-	-	74,655	74,655
Prepaid rent payments	-	31,392	-	31,392
Total unearned	\$ 1,177,132	\$ 31,392	\$ 74,655	\$ 1,283,179
Total unearned/unavailable revenues	\$ 1,177,132	\$ 31,392	\$ 1,626,493	\$ 2,835,017

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2020 is as follows:

	Beginning Balance Oct 1, 2019	Additions	Deletions	Ending Balance Sep 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,626,153	\$ 4,707,563	\$ (1,325,731)	\$ 14,007,985
Construction in progress	32,808,116	8,125,634	(430,838)	40,502,912
Total capital assets not being depreciated	43,434,269	12,833,197	(1,756,569)	54,510,897
Capital assets being depreciated:				
Buildings and improvements	56,611,920	-	(4,251,105)	52,360,815
Infrastructure	67,529,859	1,320,636	-	68,850,495
Equipment	28,008,066	2,704,965	(301,759)	30,411,272
Total capital assets being depreciated	152,149,845	4,025,601	(4,552,864)	151,622,582
Less accumulated depreciation for:				
Buildings and improvements	19,882,611	2,400,572	(332,527)	21,950,656
Infrastructure	33,204,486	1,770,082	-	34,974,568
Equipment	18,965,106	2,270,990	(301,759)	20,934,337
Total accumulated depreciation	72,052,202	6,441,644	(634,286)	77,859,560
Governmental activities capital assets, net	\$ 123,531,912	\$ 10,417,154	\$ (5,675,147)	\$ 128,273,915

	Beginning Balance Oct 1, 2019	Additions	Deletions	Ending Balance Sep 30, 2020
Business-type activities				
Capital assets not being depreciated:				
Land	\$ 901,659	\$ -	\$ -	\$ 901,659
Construction in progress	30,695,061	10,565,247	(4,665,090)	36,595,218
Total capital assets not being depreciated	31,596,720	10,565,247	(4,665,090)	37,496,877
Capital assets being depreciated:				
Buildings and improvements	29,961,499	-	-	29,961,499
Utility plants and systems	70,426,071	5,493,268	-	75,919,339
Equipment	7,131,700	1,948,959	(783,512)	8,297,147
Waterside improvements	16,935,496	-	-	16,935,496
Total capital assets being depreciated	124,454,766	7,442,227	(783,512)	131,113,481
Less accumulated depreciation for:				
Buildings and improvements	13,733,628	930,659	-	14,664,287
Utility plants and systems	40,465,442	2,171,268	-	42,636,710
Equipment	4,858,609	1,354,426	(783,512)	5,429,523
Waterside improvements	3,714,748	822,380	-	4,537,128
Total accumulated depreciation	62,772,427	5,278,733	(783,512)	67,267,648
Business-type activities capital assets, net	\$ 93,279,059	\$ 12,728,741	\$ (4,665,090)	\$ 101,342,710

Depreciation expense was charged to functions as follows for the fiscal year ending September 30, 2020:

Governmental activities:

General government	\$ 2,892,921
Public safety	1,570,203
Transportation	72,374
Human services	53,988
Culture and recreation	1,703,013
Economic environment	149,144
Total depreciation expense – Governmental	6,441,643

Business-type activities:

Water and sewer	3,472,836
Marina	823,828
Solid waste collection	55,598
Stormwater	600,616
Economic environment	325,853
Total depreciation expense – Business-type	5,278,731
Total depreciation expense	\$ 11,720,374

Notes to the Basic Financial Statements

September 30, 2020

NOTE 7 – LEASE OBLIGATIONS**Operating leases**

The City leases buildings, office facilities and equipment under non-cancelable operating leases which are subject to appropriation. During the fiscal year, the City made payments of \$429,526 pursuant to the lease agreements. The term of the lease agreement was extended from January 1, 2017 to December 31, 2020 and further extended from January 1, 2021 to December 31, 2021.

The CRA leases commercial office space for its operations. During the fiscal year, the CRA made payments of \$112,265 pursuant to the lease agreements. The term of the lease was further extended through September 30, 2020 with a one year tenant option with a three percent increase in the rental rate of the term September 2020 through September 30, 2021. The future minimum lease payments for these leases are as follows:

Fiscal year ending September 30	Port Center	CRA	Total
2021	\$ 367,385	\$ 117,279	\$ 484,664
Total	\$ 367,385	\$ 117,279	\$ 484,664

NOTE 8 – LONG-TERM LIABILITIES**Governmental Activities**

The following is a summary of changes in the long-term debt and liabilities for governmental activities for the fiscal year ended September 30, 2020:

	Beginning Balance Oct 1, 2019	Additions	Reductions	Ending Balance Sep 30, 2020	Amount Due in One Year	Noncurrent
Governmental activities:						
Bonds and notes payable	\$ 76,144,563	\$ -	\$ (2,485,922)	\$ 73,658,641	\$ 2,908,468	\$ 70,750,173
Unamortized premium	434,807	-	(52,848)	381,959	55,252	326,707
Net bonds and notes payable	76,579,370	-	(2,538,770)	74,040,600	2,963,720	71,076,880
Capital leases	3,216,603	1,656,154	(1,324,593)	3,548,164	1,024,171	2,523,993
Net pension liability (asset)	(16,482,169)	10,739,061	-	(5,743,108)	-	(5,743,108)
Net OPEB liability	4,676,921	840,198	-	5,517,119	-	5,517,119
Compensated absences	4,478,038	584,822	-	5,062,860	463,107	4,599,753
Total	72,468,763	13,820,235	(3,863,363)	82,425,635	4,450,998	77,974,637
Community Redevelopment activities:						
Bonds and notes payable	23,817,000	29,635,000	(23,817,000)	29,635,000	2,162,000	27,473,000
Net pension liability	1,286,424	514,983	-	1,801,407	-	1,801,407
Compensated absences	142,986	54,342	-	197,328	49,332	147,996
Total	25,246,410	30,204,325	(23,817,000)	31,633,735	2,211,332	29,422,403
Total governmental activities	\$ 97,715,173	\$ 44,024,560	\$ (27,680,363)	\$ 114,059,370	\$ 6,662,330	\$ 107,397,040

Revenue Bonds:

Community Redevelopment Projects Note, Series 2006

CRA issued two series of bond anticipation notes to finance the development and implementation of capital projects included in the Community Redevelopment Plan. Series 2002A, in the amount of \$5,010,000, were issued in March 2002. Series 2003A, in the amount of \$2,000,000, were issued in August 2003. Series 2002A and Series 2003A Notes were retired in full on July 5, 2006. In July 2006, the City issued the *Community Redevelopment Projects Note, Series 2006* in the amount of \$7,175,876 to repay Series 2002A and 2003A Notes. Although Series 2006 Notes were issued by the City, the proceeds were used to refinance CRA debt and the CRA is making the debt service payments pursuant to its agreement with the City. The Notes have a fixed interest rate of 4.19% per annum until expiration. Principal and interest payments are secured by a pledge of tax incremental revenues to the City which in turn has subordinated its interest to BB&T Bank and the Series 2011 Notes.

Public Improvement Revenue Bonds, Series 2014

The City issued the *Public Improvement Revenue Bonds, Series 2014* to fund infrastructure projects, reconstruction of streets within the City, and improvements to the Marina District Uplands. A portion of the Series 2014 project involves a loan to the CRA to finance the cost of refurbishment and upgrade of property within Bicentennial Park and reconstruction of certain streets located within the Marina District Uplands. The loan is an unsecured obligation of the CRA and is expected to be repaid to the extent that CRA revenues are available to make such payments. Loan payments from the CRA are equal to the debt service payment due on the portion of the Series 2014 attributed to the CRA project. Payment is due in semi-annual principal and interest installments and commenced on October 1, 2015. Stated interest rates on bonds are between 2.00% and 3.625% per annum.

Taxable Public Improvement Revenue Bonds, Series 2015

The City issued *Taxable Public Improvement Revenue Bonds, Series 2015* to pay the cost of funding the unfunded actuarial accrued liability (UAAL) of the City's three pension plans, make payments required to purchase past service credits for employees who opted to participate in the FRS, and to pay the costs of issuance of the Series 2015 bonds, including the premium for municipal bond insurance.

The Series 2015 bonds are not general obligations of the City within the meaning of the State of Florida, but are payable from and secured by a lien only on the pledged revenues and on the deposits in the funds and accounts, and the earnings on those deposits as provided by the bond's resolution.

Payments on the Series 2015 bonds are due in semi-annual principal and interest installments, which commenced on April 1, 2016. Stated interest rates on the bonds are between 1.227% and 5.116% per annum.

Tax Increment Revenue Bonds:

Redevelopment Revenue Notes, Series 2011

In 2011, the CRA issued *Redevelopment Revenue Notes, Series 2011* in the amount of \$25,570,000 to acquire, construct and equip certain capital improvements according to the Community Redevelopment Plan. The notes bear a fixed interest rate of 4.44% per annum and paid semi-annually each February 1 and August 1. The notes are secured by a pledge of and first lien on the CRA's tax increment revenues. These notes were refunded in August 2020.

Redevelopment Notes, Series 2013A & 2013B

In August 2013, the CRA repaid \$7,855,000 of the Series 2011 Notes by refinancing the debt and issuing two new tax-exempt notes: Series 2013A in the amount of \$3,550,000 and 2013B in the amount of \$8,000,000 were used to pay down the original debt and for the purposes as stated above. Series 2013A Notes bear interest at 3.01% per annum and will mature on August 1, 2025. Series 2013B Notes bear interest at 4.50% per annum. Series 2013A and 2013B Notes are secured by a pledge of and first lien on the CRA's tax increment revenues. These notes were refunded in August 2020.

Notes to the Basic Financial Statements

September 30, 2020

Redevelopment Revenue Note, Series 2018

In November 2018, the CRA issued *Redevelopment Revenue Note, Series 2018* notes in the amount of \$8,807,000.00 to fund various community redevelopment projects with the Riviera Beach CRA including the acquisition and renovation of certain property within the CRA, marina infrastructure, street improvements, and affordable housing projects to include grants to low income homeowners, rehabilitation and improvement of existing properties, and infrastructure improvements and other projects. These notes were refunded in August 2020.

Redevelopment Refunding Revenue Note, Series 2020A

In August 2020, the CRA issued *Redevelopment Refunding Revenue Note, Series 2020A* in the amount of \$13,297,000 in order to refinance its outstanding Redevelopment Revenue Note, Series 2013A and a portion of its outstanding Redevelopment Revenue Note, Series 2018.

Taxable Redevelopment Refunding and Improvement Revenue Note, Series 2020B

In August 2020, the CRA issued *Taxable Redevelopment Refunding and Improvement Revenue Note, Series 2020B* in the amount of \$16,338,000 to refinance the outstanding Redevelopment Taxable Refunding Revenue Note, Series 2013B and a portion of its outstanding Redevelopment Revenue Notes, Series 2018 and to fund various community redevelopment projects within the Riviera Beach Community Redevelopment area including the acquisition and renovation of certain property within the CRA, marina infrastructure, street improvements, affordable housing projects, and qualified grants and such other projects as may be approved by the CRA from time to time in accordance with the redevelopment plan.

The future debt service requirements to maturity on the notes and bonds outstanding as of September 30, 2020 are as follows:

Fiscal Years ending September 30	Governmental Activities					
	Revenue Bonds			Tax Increment Revenue Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2021	\$ 2,908,468	\$ 3,125,495	\$ 6,033,963	\$ 2,162,000	\$ 588,844	\$ 2,750,844
2022	3,282,392	3,025,945	6,308,337	2,186,000	589,236	2,775,236
2023	3,747,761	2,908,570	6,656,331	2,890,000	545,251	3,435,251
2024	3,560,000	2,783,099	6,343,099	2,952,000	487,431	3,439,431
2025	3,555,000	2,650,549	6,205,549	3,010,000	428,365	3,438,365
2026-2030	25,790,000	10,660,314	36,450,314	9,928,000	1,406,181	11,334,181
2031-2035	30,815,000	3,829,388	34,644,388	6,507,000	293,925	6,800,925
Total	73,658,621	\$ 28,983,360	\$102,641,981	29,635,000	\$ 4,339,233	\$ 33,974,233
Current portion	(2,908,468)			(2,162,000)		
Premium	381,959			-		
Long-term portion	\$ 71,132,112			\$ 27,473,000		

Capital leases:

The City developed a fleet replacement schedule providing for critical public safety vehicles. Lease agreements were executed under a Master Lease Purchase Agreement with U.S. Bancorp Government Leasing and Finance Inc. The equipment has five to ten year estimated useful life. This year, \$1,035,638 was included in depreciation expense. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future lease payments as of the inception date.

On November 1, 2017, the City entered into a 3-year capital leasing arrangement for \$673,006 to finance the purchase of police vehicles for the City’s police department. The lease carries an interest rate of 1.95% with annual payments of \$224,335 including principal and interest. At September 30, 2020, the principal outstanding balance is \$220,044.

On December 29, 2017, the City entered into a 3-year capital leasing arrangement for \$135,000 to finance the purchase of police vehicles for the City’s police department. The lease carries an interest rate of 2.03% with annual payments of \$47,707 including principal and interest. At September 30, 2020, the principal outstanding balance is \$46,757.

On December 29, 2017, the City entered into a 3-year capital leasing arrangement for \$856,637 to finance the purchase of fire rescue and pumper vehicles for the City’s fire department. The lease carries an interest rate of 2.14% with annual payments of \$300,982 including principal and interest. At September 30, 2020, the principal outstanding balance is \$294,676.

On November 30, 2018, the City entered into a 3-year capital leasing arrangement for \$850,000 to finance the purchase of police vehicles for the City’s police department. The lease carries an interest rate of 3.255% with annual payments of \$301,975 including principal and interest. At September 30, 2020, the principal outstanding balance is \$575,692.

On November 30, 2018, the City entered into a 5-year capital leasing arrangement for \$928,464 to finance the purchase of a fire ariel platform vehicle for the City’s fire department. The lease carries an interest rate of 3.361% with annual payments of \$204,829 including principal and interest. At September 30, 2020, the principal outstanding balance is \$754,841.

On October 15, 2019, the City entered into a 3-year capital leasing arrangement for \$984,284 to finance the purchase of police vehicles for the City’s police department. The lease carries an interest rate of 2.033% with annual payments of \$341,524 including principal and interest. At September 30, 2020, the principal outstanding balance is \$984,284.

On October 15, 2019 the City entered into a 5-year capital leasing arrangement for \$671,870 to finance the purchase of fire rescue vehicles for the City’s fire department. The lease carries an interest rate of 2.057% with annual payments of \$142,779 including principal and interest. At September 30, 2020, the principal outstanding balance is \$671,870.

The annual requirements to pay governmental activities principal and interest on capital leases outstanding at September 30, 2020 were as follows:

Fiscal years ending September 30	Governmental Activities		
	Capital Leases		
	Principal	Interest	Total Required
2021	\$ 1,024,171	\$ 55,658	\$ 1,079,829
2022	1,388,080	87,331	1,475,411
2023	660,762	28,369	689,131
2024	335,250	12,358	347,608
2025	139,901	2,878	142,779
Total	3,548,164	\$ 186,594	\$ 3,734,758
Current portion	(1,024,171)		
Long-term portion	\$ 2,523,993		

Notes to the Basic Financial Statements

September 30, 2020

The City's long-term debt for governmental activities is summarized as follows:

	Purpose of Issue	Amount Issued	Principal Amount Outstanding	Stated Interest Rate	Maximum Annual Debt Service
Bonds:					
Revenue Bonds:					
Series 2006	Redevelopment	\$ 7,175,876	\$ 1,823,641	4.19%	\$ 651,122
Series 2014	Capital improvement	22,000,000	19,505,000	2% to 4%	1,970,072
Series 2015	Funding pension UAAL	57,360,000	52,330,000	1.227% to 5.116%	7,058,706
Series 2020A	Redevelopment	13,297,000	13,297,000	1.81%	2,157,541
Series 2020B	Redevelopment	16,338,000	16,338,000	2.40%	1,664,288
	Total	\$ 116,170,876	\$ 103,293,641		\$ 13,501,729

Business-type Activities

The following is a summary of changes in long-term debt and liabilities for business-type activities:

	Beginning Balance Oct 1, 2019	Additions	Reductions	Ending Balance Sep 30, 2020	Amount Due in One Year	Noncurrent
Business-type activities:						
Bonds and notes payable	\$ 60,100,000	\$ -	\$ (2,185,000)	\$ 57,915,000	\$ 2,300,000	\$ 55,615,000
Unamortized premium	9,785,352	-	(324,473)	9,460,879	367,171	9,093,708
Net bonds and notes payable	<u>69,885,352</u>	<u>-</u>	<u>(2,509,473)</u>	<u>67,375,879</u>	<u>2,667,171</u>	<u>64,708,708</u>
Utility purchase obligation	368,431	-	(113,158)	255,273	122,551	132,722
Net pension liability (asset)	(2,568,713)	732,295	-	(1,836,418)	-	(1,836,418)
Net OPEB liability	679,651	116,490	-	796,141	-	796,141
Compensated absences	301,617	37,981	-	339,598	32,820	306,778
Total business-type activities	<u>\$ 68,666,338</u>	<u>\$ 886,766</u>	<u>\$ (2,622,631)</u>	<u>\$ 66,930,473</u>	<u>\$ 2,822,542</u>	<u>\$ 64,107,931</u>

The City pledged future customer revenues, net of specified operating expenses to repay \$65,850,000 in various Water and Sewer and Stormwater Systems revenue and revenue refunding bonds which were issued during the fiscal years 2014 through 2016. Proceeds from these bonds provided financing for the improvements to the water, sewer, and stormwater infrastructure. The bonds are payable solely from utility customer net revenues and are payable through 2037. The total principal and interest remaining to be paid on the bonds is \$82,830,041. Principal and interest paid for the current year and total customer net revenues were \$4,958,856 and \$31,841,926, respectively.

Revenue Bonds

Water and Sewer Revenue Refunding Bonds, Series 2014

In September 2014, USD issued *Water and Sewer Revenue Refunding Bonds, Series 2014* with an aggregate principal amount of \$22,645,000 to refund and defease USD's outstanding *Water and Sewer Revenue Bonds, Series 2004* and to pay for costs of issuing the Series 2014 Bonds, including the premium for municipal bond insurance. USD called the refunded bonds for redemption on October 1, 2014. USD has pledged funds to serve as security for the payment of bonds which consist of net revenues, impact fees that may be legally used for the payment of debt service, and applied in accordance with the

provisions of the Bond Resolution, including investments, except the rebate fund. Interest rates on the remaining annual principal amounts payable vary between 3.5 and 5.0% and matures on October 1, 2034. As of September 30, 2020, principal balance of \$18,745,000 remains.

Water and Sewer Revenue Bonds, Series 2016

In August 2016, USD issued *Water and Sewer Revenue Bonds, Series 2016* with an aggregate principal amount \$33,205,000 to finance the costs of acquiring, constructing and equipping improvements and upgrades to the combined water supply, treatment and distribution system and wastewater collection system and to pay for costs of issuing the Bonds. USD has pledged funds to serve as security for the payment of bonds which consist of net revenues, impact fees that may be legally be used for the payment of debt service, and applied in accordance with the provisions of the Bond Resolution, including investments, except the rebate fund. Interest rate on the remaining annual principal amounts payable is 5.0% and matures on October 1, 2037. As of September 30, 2020, principal balance of 30,455,000 remains.

Stormwater Management Utility Revenue Bonds, Series 2016

In March 2016, the City issued *Stormwater Management Utility Revenue Bonds, Series 2016* with an aggregate principal amount \$10,000,000 to finance improvements to the stormwater system and to pay for costs of issuing the Bonds. The City has pledged funds that serve as security for the payment of bonds which consist of net revenues, including investments, except the rebate fund. Interest rates on the remaining annual principal amounts payable vary between 2.125% and 5.0% and matures on November 1, 2035. As of September 30, 2020, principal balance of \$8,715,000 remains.

Future debt service requirements to maturity on the notes and bonds outstanding as of September 30, 2020 are as follows:

Fiscal Years ending September 30	Business-type Activities					
	Water and Sewer Bonds			Stormwater Bonds		
	Principal	Interest	Total Required	Principal	Interest	Total Required
2021	\$ 1,895,000	\$ 2,369,050	\$ 4,264,050	\$ 405,000	\$ 283,056	\$ 688,056
2022	1,990,000	2,271,925	4,261,925	425,000	262,306	687,306
2023	2,095,000	2,169,800	4,264,800	445,000	240,556	685,556
2024	2,200,000	2,062,425	4,262,425	470,000	217,681	687,681
2025	2,315,000	1,949,550	4,264,550	490,000	193,681	683,681
2026-2030	13,475,000	7,841,000	21,316,000	2,705,000	754,822	3,459,822
2031-2035	17,115,000	4,205,713	21,320,713	3,100,000	347,053	3,447,053
2036-2037	8,115,000	410,875	8,525,875	-	10,547	10,547
Total	49,200,000	\$23,280,338	\$72,480,338	8,040,000	\$ 2,309,702	\$ 10,349,702
Current portion	(1,895,000)			(405,000)		
Premium	9,343,321			117,558		
Long-term portion	\$ 56,648,321			\$ 7,752,558		

Notes to the Basic Financial Statements

September 30, 2020

Water and Sewer Obligation

Consolidated Utility:

USD assumed the *Water and Sewer Fund's* obligation to the previous owner of Consolidated Utility. The primary source of repayment of the debt is a pledge of net revenue collected from water and sewage usage. Payments are due monthly with an annual interest rate of 8% for a period of 35 years, ending September 30, 2022. Future estimated debt service requirements to maturity are as follows:

<u>Fiscal years ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Required</u>
2021	\$ 122,551	\$ 15,993	\$ 138,544
2022	132,723	5,821	138,544
Total	\$ 255,274	\$ 21,814	\$ 277,088

The City's long-term debt for business-type activities is summarized as follows:

	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Principal Amount Outstanding</u>	<u>Stated Interest Rate</u>	<u>Maximum Annual Debt Service</u>
Utility System Revenue Bonds					
Series 2016	Water and sewer	\$ 33,205,000	\$ 30,455,000	5%	\$ 4,264,000
Utility System Revenue Refunding Bonds					
Series 2014	Water and sewer	22,645,000	18,745,000	2% to 5%	1,747,400
Utility Obligation					
Consolidated Utility	Water and sewer	951,580	255,274	8%	138,544
Premium	Water and sewer	9,930,683	9,343,321		
Total Water and Sewer System Fund		<u>66,732,263</u>	<u>58,798,595</u>		<u>6,149,944</u>
Utility System Revenue Bonds					
Series 2016	Stormwater	10,000,000	8,040,000	2.125% to 5%	700,762
Premium	Stormwater	486,598	117,558		
Total Stormwater Fund		<u>10,486,598</u>	<u>8,157,558</u>		<u>700,762</u>
Total Business-type activities		<u>\$ 77,218,861</u>	<u>\$ 66,956,153</u>		<u>\$ 6,850,706</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND ADVANCES

During the course of operations, transactions occur between individual funds for goods and services to be provided. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Interfund balances represent short-term loans made between funds to cover temporary negative cash balances at fiscal year end. The outstanding balances between funds mainly result from the time lag between the dates goods and services are provided or reimbursable expenditures occur, when transactions are recorded in the accounting system, and payments are made between funds. These amounts also include short-term cash borrowing to cover negative cash balances and payments made to vendors.

An advance in the amount of \$10,194,621 represents payments made by the City on behalf of the CRA to OMRD for construction and improvements to the Ocean Mall and the municipal beach. This advance was made in accordance with an interlocal agreement between the City and the CRA.

As of September 30, 2020, interfund receivables, payables, and advances balances are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General fund	Non-major governmental funds	\$ 1,368,275
General fund	Capital bond funds	1,514,368
General fund	Marina	9,557,564
General fund	CRA	55,770
General fund	RB CDE	500
CRA	RB CDE	504,096
	Total	\$ 13,000,573

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Internal service fund	CRA	\$ 10,194,621
	Total	\$ 10,194,621

Notes to the Basic Financial Statements

September 30, 2020

NOTE 10 – INTERFUND TRANSFERS

Transfers are used to move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and provide contributions and supplemental funding.

Transfers out from the General Fund and non-major governmental funds are to fund debt service requirements, capital improvements, and grant matching. Transfers to the General Fund and non-major governmental funds are primarily to fund capital projects, debt service requirements, and matching of grants.

As of September 30, 2020, interfund transfers are as follows:

	Transfer In Funds			
	General	Debt Service	Non-major Governmental	Total
Transfer Out Funds:				
General	\$ -	\$ 6,465,932	\$ 4,694,210	\$ 11,160,142
Non-major governmental	352,433	-	-	352,433
Utility Special District	980,741	-	-	980,741
Stormwater	117,556	-	-	117,556
Total transfers	\$ 1,450,730	\$ 6,465,932	\$ 4,694,210	\$ 12,610,872

NOTE 11 – INVESTMENT IN JOINT VENTURES

On September 9, 1992, the City entered into a joint interlocal agreement (the Agreement) with Palm Beach County (the County) and three municipalities, the City of West Palm Beach, the Town of Palm Beach, the City of Lake Worth collectively referred to as the Entities for an initial period of thirty years with a renewable term of thirty years upon the consent of all the entities. Under the Agreement, the entities participate in the operation of a regional sewer plant, herein referred to as the East Central Regional Wastewater Treatment Facility (ECR). The purpose of the Agreement was to consolidate prior separate agreements into a single unified agreement to establish rules and procedures for the operation and management of the existing facility. After the Agreement of 1992, each participating entity held a financial interest in the ECR, whose purpose is to receive, treat, and dispose of sewage generated within each municipality and the County. In addition to providing services to the Entities, the ECR operates a septage receiving facility where private haulers can deposit wastewater into the treatment system.

On April 20, 2010, through USD Resolution No. 8-10UD, the ECR Interlocal Agreement was renewed for a term of thirty years commencing September 9, 2022 through September 9, 2052. The Agreement provides for the establishment of a Governing Board (the "Board"), comprised of one representative from each entity participating in the Agreement, to administer the ECR. Under the Agreement, the Board has the power to enter into contracts, employ personnel and enter into debt in accordance with Florida Statutes, Section 163.01(7). In accordance with the Agreement, the City of West Palm Beach operates and manages the ECR on behalf of the Board and is paid an administrative fee by the ECR members for those services.

The Agreement establishes the duties and responsibilities among the Entities for the operation of the ECR. The Agreement can be terminated only with the unanimous consent of the Entities. An Entity may withdraw from participation in the Agreement; however, the Entity will forfeit its interest and allocation in the ECR and would still be required to meet its obligations under the Agreement. In the event the ECR is sold or disposed of, proceeds of the sale or disposition shall be prorated among the entities, based on their reserve capacity as of the date of disposition. As of September 30, 2020, the City's interest in the ECR was 11.42860%.

The City has participating equity ownership in ECR. The terms of the Agreement provide that each entity is required to pay a proportional part of the annual operating costs, fund a separate Renewal and Replacement Account based on a percentage of the capital cost of the facility, and, make contributions towards fleet costs. All costs of operating the ECR, including depreciation, are shared by each of the entities based on actual flows of wastewater.

Costs associated with capital projects, renewal and replacement, and debt service are shared among the participating governments based on their pro-rata share of reserve capacity. Under the equity method, the City recorded its initial investment at cost and records its ongoing financial interest as an adjustment to the investment in joint venture for its share of the following: Any income or loss reported by the ECR; depreciation and loss on disposal of the ECR assets attributable to capital contributions; additional debt assumed for which the entities are obligated to repay; and capital and debt reserve contributions, including revenue earned by ECR on such contributions.

As of September 30, 2020, the ECR reported total assets of \$350,540,960 and total net position of \$171,533,420 comprising of \$121,831,882 net investment in capital assets, \$36,581,101 restricted for renewal and replacement and plant; \$7,689,806 for debt service, and \$5,430,631 of unrestricted net position.

In order to expand the plant capacity to 70 million gallons per day (MGD), the ECR must meet certain Florida Department of Environmental Protection permitting requirements. In November 2011, ECR met the permitting requirements for rating the plant capacity at 70 MGD; however, demand for treatment capacity from the Entities does not currently require 70 MGD.

Each Entity is required to make a minimum annual contribution to the renewal and replacement fund equal to 1% of the Entity's share of the facility's replacement value, as estimated by the Board or such other percentage as the board determines annually. Each Entity's share of its proportion of total reserve capacity is multiplied by the replacement value. Once an Entity's renewal and replacement cash balance reaches 10% of its share of the replacement value, the Entity is not required to make annual payments until its cash balance falls below 5% of its share of that value. The renewal and replacement cash balance for any Entity may not fall below 1% of its share of the replacement value. As of September 30, 2020, all Entities met the renewal and replacement annual contribution and cash balance requirement.

The reserve capacity percentages based on a capacity of 70 MGD by entity as of September 30, 2020 are shown below. For fiscal year 2020, the Entities effected a 2% renewal and replacement contribution.

<u>Participant</u>	<u>Reserve Capacity</u>
City of West Palm Beach	29.2857 %
Palm Beach County	34.2857
City of Lake Worth	16.4286
City of Riviera Beach	11.4286
Town of Palm Beach	8.5714

During fiscal year 2020, the City made payments to the ECR of \$4,455,147 comprising \$906,544 for annual contribution to the ECR and \$3,548,603 towards monthly operating charges.

According to current generally accepted accounting principles, the City accounts for its interest in the joint venture under the equity method. The following is a reconciliation of the City's investment in the ECR as of September 30, 2020:

October 1, 2019 balance	\$ 18,508,673
City's 11.4286% share of the 2020 operating gain	4,431,145
September 30, 2020 balance	<u>\$ 22,939,818</u>

On September 13, 2012, the ECR entered into an agreement with JP Morgan for private placement of \$14,000,000 of ECR bonds. A portion of the proceeds were used to pay off outstanding balances on the SRF loans. The JP Morgan bonds are due on October 1, 2022 and bear a fixed interest rate of 1.85%. Principal is to be paid serially commencing October 1, 2014 through October 1, 2022. Interest is to be paid semiannually on each April 1 and October 1.

Notes to the Basic Financial Statements

September 30, 2020

On April 13, 2013, the ECR entered into an agreement with JP Morgan for private placement of \$11,000,000 of ECR bonds. The proceeds were used to purchase processing capacity in the Solid Waste Authority's Biosolids Processing Facility. The bonds are due on October 1, 2023 and bear a fixed interest rate of 1.92%. Principal is to be paid serially commencing October 1, 2014 through October 1, 2023. Interest is to be paid semiannually on each April 1 and October 1.

On November 25, 2014, the ECR issued \$86,590,000 of revenue bonds. The proceeds are being used to construct a biosolids processing facility at the existing ECR plant. The bonds are due on October 1, 2044 and bear coupon interest rates from 5% to 5.25%. Principal is to be paid serially commencing on October 1, 2023 through October 1, 2044. Interest is to be paid semiannually on each April 1 and October 1.

On July 29, 2016, the ECR issued \$11,130,000 of revenue bonds. The proceeds are being used to finance the Headworks facility and safety improvements. The bonds are due on October 1, 2023 and bear a fixed interest rate of 1.43%. Principal is to be paid serially commencing October 1, 2017 through October 1, 2023. Interest is to be paid semiannually on each April 1 and October 1.

On December 21, 2017 the ECR issued \$82,350,000 of revenue refunding bonds. The proceeds are being used for an advanced refunding of most of the outstanding principal balance of the Series 2014 bonds. The refunding bonds are due on October 1, 2044 and bear coupon interest rates between 4 and 5%. Principal is to be paid serially commencing October 1, 2025 and running through October 1, 2044. Interest is to be paid semiannually on each April 1 and October 1.

On October 1, 2018, the ECR issued \$41,500,000 Revenue Bonds, Series 2018. The proceeds are to be used primarily to fund new and existing construction projects. The bonds are due on October 1, 2033 and bear a fixed interest rate of 2.96%. Principal is to be paid serially commencing October 1, 2019 and running through October 1, 2033. Interest is to be paid semiannually on each April 1 and October 1.

ECR revenues net of operating expenses are pledged as security for these bonds. The bond resolutions require that the ECR sets aside equal monthly amounts in preparation of the next semiannual debt service payments. These principal and interest amounts are included in the calculation of flow charges billed monthly to the Entities.

The ECR's complete financial statements, related questions or requests for additional financial information can be obtained from the City of West Palm Beach, Finance Department, 401 Clematis Street, West Palm Beach, Florida, 33401.

NOTE 12 – RISK MANAGEMENT

The City is exposed to the risks of workers' compensation, third-party liability, theft, property damage, destruction of assets, errors and omissions, and natural disasters. The Risk Management program is a combination of self-insured retentions at a specified amount and excess insurance policies for potential claims or losses above the self-insured retentions. The City purchases insurance to cover excess liabilities and catastrophic losses. Within the self-funded layer, the City's liability is limited to the following retentions: third-party liability – \$100,000; public officials/employment practices liability – \$100,000; workers' compensation – \$275,000; and crime – \$25,000. There is a corridor retention of \$175,000 that applies to these lines of coverages and retentions. The City maintains a total liability limit of \$1,490,000 for all self-insured losses before aggregate excess coverage applies. Additionally, the City maintains the following deductibles: municipal property – \$100,000; utilities property – \$50,000; boiler and machinery – \$25,000; cyber risk – \$25,000; and pollution – \$25,000. In the event of damage from a named windstorm, certain percentage deductibles apply, as is common for property insurance in the State of Florida. The total potential self-insured losses are funded through a Loss Fund which is administered by a third party.

The Risk Management program is accounted for in the Internal Service Fund. All operating funds participate in the program and make payments to the fund based on estimates of the amounts needed to pay prior and current claims. Expenses for claims paid are recorded in the individual funds and a transfer is used to record the reimbursement to the Internal Service Fund.

Pursuant to GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount provided by the third-party administrator for claims that have been incurred but

not reported. The result of the process to estimate the claims liability is not an exact amount, as it depends on factors, such as inflation, changes in legal doctrines, and damage awards. Claims are evaluated periodically. The claims liability estimate includes amounts for incremental claim adjustment expenses related to specific claims, other claim adjustment expenses regardless of whether allocated to specific claims or estimated recoveries. Settlements have not exceeded coverage for the past two fiscal years. The summary of the changes in claims liability for the Insurance Fund for the fiscal years ended September 30:

Fiscal Year	Balance October 1	Claims and Changes in Estimates	Claim Payments	Balance September 30
2018	\$ 2,065,169	\$ 2,998,205	\$ (2,860,140)	\$ 2,203,234
2019	2,203,234	1,739,503	(2,474,484)	1,468,253
2020	\$ 1,468,253	\$ 4,408,211	\$ (2,110,384)	\$ 3,766,080

NOTE 13 – PENSION PLANS

The City maintains three separate single-employer defined benefit pension plans: General Employees’ Retirement System (GERS), Police Pension Fund (PPF), and Firefighters’ Pension Trust Fund (FPTF) which cover full-time employees. Pursuant to Ordinance, general employees and firefighters hired by the City on or after June 1, 2015, and elected officials, are required to participate in the Florida Retirement System (FRS) instead of a City sponsored pension plan (Pension Plans). General employees and firefighters hired by the City before May 1, 2015, were also required to become compulsory participants in FRS, except for those general employees and firefighters who elected prior to June 1, 2015 to not participate in FRS. The Ordinance does not apply to police officers. As of June 1, 2015, GERS and FPTF were closed to new members.

The CRA has a defined contribution plan in which all eligible full-time employees participate. Employer contributions are equal to approximately 6% of the qualified employee’s annual compensation. Contributions are immediately 100% vested. Employees are not required to contribute. Effective June 1, 2015, those CRA employees who were eligible to participate in the FRS became participants in FRS jointly with the City.

In September 2015, the City issued *Taxable Public Improvement Bonds, Series 2015* to fund the unfunded accrued actuarial liability (UAAL) of the City’s three Pension Plans. Further details on the Series 2015 Bonds are available in Note 8 – Long-term Liabilities.

For this report dated September 30, 2020, the actuarial valuation date for all plans is September 30, 2019, and the measurement date is September 30, 2019 for General Employees and Firefighters and September 30, 2020 for Police. The Required Supplementary Information section of this report provides additional detailed information about actuarial methods and assumptions used to determine the contribution rates for each plan. That section also provides schedules of employer contributions, total pension asset/liability, plan fiduciary net position, and changes in net pension asset/liability for each plan. The schedules of employer contributions and pension liabilities will be expanded each year until a total of ten years is presented.

1 – Defined benefit plans

General Employees’ Pension Plan: The General Employees’ Retirement System (“the plan”) was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, on November 1, 1972 and was most recently amended Under Ordinance No. 4058 passed and adopted on February 4, 2015. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. GERS covers regular full-time employees excluding members of the PPF, FPTF and FRS. GERS is reported as a trust fund in the City’s financial statements, therefore, a separate set of financial statements is not issued. GERS is administered by a board of trustees comprising of seven members, of which four members are appointed by the Mayor with approval of the Council, and three members are elected by GERS’s participants.

Notes to the Basic Financial Statements

September 30, 2020

Benefit provisions and contribution requirements for the plan are established and may be amended by the City of Riviera Beach in conjunction with the Service Employees' International Union and the Professional Managers and Supervisors Association. Employee members of the Plan make regular contributions. For fiscal year 2020, the City withheld 6% of earnings from employee members and remitted to the pension plan. The City's actual contribution for fiscal year 2020, as discounted for payment at the beginning of the fiscal year, was \$1,615,410. This contribution represented 21.71% of covered payroll.

Police Pension Plan: The Police Pension Fund ("the plan") was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, on May 14, 1957 and was most recently amended Under Ordinance No. 4058 passed and adopted on February 4, 2015. The plan is also governed by certain provisions of Chapter 185, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. The plan provides retirement benefits to all regular full-time employees of the City classified as police officers, which include both Law Enforcement Officers and Supervisory and Command personnel. The plan is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings. Pursuant to Florida Statutes, Chapter 185, contributions from the State of Florida Department of Insurance consist of a tax imposed by the City upon certain casualty insurance policies covering property within the City for property and casualty coverage and annually remits a contribution to the plan provided that the City has met its actuarial funding requirement for the most recently completed fiscal year. Employee members of the plan make regular contributions. For fiscal year 2020, the City withheld 8% of earnings from employee members and remitted to the pension plan. The City's recommended and actual contribution for fiscal year 2020, as discounted for payment at the beginning of the fiscal year, was \$1,097,591. This contribution represented approximately 18.70% of covered payroll. Chapter 185 funds amounted to \$322,536 for fiscal year 2020.

Benefit provisions and contribution requirements are established and may be amended by the City of Riviera Beach in conjunction with the Palm Beach County Police Benevolent Association. Any such amendments take effect upon passage by the Florida State Legislature. The plan is administered by a board of trustees comprising of five members, of which two members are appointed by the City with approval of the Council, two members are elected by the plan's participants, and one is selected as the fifth member by the board of trustees. The board has the ability to make recommendations on establishing and amending pension plan provisions which can only be authorized by the City Council. Since the plan is sponsored by the City, the plan is included as a pension plan in the City's financial report as part of the City's financial reporting entity. The plan annually produces a separately audited annual report including financial statements and required supplementary information. This report may be obtained from the City of Riviera Beach, Finance Department, 600 W. Blue Heron Boulevard, Riviera Beach, Florida, 33404 or from the City's website: www.rivierabeach.org.

Firefighters' pension plan: The Firefighters' Pension Trust Fund ('the plan') was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, and was most recently amended under Ordinance No. 4058 passed and adopted on February 4, 2015. The plan is also governed by certain provisions of Chapter 175, Florida Statutes, Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code. The plan provides retirement benefits for all regular uniformed members of the Fire department hired prior to May 1, 2015, including active volunteers, are eligible to participate in the plan was established under the Code of Ordinances for the City of Riviera Beach, Part II, Chapter 14, Article II, and was most recently amended Under Ordinance No. 4058 passed and adopted on February 4, 2015. Effective May 1, 2015, the plan is closed to new entrants pursuant to Ordinance No. 4058. The plan is maintained through contributions from employee members, actuarially determined contributions from the City, and from investment earnings. In addition, the State of Florida, pursuant to Chapter 175 of the Florida Statutes, pays to the plan all property insurance premium surcharges collected from within the city limits. These surcharges are distributed annually provided the local government has met its actuarial funding requirement for the most recently completed fiscal year. Employee members of the plan make regular contributions. For fiscal year 2020, the City withheld 8% of earnings from employee members and remitted to the pension plan.

Benefit provisions and contribution requirements are established and may be amended by the City of Riviera Beach in conjunction with the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, I.A.F.F. Any such amendments take effect upon passage by the Florida State Legislature. The City's recommended and actual contribution for fiscal year 2020, as discounted for payment at the beginning of the fiscal year, was \$1,639,281. Chapter 175 funds, as mentioned above, amounted to \$86,456 for fiscal year 2020 was remitted to the plan. These combined contributions, amounting to \$1,725,737 represented 35.36% of covered payroll.

The plan is administered by a board of trustees comprising of five members, of which two members are legal residents of the City appointed by the Council, two active firefighters elected by the active participants of the plan and a fifth participant who is chosen by a majority of the other four trustees. Since the plan is sponsored by the City, the plan is included as a pension plan in the City's financial report as part of the City's financial reporting entity. The plan annually produces a separately audited annual report including financial statements and required supplementary information. The plan annually produces a separately audited annual report including financial statements and required supplementary information.. This report may be obtained from the City of Riviera Beach, Finance Department, 600 W. Blue Heron Boulevard, Riviera Beach, Florida, 33404 or from the City's website: www.rivierabeach.org.

THIS SPACE INTENTIONALLY LEFT BLANK.

Notes to the Basic Financial Statements

September 30, 2020

Selected actuarial data for the defined benefit pension plans is presented below:

	<u>General Employees</u> 9/30/2019	<u>Police</u> 9/30/2019	<u>Firefighters</u> 9/30/2019
Membership of as valuation date:			
Membership consisted of:			
Retirees and beneficiaries	226	86	68
Inactive, nonretired members	7	2	-
Active members	118	116	51
Total	<u>351</u>	<u>204</u>	<u>119</u>
Covered payroll	\$ 7,609,650	\$ 9,962,414	\$ 5,315,261
Net pension asset (liability):			
Total pension liability	\$ 108,205,096	\$ 83,787,129	\$ 88,397,192
Fiduciary net position	124,414,122	85,245,315	94,522,170
Net pension liability (asset)	<u>\$ (16,209,026)</u>	<u>\$ (1,458,186)</u>	<u>\$ (6,124,978)</u>
Net position as % of total pension liability	114.98%	101.74%	106.93%
Net pension asset (liability) as a % of covered payroll	(213.01)%	(14.64)%	(115.23)%
Total Pension Liability		Increase (Decrease)	
Balance at September 30, 2019	\$ 106,168,292	\$ 74,254,443	\$ 81,484,594
Changes for the year:			
Service cost	1,858,286	2,048,359	1,953,700
Interest on total pension liability	7,566,267	5,472,281	5,537,667
Difference between expected and actual experience	(59,210)	8,836,602	2,294,791
Increase in DROP and share account liabilities	-	309,765	-
Changes of assumptions	-	(2,504,577)	830,599
Benefit payments	(7,328,539)	(4,535,754)	(4,004,040)
Refunds	-	(93,990)	-
Other	-	-	299,881
Net Change in Total Pension Liability	<u>2,036,804</u>	<u>9,532,686</u>	<u>6,912,598</u>
Total Pension Liability – Ending (a)	<u>\$ 108,205,096</u>	<u>\$ 83,787,129</u>	<u>\$ 88,397,192</u>
Plan Fiduciary Net Position			
Balance at September 30, 2019	\$ 122,233,822	\$ 78,632,388	\$ 91,669,816
Contributions – Employer (from City and State)	1,700,118	1,420,127	1,983,156
Contributions – Members	456,579	801,676	430,076
Net investment income	7,427,007	9,167,092	4,554,287
Benefit payments	(7,328,539)	(4,535,754)	(4,004,040)
Refunds	-	(93,990)	-
Administrative expenses	(226,846)	(147,083)	(111,125)
Other	151,981	859	-
Net Change in Plan Fiduciary Net Position	<u>2,180,300</u>	<u>6,612,927</u>	<u>2,852,354</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 124,414,122</u>	<u>\$ 85,245,315</u>	<u>\$ 94,522,170</u>
Net Pension (Asset) Liability – Ending (a) – (b)	<u>\$ (16,209,026)</u>	<u>\$ (1,458,186)</u>	<u>\$ (6,124,978)</u>
Plan Fiduciary Net Position as a Percentage of			
Total Pension Liability	114.98%	101.74%	106.93%
Covered Payroll	\$ 7,609,650	\$ 9,962,414	\$ 5,315,261
Net Pension Liability as a Percentage of			
Covered-Employee Payroll	(213.01)%	(14.64)%	(115.23)%

The schedule of changes in the net pension liability and related ratios and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements and provides additional information about the net pension liability, asset and contributions.

The following table summarizes the net pension asset, net pension liability, deferred inflow and outflow of resources and pension expense as disclosed above for each defined benefit pension plan:

Governmental Activities				
Pension Plan	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
General Employees Pension	\$ 11,670,499	\$ 1,469,925	\$ 4,238,690	\$ (381,712)
Police	1,458,186	8,594,914	7,172,638	1,708,297
Firefighters	6,124,978	3,245,361	4,459,774	1,522,008
Total	\$ 19,253,663	\$ 13,310,200	\$ 15,871,102	\$ 2,848,593

Business-Type Activities				
Pension Plan	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
General Employees Pension	\$ 4,538,528	\$ 571,638	\$ 1,648,379	\$ (148,444)
Total	\$ 4,538,528	\$ 571,638	\$ 1,648,379	\$ (148,444)

Net pension liabilities attributable to governmental activities are generally liquidated by the General Fund or the appropriate proprietary fund for business-type activities.

Actuarial Methods and Assumptions

The following assumptions were used to produce the actuarial reports:

	General Employees	Police	Firefighters
Valuation date	September 30, 2018	September 30, 2018	September 30, 2018
Measurement date	September 30, 2018	September 30, 2019	September 30, 2018
Reporting date	September 30, 2019	September 30, 2019	September 30, 2019

Notes to the Basic Financial Statements

September 30, 2020

Methods and assumptions used to determine Net Pension Liability

	General Employees	Police	Firefighters
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Inflation	2.50%	4.50%	2.50%
Salary increases	6.2% to 11%, including inflation	5.6% to 8.6% including inflation	7.50%
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Investment rate of return	7.25%	7.50%	6.70%
Long-term Municipal Bond Rate	2.75%	2.41%	2.75%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition	Age-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table (preretirement) and the RP-2000 Mortality Table for Annuitants (postretirement), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the FRS in the July 1, 2016 actuarial valuation.	The FRS mortality tables which use variations of the fully generational RP-2000 Mortality Tables using projection scale BB.	RP-2000 Combined Healthy Participant Mortality Table (preretirement) and the RP-2000 Mortality Table for Annuitants (postretirement), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates currently in use for Special Risk Class members of the FRS.

The City is reporting deferred outflows of resources and deferred inflows of resources from the following sources at September 30, 2020:

Description	Deferred Outflows (Inflows)			
	General Employees	Police	Firefighters	Total
City and state contributions subsequent to measurement date	\$ 1,615,410	\$ 1,420,127	\$ 2,012,445	\$ 5,047,982
Differences between expected and actual experience	(464,858)	5,237,752	874,150	5,647,044
Changes of assumptions	1,004,675	(1,973,485)	681,050	(287,760)
Net difference between projected and actual earnings on pension plan investments	(4,385,596)	(1,841,991)	(2,769,613)	(8,997,200)
Total	\$ (2,230,369)	\$ 2,842,403	\$ 798,032	\$ 1,410,066

The deferred outflows of resources resulting from City contributions to the pension plans subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Subsequent to the measurement date of September 30, 2019, the City contributed \$1,615,410 to General Employees, \$1,420,127 to Police, and \$2,012,445 to Firefighters pension plans. The amount reported as a deferred outflow (inflow) of resources related to the pensions will be recognized in pension expense in future years as follows:

Fiscal year ending September 30	General Employees	Police	Firefighters
2021	\$ (1,912,982)	\$ 40,357	\$ (278,099)
2022	(1,557,669)	1,101,083	(877,457)
2023	(634,077)	953,924	(375,670)
2024	259,222	(673,088)	316,813
2025	-	-	-
Thereafter	-	-	-
Total	\$ (3,845,506)	\$ 1,422,276	\$ (1,214,413)

2 – Pension Plan Assets

Discount rate: The discount rates illustrated in the table below were used to measure the total pension liability for all three plans. This rates were based on the expected rate of return on each pension plan investments. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position of all funds 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to the Basic Financial Statements

September 30, 2020

Sensitivity of the discount rate: Regarding the sensitivity of the net pension liability (asset) to changes in the single discount rate, the following presents each plan's net pension liability (asset), calculated using a single discount rate, as well as what each plan's net pension liability (asset) would be if it were calculated using a single discount rate that is one percentage point lower or one percentage point higher than the current rate assumption.

	1% Decrease	Discount Rate Assumption	1% Increase
General employees	6.25%	7.25%	8.25%
	\$ (5,045,215)	\$ (16,209,026)	\$ (25,660,003)
Police	6.50%	7.50%	8.50%
	\$ 7,694,721	\$ (1,458,186)	\$ (9,123,501)
Firefighters	5.70%	6.70%	7.70%
	\$ (3,489,452)	\$ (6,124,978)	\$ (14,164,932)

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments 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 expense 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 plan's target asset allocation as of September 30, 2020 are summarized in the following table.

General Employees		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	60%	6.75% to 7.50%
International equities	7%	8.25%
Fixed income	23%	1.75% to 4.75%
Real estate	10%	6.00%
	100%	
Police		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	50%	7.5%
International equities	10%	8.5%
Domestic bonds	35%	2.5%
International bonds	0%	3.5%
Real estate	5%	4.5%
	100%	

Firefighters		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	35% to 65%	7.06% to 9.37%
International equities	5% to 25%	7.50%
Fixed income	15% to 30%	2.90%
Real estate	5% to 25%	6.59%

3 – State of Florida Retirement System (FRS)

Pursuant to the City’s ordinance, general employees and firefighters hired by the City on or after June 1, 2015, and elected officials, are required to participate in the Florida Retirement System (FRS) Pension Plan and the Retiree Health Insurance Subsidy (HIS) Trust fund administered by the Florida Department of Management Services, Division of Retirement. FRS and HIS are cost-sharing, multiple-employer defined benefit pension plans with approximately 1,000 participating employers. FRS and HIS were established and are administered in accordance with Florida Statutes, Chapter 121 and Section 112.363, respectively. General employees and firefighters hired by the City before May 1, 2015, were also required to become compulsory participants in FRS, except for those general employees and firefighters who elected prior to June 1, 2015 to not participate in FRS. The Ordinance does not apply to police officers. As of June 1, 2015, GERS and FPTF were closed to new members.

The CRA has a defined contribution plan in which all eligible full-time employees participate. Employer contributions are equal to approximately 6% of the qualified employee’s annual compensation. Contributions are immediately 100% vested. Employees are not required to contribute. Effective June 1, 2015, those CRA employees who were eligible to participate in the FRS became participants in FRS jointly with the City.

FRS includes a Deferred Retirement Option Program (DROP) available for eligible employees. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state community college, or district school board, unless restricted from FRS membership under Florida Statutes, Sections 121.053 and 121.122, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation is optional for municipalities, special districts, charter schools and metropolitan planning organizations.

HIS membership is optional and available to all retirees under a state administered retirement system, provided the retiree provides proof of health insurance coverage, which may include Medicare. Participation is compulsory for municipalities, special districts, charter schools and metropolitan planning organizations that participate in FRS.

Benefits Provided

FRS provides retirement, survivor, and disability benefits to plan members and beneficiaries. Pension benefits to FRS are established by Florida Statutes, Chapter 121 and may be amended by the Florida Legislature. Benefits under FRS are computed on the basis of age and /or years of service, average final compensation, and service credit. Members initially enrolled on or after July 1, 2008 through June 30, 2011, vest after six years of service. Members initially enrolled on or after July 1, 2011 vest after eight years of service. HIS provides retirees and beneficiaries a monthly benefit equal to the number of years of service completed at the time of retirement multiplied by \$5. The monthly benefit payment is established by Florida Statutes, Section 112.363, and is at least \$30, but not more than \$150.

Notes to the Basic Financial Statements

September 30, 2020

In addition to the above benefits, the FRS DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions

Enrolled members of FRS, other than DROP participants, are required to contribute 3% of their salary to FRS and no contribution is required for HIS members. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year.

Employer contribution rates by job class for the period from October 1, 2019 to June 30, 2020 and July 1, 2020 to September 30, 2020, respectively, were as follows: Regular – 8.47% and 10.00%, Special Risk – 25.48% and 24.45%, Elected Officers – 56.03% and 58.91%, Senior Management – 25.41% and 27.29%, and FRS DROP participants – 14.60% and 16.98%. Employer contribution rates include 1.66% HIS Plan subsidy for the period October 1, 2019 through September 30, 2020. The City's contributions to FRS and HIS for the fiscal year ended September 30, 2020, was \$1,165,377 which was equal to 100% of the required contributions for the year.

Funding Policy

FRS funding policy provides for monthly employer contributions at actuarially determined rates that expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. HIS uses a pay-as-you go funding policy based on monthly employer contributions at a flat percentage of gross compensation for all active FRS members. Employer and employee contribution rates are established by State law as a level percentage of payroll. Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature. The FRS and HIS net pension liabilities have historically been and will continue to be liquidated primarily by the General Fund.

Summary of Significant Accounting Policies

The financial statements of FRS and HIS are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Employee contributions are recognized in the period for which the contributions are assessed. Employer contributions are recognized in the period in which employee services are performed. Benefit payments, including refunds of employee contributions, 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 external investment managers. The independent investment custodian for FRS and HIS determines the fair value of securities using various third party pricing sources. For private market investments, where no readily ascertainable market value exists, fair values are based on net asset value provided by investment managers at the closest available reporting period and adjusted for subsequent contributions and distributions. 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 net of investment related expenses, such as management fees, portfolio evaluation and custodial services. For purposes of measuring the net pension liability, deferred inflows/outflows of resources related to pensions, and pension expense, information of fiduciary net position of FRS and HIS and the additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by FRS and HIS.

FRS Annual Financial Report

The State of Florida issues a publicly available financial report for FRS and HRS that includes financial statements and required supplementary information. The complete financial report is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com or by writing to Division of Retirement, P.O. Box 9000, Tallahassee, FL, 32399-9000 or by calling (844) 377-1888 or (850) 907-6500.

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

As of September 30, 2020, the City reported a liability of \$14,026,317 and \$3,987,757 for its proportionate share of the net pension liability of FRS and HIS, respectively. The net pension liability of each plan was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, as actuarially determined. As of June 30, 2020, the City's FRS proportionate share was 0.032362345%, which was an increase from 0.028105953% from its proportionate share measured as of June 30, 2019. The HIS proportionate share was 0.032660196% at June 30, 2020, which was an increase from 0.0284649364% from proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$3,911,166 and \$360,156 for FRS and HIS, respectively. As of September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to FRS pensions and HIS from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 536,816	\$ -	\$ 163,123	\$ (3,076)
Changes of assumptions	2,539,210	-	428,797	(231,872)
Net difference between projected and actual investment earnings on pension plan investments	2,501,752	-	1,635,789	-
City's contributions subsequent to the measurement date	835,140	-	3,184	-
Total	\$ 6,412,918	\$ -	\$ 2,230,893	\$ (234,948)

Deferred outflows of resources related to FRS and HIS pensions of \$363,316 resulting from the City's contributions subsequent to the measurement date of June 30, 2020 will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred inflows and outflows related to pensions will be recognized in pension expense as follows:

Fiscal year ending September 30	FRS	HIS
2021	\$ 805,997	\$ 99,675
2022	1,255,292	73,937
2023	1,066,993	20,203
2024	637,853	46,914
2025	145,031	63,882
Thereafter	-	55,543
Total	\$ 3,911,166	\$ 360,154

Notes to the Basic Financial Statements

September 30, 2020

Actuarial Assumptions

The total pension liability for FRS and HIS in the most recent actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FRS	HIS
Valuation date	July 1, 2020	July 1, 2020
Measurement date	June 30, 2020	June 30, 2020
Actuarial cost method	Individual age entry	Individual age entry
Amortization method	Level percent of pay, closed	Level percent of pay, closed
Equivalent single amortization period	30 years	15 years
Asset valuation method	5-year smoothed	Fair market value
Discount rate	6.90%	3.50%
Inflation	2.40%	2.40%
Salary increases, including inflation	3.25%	3.25%
Long-term expected rate of return, net of investment expenses	6.80%	N/A
Municipal bond rate	N/A	2.21%
Cost of living adjustments	3% pre-July 2011 0% thereafter	N/A
Mortality rates	PUB-2010 with Projection Scale MP-2018	PUB-2010 with Projection Scale MP-2018

The discount rate for FRS changed from 6.90% for 2019 to 6.80% for 2020. The discount rate for HIS changed from 3.50% for 2019 to 2.21% for 2020.

The actuarial assumptions used in the July 1, 2020 FRS valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018. Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. Mortality assumptions for both the FRS Pension Plan and HIS Program were based on the PUB-2010 base table. The most significant changes in 2020 are (1) FRS: a decrease in the long-term expected investment return assumption for the purposes of developing actuarially calculated contribution rates from 6.9% to 6.8%, and (2) HIS: a decrease in the municipal bond rate from 3.50% to 2.21% and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

The long-term expected rate of return assumption of 6.80% consists of two building block components: 1) a real (in excess of inflation) return of 4.30%, consistent with the capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; and 2) a long-term average annual inflation assumption of 2.40% as adopted in October 2020 by the FRS Actuarial Assumption Conference.

Asset Class	Target Allocation (1)	Long-Term Expected Real Rate of Return
Cash	1.0%	2.2%
Fixed income	19.0	3.0
Global equity	54.2	8.0
Real estate	10.3	6.4
Private equity	11.1	10.8
Strategic Investments	4.4	5.5

Note: (1) As outlined in the FRS Pension Plan's Investment Policy.

Discount Rate

The discount rate used to measure the total pension liability of FRS at June 30, 2019 was 6.90% for FRS and 3.50% for HIS. The FRS discount rate was based on the expected rate of return on FRS investments. The HIS discount rate was based on the municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the fiduciary net position of FRS was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on investments of FRS was applied to all periods of projected benefit payments to determine the projected total pension liability. Since HIS uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine total pension liability.

Sensitivity to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability of FRS and HIS as of September 30, 2020, calculated using the current discount rate, as well as what the City's proportionate share of the net pension 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.

	1% Decrease	Current Discount Rate	1% Increase
FRS	5.80%	6.80%	7.80%
	\$ 22,397,671	\$ 14,026,317	\$ 7,034,526
HIS	1.21%	2.21%	3.21%
	\$ 4,609,669	\$ 3,987,757	\$ 3,478,724

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of FRS and HIS are available in a separately issued financial report, which is available on the Publications page of the Division of Retirement's website at www.frs.myflorida.com or by writing to Division of Retirement, P.O. Box 9000, Tallahassee, FL, 32399-9000 or by calling (844) 377-1888 or (850) 907-6500.

Notes to the Basic Financial Statements

September 30, 2020

FRS Investment Plan

Plan Description

The SBA administers the FRS Investment Plan, a defined contribution plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida's Comprehensive Annual Financial Report.

Eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. City employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to the individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of the investment funds. Benefit terms, including contribution requirements for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class as the FRS Pension Plan.

Contributions

Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the FRS Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the FY 2018/2019 are based on a percentage of gross compensation, by class as follows: Regular-3.30%, Special Risk Regular-11.0%, Senior Management-4.67%, and City Elected Officials-8.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for the FRS Pension Plan vesting to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will forfeit the accumulated account balance.

Benefits Provided

After termination and application to receive benefits, a member may rollover vested funds to another qualified plan, structure a periodic payment, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. In the case of a disability; the member may either the transfer the account balance to the FRS Pension Plan when approved for disability retirement guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the FRS Investment Plan.

4 - Voluntary Employees' Beneficiary Association Plans

The City participates in a Voluntary Employees' Beneficiary Association Plan (VEBA) for the Firefighters. The VEBA plan is administered by a separate board of trustees. The assets of the VEBA plan are held in trust and are the sole property of the participants. Therefore, no financial information related to the VEBA plan is reported in the Basic Financial Statements.

The VEBA plan for the firefighters is authorized in the collective bargaining agreement between the City and the Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, Inc (IAFF). The Agreement, effective January 3, 2018, requires the City to contribute 1% of pensionable wages of members of the bargaining unit to the VEBA plan. Effective September 30, 2020, contributions will end after the pay period including September 30, 2020.

The VEBA plan is administered by a Board of Trustees appointed by the bargaining unit. The Board of Trustees approved the Plan Document on November 8, 2018. The Board may amend the Agreement and Declaration of Trust, which sets out provisions for the payment of benefits to the Fire VEBA members.

NOTE 14 – OTHER POST EMPLOYMENT BENEFITS

General Information

In June 2015, GASB released GASB Statement No. 75 which replaces the accounting standards for other post employment benefits (OPEB) for employer accounting. This standard will be applied to post employment medical benefits that are by provided to the City's retirees. Prior to the GASB No. 75, benefits were accounted for under GASB No. 45.

Under GASB No. 45, the net OPEB obligation was a liability of the City. Under GASB No. 75, the entire unfunded actuarial accrued liability is now reported on the financial statements. There is no longer a net OPEB obligation. The annual expense is equal to the increase (decrease) in the funded actuarial accrued liability. To minimize expense volatility, some of the increase (decrease) is deferred.

According to Florida Statutes, Section 112.081, the City is required to permit eligible retirees and their eligible dependents to participate in the City's health insurance program at a cost to the retiree that is no greater than the cost at which coverage is available to active employees. Retirees are required to pay the full amount of the premium in order to remain covered under the medical plan. Premiums charged by the insurance company are based on the blending of the experience among active employees and older retired employees. Since retirees tend to have higher costs, the City is subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active employees, which is referred to as the implicit rate subsidy.

OPEB Trust Arrangement

The City has not set up a trust to prefund benefits.

Plan Description

Full-time employees who satisfy the disability, early or normal retirement provisions of the applicable City sponsored plan may be eligible for certain OPEB. OPEB include lifetime access to coverage for retirees and their dependents under the medical and prescription plans and participation in the City's dental, vision, and life insurance plans.

Eligible retirees may choose the same medical plan options available for active employees. Dependents of retirees may be covered at the retiree's option, same as dependents of active employees. Prescription drug coverage is automatically extended to retirees and dependents who continue coverage under any one of the medical plan options. Covered retirees and dependents are subject to the same medical and prescription benefits and rules for coverage as active employees. Retirees and dependents age 65 and over are not required to enroll in Part B under Medicare. The plan pays as secondary for claims, otherwise covered under Part B.

Retirees may continue their participation in the City's dental, vision, and life insurance plans. However, these benefits are not considered as other post employment benefits for the purposes of GASB No. 45.

Funding Policy

The City's policy is to pay benefits on a pay-as-you basis.

Notes to the Basic Financial Statements

September 30, 2020

Plan membership

Based on the actuarial valuation results as of September 30, 2018, the number of participants included in the plan is as follows:

Current retirees:	
Under age 65	20
Over age 65	7
Total current retirees	<u>27</u>
Active employees:	
Fully eligible for benefits	22
Not yet fully eligible for benefits	434
Total active employees	456
Total number of participants	<u>483</u>

Net OPEB Liability

Balance as of September 30, 2019	\$ 5,356,572
Changes for the fiscal year:	
Service cost	684,727
Interest	201,088
Experience losses (gains)	323,877
Employer contributions	(212,465)
Changes in assumptions	(40,539)
Benefits payment	-
Net change in net OPEB	956,688
Net OPEB liability as of September 30, 2020	<u>\$ 6,313,260</u>

Actuarial Methods and Assumptions

In any long-term actuarial valuation, demographic, economic and behavioral assumptions are made concerning the population, investment discount rates, and benefits provided. Future determinations of the funded status of the plan and the employer’s annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Actuarial assumptions form the basis for the actuarial model which is used to project the future population, future benefits and future contributions. Investment discount rate assumptions are used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost that will be expensed in the City’s financial statements and the Unfunded Actuarial Accrued Liability disclosed in the statements. Calculations for financial reporting purposes are based on the benefits provided under terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does 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 methods and significant actuarial assumptions used for the current year are summarized below:

Measurement Date	September 30, 2019
Actuarial Cost Method	Entry age normal funding, level percentage of payroll
Asset valuation method	Unfunded
Actuarial Assumptions:	
Discount Rate	2.75%
Projected Salary Increase	3.00%
Inflation Rate	2.50%
Medical trend assumption rate	4.70%
Mortality	Healthy - Pub-2010 Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale. Disabled - Pub-2010 Mortality Projected with Fully Generational MP2019 Mortality Improvement Scale.

Notes to the Basic Financial Statements

September 30, 2020

Change in Net OPEB Liability

Total OPEB liability:	
Service cost	\$ 684,727
Interest	201,088
Experience losses (gains)	323,877
Changes in assumptions	(40,539)
Benefits payment	<u>(212,465)</u>
Net change in total OPEB liability	956,688
Total OPEB liability – beginning of year	5,356,572
Total OPEB liability – end of year (a)	<u><u>6,313,260</u></u>
Plan Fiduciary Net Position:	
Contributions – employer	212,465
Benefit payments	<u>(212,465)</u>
Net change in plan fiduciary net position	-
Plan Fiduciary Net Position – beginning of year	-
Plan Fiduciary Net Position – end of year (b)	<u>-</u>
Net OPEB Liability – end of year (a-b)	<u><u>\$ 6,313,260</u></u>

OPEB Expense

Service cost	\$ 684,727
Interest	201,088
Projected earnings on OPEB trust	-
OPEB administrative expense	-
Changes in benefit terms	-
Differences between expected and actual earnings:	
In current fiscal year recognized in current year	-
From past years recognized in current year	-
Total	<u>-</u>
Differences between the expected and actual experience:	
In current fiscal year recognized in current year	53,980
From past years recognized in current year	-
Total	<u>53,980</u>
Changes in assumptions:	
In current fiscal year recognized in current year	(6,757)
From past years recognized in current year	(42,144)
Total	<u>(48,901)</u>
Total OPEB expense	<u><u>\$ 890,894</u></u>

Schedule of Deferred Inflows and Outflows of Resources

For the fiscal year ended September 30, 2020, OPEB expense of \$890,894 was recognized. Deferred outflows and inflows of resources are as follows:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 269,897	\$ -
Changes of assumptions	-	223,113
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to measurement date	-	-
Total	<u><u>\$ 269,897</u></u>	<u><u>\$ 223,113</u></u>

Notes to the Basic Financial Statements

September 30, 2020

The deferred outflows and deferred inflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized as expense as follows:

<u>Fiscal year ending September 30</u>	<u>Expense Amount</u>
2021	\$ 5,079
2022	5,079
2023	5,079
2024	5,080
2025	26,467
Thereafter	-
	<u>\$ 46,784</u>

Discount Rate Assumption

The discount rate assumption is 2.75%, which, because the plan is unfunded, is set to equal the September 30, 2019 municipal general obligation bond index rate.

Sensitivity of Net OPEB Liability to changes in the Discount Rate

The following table presents the total and net OPEB liability, using a discount rate that is 1-percentage point lower and 1-percentage point higher:

	<u>1% Decrease 1.75%</u>	<u>Discount Rate 2.75%</u>	<u>1% Increase 3.75%</u>
Net OPEB Liability (Asset)	\$6,724,764	\$6,313,260	\$5,906,315

Sensitivity of Net OPEB Liability to changes in the Healthcare Cost Trend Rates

The following table presents the total and net OPEB liability, using a health care cost trend rate that is 1-percentage point lower and 1-percentage point higher.

	<u>1% Decrease 3.00%</u>	<u>Trend Rate 4.00%</u>	<u>1% Increase 5.00%</u>
Net OPEB Liability / (Asset)	\$5,634,902	\$6,313,260	\$7,096,312

NOTE 15 – FUND BALANCE CONSTRAINTS

The following table provides the five categories of constraints:

	General Fund	CRA Funds	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Inventories	\$ 278,517	\$ -	\$ -	\$ 278,517
Prepaid Items	-	50,421	-	50,421
Restricted:				
Emergency Reserve	-	-	5,430,711	5,430,711
Debt service	-	-	226,247	226,247
Economic environment	-	17,704,468	-	17,704,468
Capital projects	-	-	20,769,509	20,769,509
Development services	3,480,682	-	-	3,480,682
Committed:				
Special revenue funds:				
Public safety	-	-	253,206	253,206
Culture and recreation	-	-	1,462,669	1,462,669
Human services	-	-	37,453	37,453
Assigned	-	-	-	-
Unassigned	30,183,378	-	(3,539)	30,179,839
Total	\$ 33,942,577	\$ 17,754,889	\$ 28,176,256	\$ 79,873,722

NOTE 16 – RELATED PARTY TRANSACTIONS

2006 Note

In July 2006, the City issued the *Community Redevelopment Projects Note, Series 2006*, in the amount of \$7,175,876 to refund the *Community Redevelopment Bond Anticipation Notes, Series 2002A and Series 2003A*. Through an interlocal agreement, the CRA pledged its tax incremental revenues to the City for the payment of the amounts due by the City pursuant to the Series 2006 Note.

Ocean Mall Redevelopment (OMRD) Loan

The Ocean Mall, a retail property, and Municipal Beach are owned by the City. The properties are located within the CRA boundaries. In October 2009, the City loaned \$10,194,621 to the CRA and in turn, the CRA provided a grant to Ocean Mall Redevelopment, LLC (OMRD) to make required infrastructure, parking and beach improvements. On behalf of the CRA, the City advanced the loan proceeds to OMRD based on draw requests from OMRD for construction of the improvements based on inspection and approval of the requests by the City.

Notes to the Basic Financial Statements

September 30, 2020

In April 2011, the City agreed to modify the loan agreement by offering more flexible terms to the CRA. In February 2016, the CRA Board approved a Second Modification reducing the interest rate to zero percent and adjusting payments to 15 equal installments of \$679,641 each October 1, commencing October 1, 2023 until the loan is paid in full.

In February 2016, the City agreed to modify the loan agreement with the CRA for OMRD loan of \$10,194,621. The restructure of the loan is necessary to enhance CRA's cash flow to meet ongoing operational needs. The CRA Board approved a Second Modification to the Loan Agreement. The terms of the Second Modification will reduce the interest rate to zero percent for the remainder of the term of the loan and the CRA will pay fifteen equal installments of \$679,641 each October 1st, commencing October 1, 2023 until the loan is paid in full.

RB CDE Recoverable Grant

The RB CDE entered into a management services agreement with the CRA to manage its books, records, and operations. Thus, the CRA has a controlling influence over the day-to-day management and operations of the RB CDE. The CRA's Executive Director has been named as the uncompensated non-member manager of the RBEC.

The RB CDE entered into a recoverable grant agreement with the CRA on December 1, 2013. Funding up to \$8,928,728 payable in installments, has been granted to provide funding for the construction of the Event Center. The grant proceeds are reflected in recoverable grants in the financial statements. Repayment of the grant proceeds is due upon repayment of loan receivable principal payments, unless otherwise canceled in accordance with the grant agreement. As of September 30, 2020, the RB CDE has been advanced grant proceeds of \$6,930,000.

RB CDE Note Payable

During 2013, the CRA over funded the recoverable grant by \$368,000. The amounts over funded are to be repaid by the RB CDE out of available cash flow. As of September 30, 2020, the amount remains payable as there was no available cash flow for repayment.

RB CDE Management Services Fee

The CRA entered into a management services agreement with the RB CDE to manage its books, records, and operations and for other management services as required. An annual management services fee of \$50,000 is due October 31st of each year for services provided during the prior year. For the year ended September 30, 2020, a fee of \$50,000 was incurred.

RB CDE Facility Lease

The RBEC entered into a facility lease agreement to lease the Event Center to the CRA so that the CRA could vest control of the operations of the Event Center and to allow the RBEC sufficient funds to service loans from NDC New Markets Investments LXXXIV, LLC. Upon substantial completion of the Event Center and receipt of a certificate of occupancy, which occurred April 26, 2016, the CRA took possession of the Event Center. The lease agreement will terminate on September 30, 2050. Annual rent of \$299,349, under triple net lease terms, shall be increased annually by the Consumer Price Index for All Urban Consumers, and is due quarterly in arrears.

RB Event Center Ground Lease

On July 2, 2014, the RB Event Center entered into an agreement with the City to lease land containing real property of approximately 36,488 square feet in order to construct and operate a mixed use community center. The term of the lease is fifty years. The annual rent is \$1 for the lease term and was prepaid by the RB CDE.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Construction

As of September 30, 2020, outstanding commitments relating to projects for the City, CRA, USD, Stormwater, and Marina was \$77,098,130. Projects are funded from various sources, including bonds and notes payable, grants, and City funds. Commitments with contractors are as follows:

	Expended at September 30, 2020	Approved Contract Amount	Balance to Complete
Governmental funds	\$ 40,502,912	\$ 58,260,000	\$ 17,757,088
Business-type activities:			
Water and Sewer	20,038,206	31,155,000	11,116,794
Stormwater	11,259,493	11,500,000	240,507
Marina	5,297,519	6,500,000	1,202,481
Total	\$ 77,098,130	\$ 107,415,000	\$ 30,316,870

Litigation, Claims and Assessments

The City is engaged in routine litigation, claims and assessments incidental to the conduct of its business. Outstanding claims and lawsuits are pending against the City. The City purchases insurance to assist in covering most judgments and settlements. As of September 30, 2020, management estimates that the combined out-of-pocket net liability to the City to be in the range of \$500,000 to \$1,000,000.

Other Contingencies

Arbitrage Rebate Liability

The Cumulative Rebate Liability was determined pursuant to Treasury Regulations generally applicable to tax-exempt obligations. Earnings from the investment of tax exempt bond proceeds, which exceed related interest expenditures on bonds, must be remitted to the Federal government on every fifth anniversary of the bond issue.

The City used an independent consultant to evaluate the *Utility Special District Water and Sewer Revenue Refunding Bonds, Series 2014, Water and Sewer Revenue Bonds, Series 2016, and Stormwater Revenue Bonds, Series 2016* for arbitrage liability and it was determined that there is no arbitrage liability due as of September 30, 2018.

The CRA used an independent consultant to evaluate the *Redevelopment Revenue Note, Series 2011 and Redevelopment Revenue Note, Series 2013A* for arbitrage liability and it was determined that the notes have not accrued a liability as of September 30, 2020.

Copies of the reports on the arbitrage rebate calculation may be obtained from the City of Riviera Beach, Finance and Administrative Services Department, 600 W. Blue Heron Boulevard, Riviera Beach, Florida 33404.

Amounts Received From Grantors

Grant funds received and disbursed by the City are for specific purposes and are subject to audit by the grantor agencies. Amounts received or receivable from the agencies are subject to audit and adjustment. Any disallowed claims, including the amounts already collected, may constitute a liability of the applicable funds. Future disallowances, if any, cannot be determined at this time although in the opinion of management, any disallowed expenditures would not have a material adverse effect on the financial condition of the City.

Notes to the Basic Financial Statements

September 30, 2020

Uncertainties

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and future results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects of the financial markets, and (v) the effects on the economy overall, all of which remain uncertain.

NOTE 18 – ON-BEHALF PAYMENTS

The State of Florida makes a contribution to the Police Officers’ and Firefighters’ Retirement Plans from the Casualty Insurance Premium Tax and the Fire Insurance Premium Tax, respectively. During fiscal year 2020, the State of Florida, Division of Retirement, was authorized by the City to remit distributions directly to the Police and Firefighters’ pension funds.

NOTE 19 – STEWARDSHIP

As of September 30, 2020, expenditures exceeded appropriations for the following General Fund departments:

Department	Amount	% of Budget
City Attorney	\$ 50,455	5.83%
Police	1,702,975	8.27%
Fire	\$ 760,274	5.49%

The departments exceeded their respective budgetary allowances during fiscal year 2020, due mainly to personnel and retirement related costs and repairs and maintenance costs for vehicle maintenance, fuel, and building.

NOTE 20 – SUBSEQUENT EVENTS

The City has evaluated subsequent events through June 28, 2021, the date that the financial statements were issued.

Capital Lease Agreement – Police Vehicles and Fire Truck

The City entered into a 3-year capital lease arrangement with U.S. Bancorp for the purchase of police vehicles from the police department and a fire truck for the police department for a total principal amount of \$984,284 with the first principal and interest payment due in October 2020.

Capital Lease Agreement – Ambulance

The City entered into a 5-year capital lease arrangement with U.S. Bancorp for the purchase of an ambulance for the fire department for a total principal amount of \$671,870 with the first principal and interest payment due in October 2020.

Ocean Mall Redevelopment (OMRD) loan

In October 2020, the City and the CRA agreed to a third modification to the Loan Agreement between the City and CRA to change the date of the previously agreed to repayment schedule to begin payments in the CRA’s FY 2021 budget year. The CRA shall pay fifteen equal annual installments of \$674,641.40 each January 1st, commencing January 1, 2021 until the loan is paid in full.

Closure of Riviera Beach Police Pension Fund

In December 2020, the City approved Ordinance No. 4154 to amend the City's Code of Ordinances, Sections 41-1 through and including 14-8 of Chapter 14. On March 13, 2020, the Police Benevolent Association (PBA) Bargaining Unit members ratified the current three-year labor agreement. The parties bargained to close the Riviera Beach Police Pension Fund to new hires at acceptance into the Florida State Retirement System (FRS). On August 19, 2020, the Council, by Resolution 71-20, approved the enrollment of newly sworn police officers into the Florida Retirement System (FRS). The resolution required all police officers, hired after FRS enrollment, except those excluded by law, to participate in the Florida Retirement System as compulsory members. The Department of Management Services has provided an enrollment date of December 1, 2020. Florida is a divided vote referendum state, meaning two votes are required. The first vote is a by secret ballot. An affirmative vote of the majority of the eligible persons in the Retirement Plan and Trust for the police officers of the City of Rivera Beach must vote affirmatively in favor of the City joining the FRS. Following a favorable majority vote referendum, each eligible police officer will vote a second time. The second vote is not a secret ballot. The first vote occurred on April 30 and May 1, 2020. Eighty-one (81) members of the eligible one-hundred ten (110) members voted in the affirmative to join FRS. Each police officer will elect to transfer to the FRS or remain in Police Pension Fund. All police officers hired after December 1, 2020 will be members of the FRS with Social Security coverage.

Municipal CARES ACT Reimbursement Program

On March 27, 2020, the CARES Act was signed into law in response to the Novel Coronavirus Disease 2019 (COVID-19), in order to provide direct federal assistance to local governments with populations over 500,000. Palm Beach County (the County) received funds to assist with the COVID-19 public health emergency for eligible expenses incurred from March 1, 2020 to December 31, 2020. The County was authorized to enter into agreements to share a portion of the funding with each city and unincorporated areas of the county. On December 1, 2020, the interlocal agreement between the County and the City was executed providing for reimbursement of eligible City expenditures up to \$509,000.

THIS SPACE INTENTIONALLY LEFT BLANK.



REQUIRED SUPPLEMENTARY INFORMATION



GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For The Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Licenses and permits	\$ 53,889,122	\$ 53,889,122	\$ 53,869,037	\$ (20,085)
Taxes	4,668,304	4,668,304	6,093,727	1,425,423
Intergovernmental	3,970,896	3,970,896	3,807,927	(162,969)
Charges for services	12,080,406	12,080,406	11,709,817	(370,589)
Fines and forfeitures	270,641	270,641	466,054	195,413
Interest	575,000	575,000	941,565	366,565
Grants and contributions	592,240	689,740	538,230	(151,510)
Miscellaneous	598,877	598,877	401,515	(197,362)
Total revenues	<u>76,645,486</u>	<u>76,742,986</u>	<u>77,827,872</u>	<u>1,084,886</u>
Expenditures				
Current:				
General government	22,406,140	23,157,225	21,154,794	2,002,431
Public safety - inspections	1,031,532	740,102	507,261	232,841
Public safety - police	20,594,888	20,670,278	22,297,863	(1,627,585)
Public safety - fire	13,853,868	14,045,176	14,614,142	(568,966)
Transportation	1,842,101	1,929,910	1,700,880	229,030
Human services	959,840	994,758	1,038,134	(43,376)
Culture and recreation - parks	4,605,489	4,730,553	4,316,714	413,839
Culture and recreation - library	1,094,403	1,058,343	841,323	217,020
Total current	<u>66,388,261</u>	<u>67,326,345</u>	<u>66,471,111</u>	<u>855,234</u>
Capital outlay:				
Capital outlay	210,009	256,942	1,752,941	(1,495,999)
Total capital outlay	<u>210,009</u>	<u>256,942</u>	<u>1,752,941</u>	<u>(1,495,999)</u>
Total expenditures	<u>66,598,270</u>	<u>67,583,287</u>	<u>68,224,052</u>	<u>(640,765)</u>
Excess (deficiency) of revenues over expenditures	<u>10,047,216</u>	<u>9,159,699</u>	<u>9,603,820</u>	<u>444,121</u>
Other financing sources (uses)				
Capital lease	-	-	1,656,154	1,656,154
Transfers in	1,098,297	1,098,297	1,450,730	352,433
Transfers out	(11,145,513)	(11,270,513)	(11,160,142)	110,371
Total other financing sources (uses)	<u>(10,047,216)</u>	<u>(10,172,216)</u>	<u>(8,053,258)</u>	<u>2,118,958</u>
Net changes in fund balance	-	(1,012,517)	1,550,562	2,563,079
Fund balance - beginning	32,392,016	32,392,016	32,392,016	-
Fund balance - ending	<u>\$ 32,392,016</u>	<u>\$ 31,379,499</u>	<u>\$ 33,942,578</u>	<u>\$ 2,563,079</u>

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

Required Supplementary Information

September 30, 2020

RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA)
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Fiscal Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$ 8,727,676	\$ 8,727,676	\$ 8,717,479	\$ (10,197)
Charges for services	-	-	50,000	50,000
Interest	-	-	9,574	9,574
Miscellaneous	420,000	420,000	331,693	(88,307)
Total revenues	<u>9,147,676</u>	<u>9,147,676</u>	<u>9,108,746</u>	<u>(38,930)</u>
Expenditures				
Current:				
Economic environment	7,812,076	7,812,076	6,387,615	1,424,461
Total current	<u>7,812,076</u>	<u>7,812,076</u>	<u>6,387,615</u>	<u>1,424,461</u>
Debt service:				
Principal retirement	2,495,922	2,495,922	2,495,922	-
Interest	1,058,085	1,058,085	892,072	166,013
Total debt service	<u>3,554,007</u>	<u>3,554,007</u>	<u>3,387,994</u>	<u>166,013</u>
Capital outlay				
Capital outlay	2,990,322	2,990,322	80,901	2,909,421
Total capital outlay	<u>2,990,322</u>	<u>2,990,322</u>	<u>80,901</u>	<u>2,909,421</u>
Total expenditures	<u>14,356,405</u>	<u>14,356,405</u>	<u>9,856,510</u>	<u>4,499,895</u>
Excess (deficiency) of revenues over expenditures	<u>(5,208,729)</u>	<u>(5,208,729)</u>	<u>(747,764)</u>	<u>4,460,965</u>
Other financing sources (uses)				
Issuance of notes	-	-	29,635,000	29,635,000
Other financing use - refunded bonds	-	-	(22,024,098)	(22,024,098)
Carryover	5,208,729	5,208,729	-	(5,208,729)
Transfers in	2,228,172	2,228,172	11,037,426	8,809,254
Transfers out	(2,228,172)	(2,228,172)	(11,037,426)	(8,809,254)
Total other financing sources (uses)	<u>5,208,729</u>	<u>5,208,729</u>	<u>7,610,902</u>	<u>2,402,173</u>
Net change in fund balances	-	-	6,863,138	6,863,138
Fund balance - beginning	10,891,752	10,891,752	10,891,752	-
Fund balance - ending	<u>\$ 10,891,752</u>	<u>\$ 10,891,752</u>	<u>\$ 17,754,890</u>	<u>\$ 6,863,138</u>

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

Notes to the Budgetary Comparison Schedules

September 30, 2020

The budget is presented on a basis consistent with GAAP which for governmental funds uses the modified accrual method in which revenues are recorded when received or when they are both measurable and available to be used for current year liabilities. General government revenues and expenditures are controlled by an integrated financial accounting system. Annual budgets are legally adopted on a basis consistent with U.S. Generally Accepted Accounting Principles (GAAP) for the General, Debt Service, Special Revenue, and Capital Project Funds. Budgets in governmental funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance provides for the re-appropriation of year end encumbrances.

The City and CRA are legally required to adopt annual budgets prior to October 1 of each year. The legal level of budgetary control, is the level at which expenditures may not exceed the budget. Budget amendments which alter the original adopted budget must be approved by the Council.

The City Manager is authorized to transfer budgeted amounts within departments within any fund, however, any revisions that increase the total expenditures of any department or fund must be approved by the Council. The level of budgetary control, the level at which expenditures may not legally exceed appropriations, is at the department level. All necessary supplemental appropriations are adopted by the Council as part of a budget review process and are included in the "Final Budget" column on the schedule of revenues, expenditures, and changes in fund balance – budget and actual.

As of September 30, 2020, actual expenditures were below total budgeted appropriations.

Required Supplementary Information

September 30, 2020

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
General Employees' Retirement System
Last Six Fiscal Years
(unaudited)

Measurement year ended September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 1,858,286	\$ 1,898,614	\$ 1,893,098	\$ 2,247,865	\$ 2,501,084	\$ 2,257,243
Interest	7,566,267	7,546,445	7,255,022	7,081,497	7,077,437	6,902,113
Changes of benefit terms	-	-	-	-	(1,185,639)	-
Difference between expected and actual experience	(59,210)	(1,176,723)	(385,704)	507,890	725,132	537,982
Changes of assumptions	-	2,502,710	1,874,820	-	-	-
Benefit payments	(7,328,539)	(6,646,819)	(6,867,393)	(7,470,250)	(10,047,191)	(4,900,328)
Refunds	-	-	-	-	(103,879)	(155,661)
Net Change in Total Pension Liability	2,036,804	4,124,227	3,769,843	2,367,002	\$ (1,033,056)	4,641,349
Total Pension Liability - Beginning	106,168,292	102,044,065	98,274,222	95,907,220	96,940,276	92,298,927
Total Pension Liability - Ending (a)	\$108,205,096	\$106,168,292	\$ 102,044,065	\$ 98,274,222	\$ 95,907,220	\$ 96,940,276
Plan Fiduciary Net Position						
Contributions - Employer (from City and State)	1,700,118	-	1,580,757	3,681,009	36,283,028	4,843,648
Contributions - Members	456,579	445,297	472,473	497,901	618,751	534,435
Net investment income	7,427,007	12,643,965	12,436,989	12,011,458	2,232,802	6,555,653
Benefit payments	(7,328,539)	(6,646,819)	(6,867,393)	(7,470,250)	(10,047,191)	(4,900,328)
Refunds	-	-	-	-	(103,879)	(155,661)
Administrative expenses	(226,846)	(204,240)	(203,086)	(156,631)	(163,633)	(163,784)
Other	151,981	-	0	(126,418)	-	-
Net Change in Plan Fiduciary Net Position	2,180,300	6,238,203	7,419,740	8,437,069	28,819,878	6,713,963
Plan Fiduciary Net Position - Beginning	122,233,822	115,995,619	108,575,879	100,138,810	71,318,932	64,604,969
Plan Fiduciary Net Position - Ending (b)	124,414,122	122,233,822	115,995,619	108,575,879	100,138,810	71,318,932
Net Pension (Asset) Liability - Ending (a) - (b)	\$(16,209,026)	\$(16,065,530)	\$ (13,951,554)	\$(10,301,657)	\$ (4,231,590)	\$ 25,621,344
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	114.98%	115.13%	113.67%	110.48%	104.41%	73.57%
Covered Payroll	\$ 7,609,650	\$ 7,421,617	\$ 7,874,550	\$ 8,298,350	\$ 10,312,517	\$ 8,907,250
Net Pension Liability as a Percentage of Covered Payroll	(213.01%)	(216.47%)	(177.17%)	(124.14%)	(41.03%)	287.65%

Additional years will be displayed as they become available.

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
Police Pension Fund
Last Seven Fiscal Years
(unaudited)

Measurement year ended September 30,	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$2,048,359	\$ 1,582,633	\$ 1,625,734	\$ 1,508,383	\$ 1,373,828	\$ 1,244,109	\$ 1,193,728
Interest	5,472,281	5,567,654	5,354,468	5,059,070	4,945,789	4,860,129	4,623,653
Difference between expected and actual experience	8,836,602	(3,029,823)	1,753,100	229,071	509,736	457,243	-
Increase in DROP and share account liabilities	309,765	(421,083)	(413,099)	327,588	(1,560,756)	105,272	152,661
Changes of assumptions	(2,504,577)	(364,450)	(362,520)	1,576,450	1,636,347	-	-
Benefit payments	(4,535,754)	(5,014,020)	(5,076,933)	(4,394,044)	(6,351,580)	(4,621,754)	(4,660,119)
Refunds	(93,990)	(35,105)	(61,245)	(108,965)	(69,018)	(136,604)	(150,075)
Net Change in Total Pension Liability	9,532,686	(1,714,194)	2,819,505	4,197,553	484,346	1,908,395	1,159,848
Total Pension Liability - Beginning	74,254,443	75,968,637	73,149,132	68,951,579	68,467,233	66,558,838	65,398,990
Total Pension Liability - Ending (a)	\$83,787,129	\$ 74,254,443	\$ 75,968,637	\$ 73,149,132	\$ 68,951,579	\$ 68,467,233	\$ 66,558,838
Plan Fiduciary Net Position							
Contributions - Employer (from City and State)	1,420,127	1,496,271	1,330,676	1,313,085	1,197,938	14,782,134	2,478,785
Contributions - Members	801,676	751,995	614,932	560,436	498,883	456,248	405,708
Net investment income	9,167,092	2,309,276	7,256,060	8,024,553	5,442,481	689,800	5,841,858
Benefit payments	(4,535,754)	(5,014,020)	(5,076,933)	(4,394,044)	(6,351,580)	(4,621,754)	(4,660,119)
Refunds	(93,990)	(35,105)	(61,245)	(108,965)	(69,018)	(136,604)	(150,075)
Administrative expenses	(147,083)	(173,928)	(128,781)	(159,840)	(163,192)	(156,538)	(147,766)
Other	859	2,629	2,614	3,466	8,795	2,218	1,394
Net Change in Plan Fiduciary Net Position	6,612,927	(662,882)	3,937,323	5,238,691	564,307	11,015,504	3,769,785
Plan Fiduciary Net Position - Beginning	78,632,388	79,295,270	75,357,947	70,119,256	69,554,949	58,539,445	54,769,660
Plan Fiduciary Net Position - Ending (b)	85,245,315	78,632,388	79,295,270	75,357,947	70,119,256	69,554,949	58,539,445
Net Pension (Asset) Liability - Ending (a) - (b)	(1,458,186)	\$ (4,377,945)	\$ (3,326,633)	\$ (2,208,815)	\$ (1,167,677)	\$ (1,087,716)	\$ 8,019,393
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.74%	105.90%	104.38%	103.02%	101.69%	101.59%	87.95%
Covered Payroll	\$ 9,962,414	\$ 9,442,721	\$ 6,891,448	\$ 7,030,702	\$ 6,260,283	\$ 5,415,519	\$ 4,980,736
Net Pension Liability as a Percentage of Covered Payroll	(14.64%)	(46.36%)	(48.27%)	(31.42%)	(18.65%)	(20.09%)	161.01%

Additional years will be displayed as they become available.

Required Supplementary Information

September 30, 2020

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Firefighters' Pension Trust Fund

Last Six Fiscal Years

(unaudited)

Measurement year ended September 30,	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	\$ 1,953,700	\$ 1,910,217	\$ 2,072,763	\$ 2,007,441	\$ 1,697,839	\$ 1,705,915
Interest	5,537,667	5,417,506	5,266,621	5,164,884	4,855,614	4,757,527
Benefit changes	-	-	-	(1,232,998)	(64,553)	-
Difference between expected and actual experience	2,294,791	(1,631,206)	(1,176,733)	(256,457)	1,648,461	(909,130)
Increase in DROP and share account liabilities	830,559	816,095	805,243	1,305,722	1,737,554	-
Changes of assumptions	(4,004,040)	(3,752,449)	(3,718,306)	(4,846,547)	(4,596,421)	(4,353,458)
Benefit payments	-	-	(47,371)	(20,514)	(3,666)	-
Refunds	299,881	243,844	230,855	263,758	269,930	274,190
Net Change in Total Pension Liability	6,912,558	3,004,007	3,433,072	2,385,289	5,544,758	1,475,044
Total Pension Liability - Beginning	81,484,594	78,480,587	75,047,515	72,662,226	67,117,468	65,642,424
Total Pension Liability - Ending (a)	\$ 88,397,192	\$ 81,484,594	78,480,587	75,047,515	72,662,226	67,117,468
Plan Fiduciary Net Position						
Contributions - Employer (from City and State)	1,983,156	2,096,995	1,981,229	1,763,347	15,293,669	2,541,250
Contributions - Members	430,076	376,634	399,448	414,577	400,547	349,056
Net investment income	4,554,287	9,179,537	9,770,808	5,742,118	1,536,397	5,306,723
Benefit payments	(4,004,040)	(3,752,449)	(3,718,306)	(4,846,547)	(4,596,421)	(4,353,458)
Refunds	-	-	(47,371)	(20,514)	(3,666)	-
Administrative expenses	(111,125)	(124,296)	(113,852)	(125,298)	(117,514)	(101,092)
Net Change in Plan Fiduciary Net Position	2,852,354	7,776,421	8,271,956	2,927,683	12,513,012	3,742,479
Plan Fiduciary Net Position - Beginning	91,669,816	83,893,395	75,621,439	72,693,756	60,180,744	56,438,265
Plan Fiduciary Net Position - Ending (b)	94,522,170	91,669,816	83,893,395	75,621,439	72,693,756	60,180,744
Net Pension (Asset) Liability - Ending (a) - (b)	\$ (6,124,978)	\$ (10,185,222)	\$ (5,412,808)	\$ (573,924)	\$ (31,530)	\$ 6,936,724
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.93%	112.50%	106.90%	100.76%	100.04%	89.66%
Covered Payroll	\$ 5,315,261	\$ 4,657,792	\$ 4,944,856	\$ 5,212,098	\$ 5,022,618	\$ 4,379,691
Net Pension Liability as a Percentage of Covered Payroll	(115.23)%	(218.67)%	(109.46)%	(11.01)%	(0.63)%	158.38%

Additional years will be displayed as they become available.

SCHEDULE OF METHODS AND ASSUMPTIONS
Measurement Date September 30, 2020
 (unaudited)

Methods and Assumptions Used to Determine the Pension Contribution Rates:

General Employees' Retirement System

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	19 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	6.2% to 11.0% depending on service, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Regular Class members of the Florida Retirement System (FRS) in the July 1, 2017 actuarial valuation, as required under Florida Statutes, Chapter 112.63..

Police Pension Fund

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	Bases range from 9 to years as of September 30, 2018
Asset valuation method	5-year smoothed market
Wage Inflation	4.50%
Salary increases	5.60% to 8.60% including inflation
Investment rate of return	7.50%
Retirement age	Age-based table of rates that are specific to the type of eligibility condition.
Mortality	FRS mortality tables which use variations of the fully generational RP-2000 Mortality Tables with projection scale BB.

Firefighters' Pension Trust Fund

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Closed
Remaining amortization period	20%
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	7.50%
Investment rate of return	6.60%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for the Special Risk Class members of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63.

Required Supplementary Information

September 30, 2020

SCHEDULE OF CITY CONTRIBUTIONS
For the Last Seven Years
(unaudited)

Fiscal year ended September 30,	2020	2019	2018	2017	2016	2015	2014
General Employees' Retirement System							
Actuarially determined contribution	\$ 1,615,410	\$ 1,700,118	\$ 1,580,757	\$ 1,779,356	\$ 1,901,653	\$ 5,150,931	\$ 4,843,648
Contribution in relation to actuarially determined contribution	1,615,410	1,700,118	1,580,757	1,779,356	1,901,653	36,283,028	4,843,648
Contribution deficiency (excess)	-	-	-	-	-	(31,132,097)	-
Covered payroll	\$ 7,442,322	\$ 7,958,965	\$ 7,947,970	\$ 7,874,550	\$ 8,298,350	\$ 10,312,517	\$ 8,907,250
Actuarially determined contribution as % of covered payroll	21.71%	21.36%	19.89%	22.60%	22.92%	49.95%	54.38%
Contribution as % of covered payroll	21.71%	21.36%	19.89%	22.60%	22.92%	351.83%	54.38%
Police Pension Fund							
Actuarially determined contribution	\$ 1,097,591	\$ 1,173,745	\$ 1,059,111	\$ 1,057,175	\$ 966,436	\$ 2,135,653	\$ 2,340,959
Contribution in relation to actuarially determined contribution	1,097,591	1,173,745	1,059,111	1,057,175	966,436	14,561,471	2,340,959
Contribution deficiency (excess)	-	-	-	-	-	(12,425,818)	-
Covered payroll	\$ 9,962,414	\$ 9,120,000	\$ 6,808,000	\$ 7,030,702	\$ 6,260,283	\$ 5,415,519	\$ 4,980,736
Actuarially determined contribution as % of covered payroll	11.02%	12.87%	15.56%	15.04%	15.44%	39.44%	47.00%
Contribution as % of covered payroll	11.02%	12.87%	15.56%	15.04%	15.44%	268.88%	47.00%
Firefighters' Pension Trust Fund							
Actuarially determined contribution	\$ 1,725,737	\$ 1,683,275	\$ 1,853,151	\$ 1,750,374	\$ 1,499,589	\$ 2,491,591	\$ 2,267,060
Contribution in relation to actuarially determined contribution	1,725,737	1,683,275	1,853,151	1,750,374	1,499,589	15,023,739	2,267,060
Contribution deficiency (excess)	-	-	-	-	-	(12,532,148)	-
Covered payroll	\$ 4,879,809	\$ 4,860,470	\$ 5,332,052	\$ 5,039,947	\$ 4,361,506	\$ 4,463,814	\$ 4,217,167
Actuarially determined contribution as % of covered payroll	35.36%	34.63%	34.75%	34.73%	34.38%	55.82%	53.76%
Contribution as % of covered payroll	35.36%	34.63%	34.75%	34.73%	34.38%	336.57%	53.76%

Additional years will be displayed as they become available.

SCHEDULE OF INVESTMENT RETURNS
For the Last Seven Fiscal Years
 (unaudited)

Fiscal year ended September 30,	2020	2019	2018	2017	2016	2015	2014
General Employees' Retirement System							
Annual money-weighted rate of return, net of investment expenses	3.71%	6.41%	11.23%	11.91%	12.20%	N/A	N/A
Police Pension Fund							
Annual money-weighted rate of return, net of investment expenses	11.51%	2.75%	9.58%	11.41%	7.86%	7.50%	7.50%
Firefighters' Pension Trust Fund							
Annual money-weighted rate of return, net of investment expenses	7.20%	5.40%	11.30%	13.40%	8.70%	3.20%	10.10%

Additional years will be displayed as they become available.

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Florida Retirement System (FRS) Pension Plan
Last Six Fiscal Years
(unaudited)

Measurement date June 30:	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.03236234%	0.02810595%	0.02513408%	0.02090000%	0.01520000%	0.00060000%
City's proportionate share of the net pension liability	\$ 14,026,317	\$ 9,679,299	\$ 7,570,514	\$ 6,168,995	\$ 3,834,639	\$ 72,605
City's covered payroll	8,586,627	7,823,331	6,708,579	5,353,145	4,495,370	1,125,705
City's proportionate share of the net pension liability as a % of the City's covered payroll	163.35%	123.72%	112.85%	115.24%	85.30%	6.45%
HIS Plan fiduciary net pension as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

The amounts presented for each fiscal year were determined as of June 30. The City implemented FRS in June 2015, therefore, amounts are not presented for years prior to fiscal year 2015. Additional years will be displayed as they become available.

Notes to Schedule:

Actuarial valuation date	July 1, 2020
Actuarial measurement date	June 30, 2020
Actuarial methods and assumptions used to determine contribution rates	
Discount rate - 2020	6.90%
Discount rate - 2019	6.90%
Discount rate - 2018	7.00%
Discount rate - 2017	7.10%
Discount rate - 2016	7.60%
Discount rate - 2015	7.65%
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	30 years
Assumption, method and plan changes	30 years
Asset valuation method	5-year smoothed
Inflation, per year	2.40%
Salary increases (with inflation), per year	3.25%
Long-term expected rate of return (net of expenses, with inflation), per year	
2020	7.00%
2019	7.20%
2015 through 2018	7.00%
Payroll growth	3.25%
Cost of living adjustments	3.0% pre-July 2011; 0% thereafter
Retirement age	Varies by tier and member class
Mortality	RP-2000 Mortality Table Scale BB
2019	Mortality Table Scale MP-2018
2015 through 2018	RP-2000 Mortality Table Scale BB

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Florida Retiree Health Insurance (HIS) Subsidy Trust Fund
Last Six Fiscal Years
(unaudited)

Measurement date June 30:	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.032660%	0.028465%	0.022910%	0.01900%	0.01510%	0.00010%
City's proportionate share of the net pension liability	\$ 3,987,757	\$ 3,184,842	\$ 2,424,781	\$ 2,027,036	\$ 1,762,993	\$ 11,080
City's covered payroll	8,586,627	7,823,331	6,708,579	5,353,145	4,495,370	1,125,705
City's proportionate share of the net pension liability as a % of the City's covered payroll	46.44%	40.71%	36.14%	37.87%	39.22%	0.98%
HIS Plan fiduciary net pension as a percentage of the total pension liability	3.00%	2.63%	2.15%	1.64%	0.02%	0.00%

The amounts presented for each fiscal year were determined as of June 30. The City implemented FRS in June 2015, therefore, amounts are not presented for years prior to fiscal year 2015. Additional years will be displayed as they become available.

Notes to Schedule:

Actuarial valuation date	July 1, 2018
Actuarial measurement date	June 30, 2019
Actuarial methods and assumptions used to determine contribution rates	
Discount rate - 2020	3.50%
Discount rate - 2019	3.50%
Discount rate - 2018	3.87%
Discount rate - 2017	3.58%
Discount rate - 2016	2.85%
Discount rate - 2015	3.80%
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Closed
Amortization period:	
Gains and losses	15 years
Assumption, method and plan changes	15 years
Asset valuation method	Fair Market Value
Inflation, per year	2.60%
Salary increases (with inflation), per year	3.25%
Long-term expected rate of return (net of expenses, with inflation), per year	N/A
Payroll growth	3.25%
Cost of living adjustments	N/A
Retirement age	N/A
Mortality	RP-2000 Mortality Table Scale BB

Required Supplementary Information

September 30, 2020

SCHEDULE OF THE CITY'S CONTRIBUTIONS
Florida Retirement System FRS and His Plans
Last Six Fiscal Years
(unaudited)

Fiscal year ended September 30,	2020	2019	2018	2017	2016	2015
FRS Pension Plan						
Contractually required contribution	\$ 1,019,839	\$ 833,803	\$ 696,711	\$ 553,554	\$ 370,350	\$ 13,705
Contribution in relation to the contractually required contribution	1,019,839	833,803	696,711	553,554	370,350	13,705
Contribution deficiency (excess)	-	-	-	-	-	-
Covered payroll	\$ 8,586,627	\$ 7,823,331	\$ 6,698,579	\$ 5,353,145	\$ 6,260,283	\$ 5,415,519
Contribution as a % of covered payroll	11.88%	10.66%	10.40%	10.34%	5.92%	0.25%
HIS Plan						
Contractually required contribution	142,538	\$ 129,867	\$ 111,196	\$ 88,862	\$ 77,536	\$ 415
Contribution in relation to the contractually required contribution	142,538	129,867	111,196	88,862	77,536	415
Contribution deficiency (excess)	-	-	-	-	155,072	830
Covered payroll	\$ 8,586,627	\$ 7,823,331	\$ 6,698,579	\$ 5,353,145	\$ 6,260,283	\$ 5,415,519
Contribution as a % of covered payroll	1.66%	1.66%	1.66%	1.66%	1.24%	0.01%

Additional years will be displayed as they become available.

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Three Fiscal Years
(unaudited)

Measurement year ended September 30,	2020	2019	2018
Total OPEB liability			
Service cost	\$ 684,727	\$ 690,285	\$ 708,908
Interest	201,088	166,057	131,841
Experience losses (gains)	323,877	-	-
Changes of assumptions	(40,539)	(145,286)	(149,722)
Benefit payments	(212,465)	(197,950)	(201,000)
Net change in total OPEB liability	956,688	513,106	490,027
Total OPEB liability - Beginning of year	5,356,572	4,843,466	4,353,439
Total OPEB liability - End of year	6,313,260	5,356,572	4,843,466
Plan Fiduciary Net Position			
Contributions - Employer	212,465	197,950	201,000
Benefit payments	(212,465)	(197,950)	(201,000)
Administrative expenses	-	-	-
Net change in Fiduciary Net Position	-	-	-
Fiduciary Net Position - Beginning of year	-	-	-
Fiduciary Net Position - End of year	\$ -	\$ -	\$ -
Net OPEB Liability - End of year	-	-	-
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%
Covered Payroll (1)	-	-	-
Net OPEB Liability as a % of Payroll	0.00%	0.00%	0.00%
Expected Average Remaining Service Years for all participants	7	7	7

Notes to Schedule:

Valuation date	September 30, 2020	September 30, 2019	September 30, 2018
Valuation date	September 30, 2019	September 30, 2018	September 30, 2017
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll
Asset valuation method			
Actuarial assumptions:			
Inflation rate	2.50%	2.40%	2.40%
Discount rate	2.75%	3.50%	3.83%
Payroll growth	3%	3%	3%
Healthcare cost trend rates			
Medical			
Select rates	4.70% for 2020 to 5.20% for 2024	5.40% for 2019 to 5.19% 2025	5.5% for 2018 to 5.19% for 2024
Ultimate rates	5%	5%	5%

Information prior to adoption of GASB Statement No. 75 in fiscal year 2018 is not available.

The plan is funded on a pay-as-you-go basis and is not administered by a formal trust. There were no plan assets as of the date of the most recent valuation. Since there is 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 general obligation municipal bonds with an average rating of AA/Aa or higher.

(1) Since this OPEB plan does not depend on salaries, there is no salary information.



OTHER SUPPLEMENTARY INFORMATION







COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES





NONMAJOR GOVERNMENTAL FUNDS



Combining and Invididual Fund Financial Statements and Schedules

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

SAFER Fund - This fund accounts for the revenues received from Department of Homeland Security. The Staffing for Adequate Emergency Grant (SAFER) is used to provide funding directly to the fire department to help increase or maintain the number of trained, "front line" firefighters in the community.

Community Development Block Grant (CDBG) Fund - This fund accounts for the revenues received from the Department of Housing and Urban Development. The revenue is restricted to accomplishing the goals of the CDBG program to address needs such as infrastructure, economic development projects, and public services.

Edward Byrne Memorial Justice Assistance Fund - This fund accounts for the revenues received from the Department of Justice, Office of Justice Programs. The revenue is restricted to be used for the provision of additional personnel, equipment, supplies, support, and training for law enforcement programs.

Bulletproof Vest Program Fund - This fund accounts for the revenues received from the Department of Justice, Office of Justice Programs. The revenue is restricted to be used for "uniquely fitted vests" protective armor vests.

VOCA Fund - This fund accounts for the revenues received from the Department of Justice, Office of Justice Programs. The revenue is restricted to be used for funding crisis response services, crisis intervention, and assisting investigators that focus on areas of homicide, domestic violence, child deaths, and elderly victimization.

Dan Callaway Grant Fund - This fund accounts for the revenues received from the Florida Energy Office for the athletic field lighting systems and revenues received from the Florida Department of Environmental Protection Land and Water Conservation Fund Program (LWCF) for the renovation of Dan Callaway recreational facility.

Asset Forfeiture Fund - This fund accounts for assets that are seized and forfeited in the course of law enforcement activities.

FDEP Beach Access Fund - This fund accounts for the revenues received from the Florida Department of Environmental Protection (FDEP). This program provides funding for beach access to renovate beach access facilities, public picnic facility, waterfront access trails, restrooms, installation of new playground, new signage, and landscaping.

FEMA Port Security Fund - This fund accounts for the revenues received from the Department of Homeland Security, Federal Emergency Management Agency (FEMA). This revenue is restricted to provide technology, equipment and training, to support the Port's protective measures as identified within the Facility Security Plan.

LSTA Library Fund - This fund accounts for the revenues received through the Library Services and Technology Act (LSTA). This is a state-based program designed to focus on information access through technology and information empowerment through special services.

SMART OJT Fund - This fund accounts for the revenues received through the Edward Byrne Memorial Justice Assistance Grant program. The revenue is restricted to be used for the purpose of providing ex-offender reentry services in order to reduce recidivism, rebuild ties between offenders and their families, protect the public, assist offenders in establishing a self-sustaining life, and support evidence-based practices.

Library State Fund - This fund accounts for the revenues received from the State for the general operation and maintenance of the City's library

FDEP Fund - This fund accounts for the revenues received from Florida Department of Environmental Protection (FDEP) to assist with the capital improvement needs for Avenue O canal.

Palm Beach County Manatee Fund - This fund accounts for the revenues received from Palm Beach County. This revenue is restricted for the funding for police officers to provide additional marine law enforcement services within estuarine waters during manatee season from November 15th to the following March 31st.

Beautification Fund - This fund accounts for the revenues received from developers for beautification projects throughout the City.

Prepare and Reentry Fund - This fund accounts for revenues received from Palm Beach County, Criminal Justice Commission. This revenue is restricted to provide services primarily to ex-offenders returning to the northern region of Palm Beach County.

Palm Beach County (PBC) 911 Fund - This fund accounts for revenues received from Palm Beach County to provide certain communications dispatch personnel costs, overtime, operating supplies, training, and equipment.

Civil Drug Court Fund - This fund accounts for revenues received from the Palm Beach County Criminal Justice Commission. This revenue is restricted to provide services and programs through the Riviera Beach Civil Drug Court to prevent and reduce crimes associated with drug use and abuse.

Department of Juvenile Justice Fund - This fund accounts for revenues received from the Palm Beach County Criminal Justice Commission which provides activities and services to youth ages 13 to 18, including after-school programs and activities, tutoring, mentoring, job training, gang prevention outreach, parenting classes, employment services, Safe School Programs, and transportation.

Major Disaster Trust Fund - This fund accounts for revenues received from the General Fund which represents 1.5% of the property taxes collected on an annual basis. This revenue is restricted for activities related to disasters as authorized by Council.

Library Local Grant Fund - This fund accounts for revenues received to provide funding for Black History program.

Advanced Police Training Program Fund - This fund accounts for revenues collected pursuant to Florida Statutes, Sections 318.18 (11d) and 938.15, Palm Beach County Clerk and Comptroller collects \$2.00 court costs for certain Florida Uniform Traffic citations issued within the city limits of Riviera Beach and remits the funds collected to the City which can only be used for criminal justice training.

DEBT SERVICE FUND

The debt service fund is used to account for resources that are restricted, committed or assigned to payment of principal, interest and other expenditures on general long-term debt, other than bonds payable from the operations of the enterprise funds.

Debt Service Fund - This fund accounts for principal and interest payments of the City's outstanding bonds and capital leases.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by enterprise operations.

Local Gas Tax Fund - This fund accounts for revenue received from the State of Florida, which collects and remits to the City a portion, based on City population, of the Local Option Sixth Cent Fuel Tax from the sale of gasoline in Palm Beach County. The revenue is restricted to use for road and street improvements.

Paving and Drainage Fund - This fund accounts for revenues to assist in the repair of paving and drainage systems throughout the City.

Impact Fees Fund - This fund accounts for the collection of impact fees to pay for system improvements for fire, police, parks and recreation, library, streets, and public buildings.

Water and Sewer Impact Fees Fund - This fund accounts for portion of the water and sewer impact fees collected by the Utility Special District as stipulated by the 2004 Asset Purchase Agreement between the City and USD.

Capital Projects Fund - This fund accounts for various capital projects not accounted for in a separate fund. Projects include improvements to various parks, renovations to City buildings, and various landscaping throughout the City.

Pay as you go Fund - This fund accounts for revenues derived from the additional property tax revenues received by the City from the FPL power plant improvements. Funds are transferred from the General Fund to a Capital Projects Fund and are used to finance capital improvement projects as opposed to incurring debt to pay for capital projects.

One-Cent Local Sales Surtax Fund - This fund accounts for revenues derived from the voter approved one-cent sales surtax program which are earmarked for various infrastructure capital projects such as roads, bridges, facilities, and buildings.

COMBINING GOVERNMENTAL BALANCE SHEET
Nonmajor Governmental Funds
Summary by Fund Type
September 30, 2020

	Debt Service Funds	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 226,247	\$ 7,566,832	\$ 8,972,658	\$ 16,765,737
Cash and cash equivalents - Restricted	-	-	7,533,309	7,533,309
Receivables, net	-	2,983,220	41,468	3,024,688
Total assets	226,247	10,550,052	16,547,435	27,323,734
Liabilities				
Accounts payable	-	24,785	306,797	331,582
Unearned revenue	-	74,655	-	74,655
Due to other funds	-	1,368,275	-	1,368,275
Other liabilities	-	350,000	-	350,000
Total liabilities	-	1,817,715	306,797	2,124,512
Deferred inflows of resources				
Unavailable revenues	-	1,551,838	-	1,551,838
Total deferred inflow of resources	-	1,551,838	-	1,551,838
Total liabilities and deferred inflows of resources	-	3,369,553	306,797	3,676,350
Fund Balances (Deficits)				
Restricted	226,247	5,430,711	16,240,638	21,897,596
Committed	-	1,753,327	-	1,753,327
Unassigned	-	(3,539)	-	(3,539)
Total fund balances (deficits)	\$ 226,247	\$ 7,180,499	\$ 16,240,638	\$ 23,647,384
Total liabilities and fund balances (deficits)	\$ 226,247	\$ 10,550,052	\$ 16,547,435	\$ 27,323,734

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended September 30, 2020

	Debt Service Funds	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ -	\$ -	\$ 2,678,082	\$ 2,678,082
Licenses and permits	-	-	851,287	851,287
Fines and forfeitures	-	6,079	-	6,079
Interest	95,505	7,741	444,661	547,907
Grants and contributions	-	2,283,769	-	2,283,769
Miscellaneous	-	1,250	60	1,310
Total revenues	95,505	2,298,839	3,974,090	6,368,434
Expenditures				
Current:				
General government	-	617,645	(67,864)	549,781
Public safety	-	592,640	137,758	730,398
Human services	-	538,143	-	538,143
Culture and recreation	-	7,262	-	7,262
Debt service:				
Principal retirement	3,259,591	-	-	3,259,591
Interest	3,206,335	-	-	3,206,335
Capital outlay:				
Capital outlay	-	630,197	8,225,045	8,855,242
Total expenditures	6,465,926	2,385,887	8,294,939	17,146,752
Excess (deficiency) of revenues over expenditures	(6,370,421)	(87,048)	(4,320,849)	(10,778,318)
Other Financing Sources (Uses)				
Transfers in	6,465,932	694,210	4,000,000	11,160,142
Transfers out	-	(352,433)	-	(352,433)
Total other financing sources (uses)	6,465,932	341,777	4,000,000	10,807,709
Net change in fund balances	95,511	254,729	(320,849)	29,391
Fund balances - beginning	130,736	6,925,770	16,561,487	23,617,993
Fund balances - ending	\$ 226,247	\$ 7,180,499	\$ 16,240,638	\$ 23,647,384

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

COMBINING BALANCE SHEET
Nonmajor Special Revenue Funds
September 30, 2020

	Safer Grant	Community Development Block Grant	Edward Byrne Justice Grant	Bulletproof Vest Program	VOCA Grant	Dan Calloway Grant	Asset Forfeiture Program	FDEP Beach Access	VOCA Grant
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,836	\$ -	\$ -
Receivables, net	667,699	190,664	130,287	5,356	-	63,500	-	134,090	37,729
Total assets	<u>\$ 667,699</u>	<u>\$ 190,664</u>	<u>\$ 130,287</u>	<u>\$ 5,356</u>	<u>\$ -</u>	<u>\$ 63,500</u>	<u>\$ 62,836</u>	<u>\$ 134,090</u>	<u>\$ 37,729</u>
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other funds	666,168	190,664	107,961	3,280	-	63,500	-	134,090	37,729
Other liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	<u>666,168</u>	<u>190,664</u>	<u>107,961</u>	<u>3,280</u>	<u>-</u>	<u>63,500</u>	<u>-</u>	<u>134,090</u>	<u>37,729</u>
Deferred inflows of resources									
Unavailable revenues	-	-	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>666,168</u>	<u>190,664</u>	<u>107,961</u>	<u>3,280</u>	<u>-</u>	<u>63,500</u>	<u>-</u>	<u>134,090</u>	<u>37,729</u>
Fund balances (deficits)									
Restricted	-	-	-	-	-	-	-	-	-
Committed	1,532	-	22,326	2,076	-	-	62,836	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>\$ 1,532</u>	<u>\$ -</u>	<u>\$ 22,326</u>	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,836</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	<u>\$ 667,700</u>	<u>\$ 190,664</u>	<u>\$ 130,287</u>	<u>\$ 5,356</u>	<u>\$ -</u>	<u>\$ 63,500</u>	<u>\$ 62,836</u>	<u>\$ 134,090</u>	<u>\$ 37,729</u>

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

COMBINING BALANCE SHEET
Nonmajor Special Revenue Funds
September 30, 2020

	Smart OJT Program	Smart OJT Program	Library State Grant	FL Dept. of Env. Protection	PBC Manatee Grant	Contributions and Donations	Prepare & Reentry Service	PBC 911	Civil Drug Court Grant
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ 62,680	\$ -	\$ 13,248	\$ 1,810,193	\$ 505	\$ 161,198	\$ -
Receivables, net	-	54,066	-	-	-	-	-	-	-
Total assets	\$ -	\$ 54,066	\$ 62,680	\$ -	\$ 13,248	\$ 1,810,193	\$ 505	\$ 161,198	\$ -
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,812	\$ -	\$ 505	\$ -	\$ -
Unearned revenue	-	-	60,204	-	11,101	-	-	3,350	-
Due to other funds	-	54,066	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	350,000	-	-	-
Total liabilities	-	54,066	60,204	-	12,913	350,000	505	3,350	-
Deferred inflows of resources									
Unavailable revenues	-	-	-	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	54,066	60,204	-	12,913	350,000	505	3,350	-
Fund balances (deficits)									
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	2,475	-	335	1,460,193	-	157,848	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances (deficits)	\$ -	\$ -	\$ 2,475	\$ -	\$ 335	\$ 1,460,193	\$ -	\$ 157,848	\$ -
Total liabilities and fund balances (deficits)	\$ -	\$ 54,066	\$ 62,679	\$ -	\$ 13,248	\$ 1,810,193	\$ 505	\$ 161,198	\$ -

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

COMBINING BALANCE SHEET
Nonmajor Special Revenue Funds
September 30, 2020

	Dept. of Juvenile Justice Grant	Major Disaster	Library Local Grant	Prepare & Reentry Srv	Civil Drug Court	Dept of Juvenile Justice	Advanced Police Training	Disaster Relief	Total Nonmajor Special Revenue Funds
Assets									
Cash and cash equivalents	\$ 2,461	\$ 5,448,038	\$ -	\$ -	\$ -	\$ -	\$ 5,673	\$ -	\$ 7,566,832
Receivables, net	-	1,551,838	-	68,340	40,463	38,609	580	-	2,983,221
Total assets	<u>\$ 2,461</u>	<u>\$ 6,999,876</u>	<u>\$ -</u>	<u>\$ 68,340</u>	<u>\$ 40,463</u>	<u>\$ 38,609</u>	<u>\$ 6,253</u>	<u>\$ -</u>	<u>\$ 10,550,053</u>
Liabilities									
Accounts payable	\$ 2,461	\$ 17,327	\$ -	\$ -	\$ 1,530	\$ 1,151	\$ -	\$ -	\$ 24,786
Unearned revenue	-	-	-	-	-	-	-	-	74,655
Due to other funds	-	-	-	68,340	42,472	6	-	-	1,368,276
Other liabilities	-	-	-	-	-	-	-	-	350,000
Total liabilities	<u>2,461</u>	<u>17,327</u>	<u>-</u>	<u>68,340</u>	<u>44,002</u>	<u>1,157</u>	<u>-</u>	<u>-</u>	<u>1,817,717</u>
Deferred inflows of resources									
Unavailable revenues	-	1,551,838	-	-	-	-	-	-	1,551,838
Total deferred inflow of resources	<u>-</u>	<u>1,551,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,551,838</u>
Total liabilities and deferred inflows of resources	<u>2,461</u>	<u>1,569,165</u>	<u>-</u>	<u>68,340</u>	<u>44,002</u>	<u>1,157</u>	<u>-</u>	<u>-</u>	<u>3,369,555</u>
Fund balances (deficits)									
Restricted	-	5,430,711	-	-	-	-	-	-	5,430,711
Committed	-	-	-	-	-	37,453	6,253	-	1,753,327
Unassigned	-	-	-	-	(3,539)	-	-	-	(3,539)
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ 5,430,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,539)</u>	<u>\$ 37,453</u>	<u>\$ 6,253</u>	<u>\$ -</u>	<u>\$ 7,180,499</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,461</u>	<u>\$ 6,999,876</u>	<u>\$ -</u>	<u>\$ 68,340</u>	<u>\$ 40,463</u>	<u>\$ 38,610</u>	<u>\$ 6,253</u>	<u>\$ -</u>	<u>\$ 10,550,054</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2020

	Safer Grant	Community Development Block Grant	Edward Byrne Justice Grant	Bulletproof Vest Program	VOCA Grant	Dan Calloway Grant	Asset Forfeiture Program	FDEP Beach Access	VOCA Grant
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	1,989	-	-
Grants and contributions	315,218	262,295	97,376	13,908	-	313,500	-	54,402	117,507
Miscellaneous	-	1,250	-	-	-	-	-	-	-
Total revenues	<u>315,218</u>	<u>263,545</u>	<u>97,376</u>	<u>13,908</u>	<u>-</u>	<u>313,500</u>	<u>1,989</u>	<u>54,402</u>	<u>117,507</u>
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	315,218	-	97,376	13,908	59	-	9,858	-	117,507
Human services	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Capital outlay:									
Capital outlay	-	262,295	-	-	-	313,500	-	54,402	-
Total expenditures	<u>315,218</u>	<u>262,295</u>	<u>97,376</u>	<u>13,908</u>	<u>59</u>	<u>313,500</u>	<u>9,858</u>	<u>54,402</u>	<u>117,507</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>(59)</u>	<u>-</u>	<u>(7,869)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	1,250	-	-	(59)	-	(7,869)	-	-
Fund balances - beginning	1,532	(1,250)	22,326	2,076	59	-	70,705	-	-
Fund balances - ending	<u>\$ 1,532</u>	<u>\$ -</u>	<u>\$ 22,326</u>	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,836</u>	<u>\$ -</u>	<u>\$ -</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2020

	Smart OJT Program	Smart OJT Program	Library State Grant	FL Dept. of Env. Protection	PBC Manatee Grant	Contributions and Donations	Prepare & Reentry Service	PBC 911	Civil Drug Court Grant
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Interest	-	-	1,186	4,057	335	-	-	-	-
Grants and contributions	(14,629)	106,220	386	-	12,929	-	(25,738)	4,859	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>(14,629)</u>	<u>106,220</u>	<u>1,572</u>	<u>4,057</u>	<u>13,264</u>	<u>-</u>	<u>(25,738)</u>	<u>4,859</u>	<u>-</u>
Expenditures									
Current:									
General government	-	-	-	-	-	100,000	-	-	-
Public safety	-	-	-	-	12,929	-	-	25,785	-
Human services	-	106,220	-	-	-	-	(375)	-	-
Culture and recreation	-	-	386	-	-	-	-	-	-
Debt service:									
Capital outlay:									
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>106,220</u>	<u>386</u>	<u>-</u>	<u>12,929</u>	<u>100,000</u>	<u>(375)</u>	<u>25,785</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(14,629)</u>	<u>-</u>	<u>1,186</u>	<u>4,057</u>	<u>335</u>	<u>(100,000)</u>	<u>(25,363)</u>	<u>(20,926)</u>	<u>-</u>
Other financing sources (uses)									
Transfers in	14,629	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(403)	-	(4,482)
Total other financing sources (uses)	<u>14,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(403)</u>	<u>-</u>	<u>(4,482)</u>
Net change in fund balances	-	-	1,186	4,057	335	(100,000)	(25,766)	(20,926)	(4,482)
Fund balances - beginning	-	-	1,289	(4,057)	-	1,560,193	25,766	178,774	4,482
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,475</u>	<u>\$ -</u>	<u>\$ 335</u>	<u>\$ 1,460,193</u>	<u>\$ -</u>	<u>\$ 157,848</u>	<u>\$ -</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Special Revenue Funds
For the Year Ended September 30, 2020

	Dept. of Juvenile Justice Grant	Major Disaster	Library Local Grant	Prepare & Reentry Srv	Civil Drug Court	Dept of Juvenile Justice	Advanced Police Training	Disaster Relief	Total Nonmajor Special Revenue Funds
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	6,078	-	6,078
Interest	-	-	-	-	-	-	175	-	7,742
Grants and contributions	(3,366)	555,814	6,876	230,448	98,606	137,157	-	-	2,283,768
Miscellaneous	-	-	-	-	-	-	-	-	1,250
Total revenues	(3,366)	555,814	6,876	230,448	98,606	137,157	6,253	-	2,298,838
Expenditures									
Current:									
General government	-	517,645	-	-	-	-	-	-	617,645
Public safety	-	-	-	-	-	-	-	-	592,640
Human services	-	-	-	230,448	102,145	99,704	-	-	538,142
Culture and recreation	-	-	6,876	-	-	-	-	-	7,262
Debt service:									
Capital outlay:									
Capital outlay	-	-	-	-	-	-	-	-	630,197
Total expenditures	-	517,645	6,876	230,448	102,145	99,704	-	-	2,385,886
Excess (deficiency) of revenues over expenditures	(3,366)	38,169	-	-	(3,539)	37,453	6,253	-	(87,048)
Other financing sources (uses)									
Transfers in	-	679,581	-	-	-	-	-	-	694,210
Transfers out	(347,548)	-	-	-	-	-	-	-	(352,433)
Total other financing sources (uses)	(347,548)	679,581	-	-	-	-	-	-	341,777
Net change in fund balances	(350,914)	717,750	-	-	(3,539)	37,453	6,253	-	254,729
Fund balances - beginning	350,914	4,712,961	-	-	-	-	-	-	6,925,770
Fund balances - ending	\$ -	\$5,430,711	\$ -	\$ -	\$ (3,539)	\$ 37,453	\$ 6,253	\$ -	\$ 7,180,499

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

COMBINING BALANCE SHEET
Nonmajor Capital Projects Funds
 September 30, 2020

	Local Gas Tax	Paving & Drainage	Impact Fees	Water and Sewer Impact Fees	Contributions	Pay As You Go	One Cent Sales Surtax	Total Nonmajor Capital Projects Funds
Assets								
Cash and cash equivalents	\$ 787,101	\$ 59,556	\$ 1,151,753	\$ 1,157,797	\$ 242,668	\$ 4,089,900	\$ 1,483,881	\$ 8,972,656
Cash and cash equivalents-restricted	-	-	-	-	-	-	7,533,309	7,533,309
Receivables, net	18,293	23,176	-	-	-	-	-	41,469
Total assets	\$ 805,394	\$ 82,732	\$ 1,151,753	\$ 1,157,797	\$ 242,668	\$ 4,089,900	\$ 9,017,190	\$ 16,547,434
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 15,390	\$ -	\$ 291,407	\$ -	\$ 306,797
Total liabilities	-	-	-	15,390	-	291,407	-	306,797
Deferred inflow of resources								
Total deferred inflow of resources	-	-	-	-	-	-	-	-
Total liabilities and deferred inflow of resources	-	-	-	15,390	-	291,407	-	306,797
Fund balances (deficits)								
Restricted	805,394	82,732	1,151,753	1,142,407	242,668	3,798,493	9,017,190	16,240,637
Total fund balances (deficits)	\$ 805,394	\$ 82,732	\$ 1,151,753	\$ 1,142,407	\$ 242,668	\$ 3,798,493	\$ 9,017,190	\$ 16,240,637
Total liabilities and fund balances (deficits)	\$ 805,394	\$ 82,732	\$ 1,151,753	\$ 1,157,797	\$ 242,668	\$ 4,089,900	\$ 9,017,190	\$ 16,547,434

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Capital Projects Funds
For the Year Ended September 30, 2020

	Local Gas Tax	Paving & Drainage	Impact Fees	Water and Sewer Impact Fees	Capital Contributions	Pay As You Go	One Cent Sales Surtax	Total Nonmajor Capital Projects Funds
Revenues								
Taxes	\$ 224,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,453,144	\$ 2,678,083
Licenses and permits	-	-	623,848	227,438	-	-	-	851,286
Interest	21,852	1,707	20,348	40,138	19,199	249,608	91,807	444,659
Miscellaneous	-	-	-	-	-	60	-	60
Total revenues	<u>246,791</u>	<u>1,707</u>	<u>644,196</u>	<u>267,576</u>	<u>19,199</u>	<u>249,668</u>	<u>2,544,951</u>	<u>3,974,088</u>
Expenditures								
Current:								
General government	-	-	-	(67,864)	-	-	-	(67,864)
Public safety	-	-	-	-	-	137,758	-	137,758
Debt Service:								
Capital outlay:								
Capital outlay	169,087	-	46,746	557,607	1,219,623	6,231,982	-	8,225,045
Total expenditures	<u>169,087</u>	<u>-</u>	<u>46,746</u>	<u>489,743</u>	<u>1,219,623</u>	<u>6,369,740</u>	<u>-</u>	<u>8,294,939</u>
Excess (deficiency) of revenues over expenditures	<u>77,704</u>	<u>1,707</u>	<u>597,450</u>	<u>(222,167)</u>	<u>(1,200,424)</u>	<u>(6,120,072)</u>	<u>2,544,951</u>	<u>(4,320,851)</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	-	4,000,000	-	4,000,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>
Net change in fund balances	77,704	1,707	597,450	(222,167)	(1,200,424)	(2,120,072)	2,544,951	(320,851)
Fund balances - beginning	727,690	81,025	554,303	1,364,574	1,443,092	5,918,565	6,472,239	16,561,488
Fund balances - ending	<u>\$ 805,394</u>	<u>\$ 82,732</u>	<u>\$ 1,151,753</u>	<u>\$ 1,142,407</u>	<u>\$ 242,668</u>	<u>\$ 3,798,493</u>	<u>\$ 9,017,190</u>	<u>\$ 16,240,637</u>

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

COMBINING BALANCE SHEET
Nonmajor Debt Service Funds
 September 30, 2020

	<u>Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
Assets		
Cash and cash equivalents	\$ 226,247	\$ 226,247
Total assets	<u>\$ 226,247</u>	<u>\$ 226,247</u>
Liabilities		
Total liabilities	<u>-</u>	<u>-</u>
Deferred inflow of resources		
Total deferred inflow of resources	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>-</u>
Fund balances (deficits)		
Restricted	226,247	226,247
Total fund balances (deficits)	<u>\$ 226,247</u>	<u>\$ 226,247</u>
Total liabilities and fund balances (deficits)	<u>\$ 226,247</u>	<u>\$ 226,247</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Debt Service Funds
For the Year Ended September 30, 2020

	<u>Debt Service Fund</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues		
Interest	\$ 95,505	\$ 95,505
Total revenues	95,505	95,505
Expenditures		
Current:		
Debt service:		
Principal retirement	3,259,591	3,259,591
Interest	3,206,335	3,206,335
Capital outlay:		
Total expenditures	6,465,926	6,465,926
Excess (deficiency) of revenues over expenditures	(6,370,421)	(6,370,421)
Other Financing Sources (Uses)		
Transfers in	6,465,932	6,465,932
Total other financing sources (uses)	6,465,932	6,465,932
Net change in fund balances	95,511	95,511
Fund balances - beginning	130,736	130,736
Fund balances - ending	\$ 226,247	\$ 226,247

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



NONMAJOR ENTERPRISE FUNDS



NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing goods and services to the general public are financed or recovered primarily through user charges.

Marina Fund - This fund is used to account for the revenues and expenses associated with the City's Marina.

Solid Waste Collection Fund - This fund is used to account for the revenues and expenses associated with the collection of solid waste and recycling throughout the City.

Parking Fund - This fund is used to account for the revenues and expenses associated with the paid parking systems to be implemented at the Ocean Mall and the Marina District.

COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds
September 30, 2020

	Business-Type Activities - Enterprise Funds			
	Refuse Collection	Stormwater	Parking	Total Nonmajor Enterprise funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,038,360	\$ 3,472,229	\$ 118,952	\$ 4,629,541
Receivables, net	82,937	188,146	-	271,083
Total current assets	<u>1,121,297</u>	<u>3,660,375</u>	<u>118,952</u>	<u>4,900,624</u>
Noncurrent assets:				
Net pension asset	-	(256,764)	-	(256,764)
Non-depreciable	-	11,657,504	-	11,657,504
Depreciable, net of accumulated depreciation	685,707	5,622,115	-	6,307,822
Total noncurrent assets	<u>685,707</u>	<u>17,022,855</u>	<u>-</u>	<u>17,708,562</u>
Total assets	<u>1,807,004</u>	<u>20,683,230</u>	<u>118,952</u>	<u>22,609,186</u>
Deferred outflows of resources				
Deferred outflows related to pension	-	138,799	-	138,799
Deferred outflows related to OPEB	-	5,971	-	5,971
Deferred charges on refunding	-	20,885	-	20,885
Total deferred outflows of resources	<u>-</u>	<u>165,655</u>	<u>-</u>	<u>165,655</u>
Total assets and deferred outflows of resources	<u>\$ 1,807,004</u>	<u>\$ 20,848,885</u>	<u>\$ 118,952</u>	<u>\$ 22,774,841</u>
Liabilities				
Current liabilities:				
Accounts payable	77,788	5,616	-	83,404
Other liabilities	550,532	1,027	111,231	662,790
Compensated absences-current	-	2,826	-	2,826
Bonds and notes payable-current	-	462,876	-	462,876
Total current liabilities	<u>628,320</u>	<u>472,345</u>	<u>111,231</u>	<u>1,211,896</u>
Noncurrent liabilities:				
Net OPEB obligation	-	139,674	-	139,674
Compensated absences-noncurrent	-	44,503	-	44,503
Bonds and notes payable-noncurrent	-	8,369,682	-	8,369,682
Total noncurrent liabilities	<u>-</u>	<u>8,553,859</u>	<u>-</u>	<u>8,553,859</u>
Total liabilities	<u>628,320</u>	<u>9,026,204</u>	<u>111,231</u>	<u>9,765,755</u>
Deferred inflows of resources				
Deferred inflows related to pension	-	110,072	-	110,072
Deferred inflows related to OPEB	-	4,936	-	4,936
Total deferred inflows of resources	<u>-</u>	<u>115,008</u>	<u>-</u>	<u>115,008</u>
Total liabilities and deferred inflows of resources	<u>628,320</u>	<u>9,141,212</u>	<u>111,231</u>	<u>9,880,763</u>
Net position				
Net investment in capital assets	685,707	17,729,619	-	18,415,326
Restricted	-	-	-	-
Unrestricted	492,978	(5,571,946)	7,721	(5,071,247)
Total net position	<u>\$ 1,178,685</u>	<u>\$ 12,157,673</u>	<u>\$ 7,721</u>	<u>\$ 13,344,079</u>

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

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Enterprise Funds
For the Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds			Total Enterprise funds
	Refuse Collection	Stormwater	Parking	
Operating revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Charges for services	4,310,547	3,101,863	-	7,412,410
Miscellaneous	(4,258)	(6,229)	-	(10,487)
Total operating revenues	<u>4,306,289</u>	<u>3,095,634</u>	<u>-</u>	<u>7,401,923</u>
Operating expenses				
Personnel services	-	907,850	-	907,850
Contractual services and operations	1,671,653	741,555	-	2,413,208
Supplies, materials, and maintenance	-	341,624	-	341,624
Utilities	2,917,509	4,784	-	2,922,293
Depreciation of capital assets	55,598	512,234	-	567,832
Total operating expenses	<u>4,644,760</u>	<u>2,508,047</u>	<u>-</u>	<u>7,152,807</u>
Operating income (loss)	<u>(338,471)</u>	<u>587,587</u>	<u>-</u>	<u>249,116</u>
Nonoperating revenues (expenses)				
Interest	3,258	69,323	3,433	76,014
Interest and debt service costs	-	(243,873)	-	(243,873)
Total nonoperating revenues (expenses)	<u>3,258</u>	<u>(174,550)</u>	<u>3,433</u>	<u>(167,859)</u>
Income (loss) before contributions and transfers	<u>(335,213)</u>	<u>413,037</u>	<u>3,433</u>	<u>81,257</u>
Transfers in	-	509,993	-	509,993
Transfers out	-	(627,549)	-	(627,549)
Change in net position	<u>(335,213)</u>	<u>295,481</u>	<u>3,433</u>	<u>(36,299)</u>
Total net position - beginning	<u>1,513,898</u>	<u>11,412,192</u>	<u>4,288</u>	<u>12,930,378</u>
Total net position - ending	<u>\$ 1,178,685</u>	<u>\$ 11,707,673</u>	<u>\$ 7,721</u>	<u>\$ 12,894,079</u>

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

STATEMENT OF CASH FLOWS
Enterprise Funds
For the Year Ended September 30, 2020

	Business-Type Activities - Enterprise Funds			
	Refuse Collection	Stormwater	Parking	Total
Cash flows from operating activities				
Cash received from customers	\$ 4,434,955	\$ 4,030,866	\$ -	\$ 8,465,821
Payments to suppliers	(4,582,684)	(1,575,425)	-	(6,158,109)
Payments to employees	-	(696,849)	-	(696,849)
Net cash provided (used) by operating activities	<u>(147,729)</u>	<u>1,758,592</u>	<u>-</u>	<u>1,610,863</u>
Cash flows from noncapital financing activities				
Interfund transfers	-	(853,569)	-	(853,569)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(853,569)</u>	<u>-</u>	<u>(853,569)</u>
Cash flows from capital and related financing activities				
Additions to capital assets	-	(801,696)	-	(801,696)
Principal paid on debt	-	(327,124)	-	(327,124)
Interest paid on debt	-	(373,414)	-	(373,414)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(1,502,234)</u>	<u>-</u>	<u>(1,502,234)</u>
Cash flows from investing activities				
Investment earnings	3,258	69,323	3,433	76,014
Net cash provided (used) by investing activities	<u>3,258</u>	<u>69,323</u>	<u>3,433</u>	<u>76,014</u>
Net increase (decrease) in cash and cash equivalents	(144,471)	(527,888)	3,433	(668,926)
Balances - beginning of year	1,182,831	4,000,117	115,519	5,298,467
Balances - end of the year	<u>\$ 1,038,360</u>	<u>\$ 3,472,229</u>	<u>\$ 118,952</u>	<u>\$ 4,629,541</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income	\$ (338,471)	\$ 587,587	\$ -	\$ 249,116
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	55,598	512,234	-	567,832
Changes in assets and liabilities:				
Accounts receivable	121,390	903,551	-	1,024,941
Deferred outflows	-	(22,211)	-	(22,211)
Accounts payable	6,478	(483,837)	-	(477,359)
Deposits and other liabilities	7,276	-	-	7,276
Deferred inflows	-	47,920	-	47,920
OPEB liability	-	35,998	-	35,998
Compensated absences	-	25,364	-	25,364
Net pension asset (liability)	-	151,984	-	151,984
Net cash provided (used) by operating activities	<u>\$ (147,729)</u>	<u>\$ 1,758,590</u>	<u>\$ -</u>	<u>\$ 1,610,861</u>

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



INTERNAL SERVICE FUNDS



Combining and Invidivual Fund Financial Statements and Schedules

INTERNAL SERVICE FUNDS

Internal service funds are used to account for services provided to other departments on a cost-reimbursement basis.

Information Technology Fund - This fund is used to account for the information technology services provided to the City's departments.

Insurance Fund - This fund is used to account for expenses related to providing and administering the self-insured general liability, automobile liability, workers' compensation and property insurance coverage for the City.

Fleet Services Fund - This fund is used to account for the expenses associated with purchasing and maintaining the City's vehicles.

COMBINING STATEMENT OF NET POSITION
Nonmajor Internal Service Funds
September 30, 2020

	Information Technology	General Liability Insurance	Fleet Services	Total Nonmajor Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 776,837	\$ 6,337,365	\$ 415,335	\$ 7,529,537
Receivables, net	-	1,845,797	-	1,845,797
Inventory	-	-	384,967	384,967
Total current assets	<u>776,837</u>	<u>8,183,162</u>	<u>800,302</u>	<u>9,760,301</u>
Noncurrent assets:				
Advance to CRA	-	10,194,621	-	10,194,621
Total noncurrent assets	-	<u>10,194,621</u>	-	<u>10,194,621</u>
Total assets	<u>776,837</u>	<u>18,377,783</u>	<u>800,302</u>	<u>19,954,922</u>
Deferred outflows of resources				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 776,837</u>	<u>\$ 18,377,783</u>	<u>\$ 800,302</u>	<u>\$ 19,954,922</u>
Liabilities				
Current liabilities:				
Accounts payable	201,665	3,814,977	93,711	4,110,353
Other liabilities	-	1,181,825	-	1,181,825
Total current liabilities	<u>201,665</u>	<u>4,996,802</u>	<u>93,711</u>	<u>5,292,178</u>
Noncurrent liabilities:				
Total noncurrent liabilities	-	-	-	-
Total liabilities	<u>201,665</u>	<u>4,996,802</u>	<u>93,711</u>	<u>5,292,178</u>
Deferred inflows of resources				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	<u>201,665</u>	<u>4,996,802</u>	<u>93,711</u>	<u>5,292,178</u>
Net Position				
Restricted for:				
Advances	-	10,194,621	-	10,194,621
Unrestricted	575,172	3,186,360	706,591	4,468,123
Total net position	<u>\$ 575,172</u>	<u>\$ 13,380,981</u>	<u>\$ 706,591</u>	<u>\$ 14,662,744</u>

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

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Internal Service Funds
For the Year Ended September 30, 2020

	Information Technology	General Liability Insurance	Fleet Services	Total Internal Service Funds
Operating revenues				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Charges for services	3,280,869	3,697,922	2,444,031	9,422,822
Miscellaneous	-	(61,927)	64,478	2,551
Total operating revenues	<u>3,280,869</u>	<u>3,635,995</u>	<u>2,508,509</u>	<u>9,425,373</u>
Operating expenses				
Personnel services	992,433	1,465,907	397,016	2,855,356
Contractual services and operations	1,386,869	4,352,270	273,323	6,012,462
Supplies, materials, and maintenance	603,632	-	1,290,950	1,894,582
Total operating expenses	<u>2,982,934</u>	<u>5,818,177</u>	<u>1,961,289</u>	<u>10,762,400</u>
Operating income (loss)	<u>297,935</u>	<u>(2,182,182)</u>	<u>547,220</u>	<u>(1,337,027)</u>
Nonoperating revenues (expenses)				
Interest	75,267	231,021	52,573	358,861
Total nonoperating revenues (expenses)	<u>75,267</u>	<u>231,021</u>	<u>52,573</u>	<u>358,861</u>
Income (loss) before contributions and transfers	<u>373,202</u>	<u>(1,951,161)</u>	<u>599,793</u>	<u>(978,166)</u>
Change in net position	373,202	(1,951,161)	599,793	(978,166)
Total net position - beginning	201,970	15,332,142	106,798	15,640,910
Total net position - ending	<u>\$ 575,172</u>	<u>\$ 13,380,981</u>	<u>\$ 706,591</u>	<u>\$ 14,662,744</u>

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

STATEMENT OF CASH FLOWS
Internal Service Funds
For the Year Ended September 30, 2020

	Information Technology	General Liability Insurance	Fleet Services	Total
Cash flows from operating activities				
Cash received from customers	\$ -	\$ -	\$ 64,478	\$ 64,478
Cash received from interfund charges	3,288,917	4,086,202	2,452,936	9,828,055
Payments to suppliers	(1,973,468)	(2,367,365)	(1,759,437)	(6,100,270)
Payments to employees	(982,445)	(1,465,907)	(395,215)	(2,843,567)
Net cash provided (used) by operating activities	<u>333,004</u>	<u>252,930</u>	<u>362,762</u>	<u>948,696</u>
Cash flows from non-capital financing activities				
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities				
Investment earnings	75,267	231,021	52,573	358,861
Net cash provided (used) by investing activities	<u>75,267</u>	<u>231,021</u>	<u>52,573</u>	<u>358,861</u>
Net increase (decrease) in cash and cash equivalents	408,271	483,951	415,335	1,307,557
Balances - beginning of year	368,566	5,853,414	-	6,221,980
Balances - end of the year	<u>\$ 776,837</u>	<u>\$ 6,337,365</u>	<u>\$ 415,335</u>	<u>\$ 7,529,537</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income	\$ 297,935	\$ (2,182,182)	\$ 547,220	\$ (1,337,027)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in assets and liabilities:				
Accounts receivable	8,048	450,205	8,905	467,158
Inventory	-	-	(191,927)	(191,927)
Accounts payable	27,022	1,984,907	(1,435)	2,010,494
Net cash provided (used) by operating activities	<u>\$ 333,005</u>	<u>\$ 252,930</u>	<u>\$ 362,763</u>	<u>\$ 948,698</u>

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



FIDUCIARY FUNDS



FIDUCIARY FUNDS

Fiduciary funds are used to account for the activities of the City's three pension plans that accumulate resources for pension benefits and disability payments.

General Employees Retirement System - This fund is used to account for assets held in a trustee capacity for the retirement pensions of general employees. This plan is closed to new members.

Police Pension Fund - This fund is used to account for all assets held in a trustee capacity for the retirement pensions for all sworn police officers.

Firefighters' Pension Trust Fund - This fund is used to account for assets held in a trustee capacity for the retirement pensions for firefighters and fire department officers. This plan is closed to new members.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
Pension Trust Funds
September 30, 2020

	General Employees' Retirement System	Police Pension	Firefighters Pension	Total Pension Trust Funds
Assets				
Cash and cash equivalents	\$ 3,420,601	\$ 4,302,550	\$ -	\$ 7,723,151
Total assets	<u>3,420,601</u>	<u>4,302,550</u>	<u>-</u>	<u>7,723,151</u>
Receivables:				
Receivables, net	-	-	373,165	373,165
Interest and dividends receivable	123,704	145,321	55,752	324,777
Unsettled trades	-	39,380	-	39,380
Total receivables	<u>123,704</u>	<u>184,701</u>	<u>428,917</u>	<u>737,322</u>
Investments at fair value:				
US Government and agency securities	14,791,123	10,884,759	3,918,461	29,594,343
Corporate bonds	13,321,316	14,714,794	3,752,614	31,788,724
Equity securities	55,860,273	53,480,177	58,959,836	168,300,286
Real estate funds	13,005,616	4,058,700	18,651,034	35,715,350
Money market funds	21,205,517	-	947,715	22,153,232
Mutual funds	-	-	12,718,230	12,718,230
Total investments	<u>118,183,845</u>	<u>83,138,430</u>	<u>98,947,890</u>	<u>300,270,165</u>
Prepaid	-	12,272	8,353	20,625
Total assets	<u>121,728,150</u>	<u>87,637,953</u>	<u>99,385,160</u>	<u>308,751,263</u>
Liabilities				
Accounts payable	\$ 98,156	\$ 281,104	\$ 24,326	\$ 403,586
Deferred revenues	-	-	182,729	182,729
Payable for securities purchased	-	2,111,534	39,588	2,151,122
Total liabilities	<u>98,156</u>	<u>2,392,638</u>	<u>246,643</u>	<u>2,737,437</u>
Net Position				
Restricted for:				
Pensions	121,629,995	85,245,315	99,138,516	306,013,826
Total net position	<u>\$ 121,629,995</u>	<u>\$ 85,245,315</u>	<u>\$ 99,138,516</u>	<u>\$ 306,013,826</u>

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

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Pension Trust Funds
For the Year Ended September 30, 2020

	General Employees' Retirement System	Police Pension	Firefighters Pension	Total Pension Trust Funds
Additions				
Contributions:				
Employer	\$ 1,655,113	\$ 1,097,591	\$ 1,639,281	\$ 4,391,985
Employees	431,836	801,676	451,261	1,684,773
State	-	322,536	373,164	695,700
Total contributions	<u>2,086,949</u>	<u>2,221,803</u>	<u>2,463,706</u>	<u>6,772,458</u>
Investment earnings:				
Miscellaneous	3,927	859	8,635	13,421
Net increase in fair value of investments	3,224,827	7,846,848	4,891,841	15,963,516
Interest, dividends, and other	1,873,210	1,743,129	1,930,052	5,546,391
Total investment earnings	<u>5,101,964</u>	<u>9,590,836</u>	<u>6,830,528</u>	<u>21,523,328</u>
Less investment expenses:				
Investment activity costs	865,634	422,885	380,624	1,669,143
Net investment earnings	<u>4,236,330</u>	<u>9,167,951</u>	<u>6,449,904</u>	<u>19,854,185</u>
Total additions	<u>6,323,279</u>	<u>11,389,754</u>	<u>8,913,610</u>	<u>26,626,643</u>
Deductions				
Benefits paid to participants or beneficiaries	8,872,445	4,535,754	3,703,955	17,112,154
Refunds and transfers to other systems	-	93,990	478,204	572,194
Administrative and other expenses	146,781	147,083	115,105	408,969
Total deductions	<u>9,019,226</u>	<u>4,776,827</u>	<u>4,297,264</u>	<u>18,093,317</u>
Net increase (decrease) in fiduciary net position	(2,695,947)	6,612,927	4,616,346	8,533,326
Net position - beginning of the year	124,325,942	78,632,388	94,522,170	297,480,500
Net position - end of the year	<u>\$ 121,629,995</u>	<u>\$ 85,245,315</u>	<u>\$ 99,138,516</u>	<u>\$ 306,013,826</u>

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



BUDGETARY COMPARISON SCHEDULES



SAFER GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 484,985	\$ 484,985	\$ 315,218	\$ (169,767)
Total revenues	484,985	484,985	315,218	(169,767)
Expenditures				
Current:				
Public safety	484,985	484,985	315,218	169,767
Total current	484,985	484,985	315,218	169,767
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	-	-	-	-
Total capital outlay	-	-	-	-
Total expenditures	484,985	484,985	315,218	169,767
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	1,532	1,532	1,532	-
Fund balance - ending	<u>\$ 1,532</u>	<u>\$ 1,532</u>	<u>\$ 1,532</u>	<u>\$ -</u>

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

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Grants and contributions	\$ 262,295	\$ 262,295	\$ 262,295	\$ -
Miscellaneous	-	-	1,250	1,250
Total revenues	<u>262,295</u>	<u>262,295</u>	<u>263,545</u>	<u>1,250</u>
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	262,295	262,295	262,295	-
Total capital outlay	<u>262,295</u>	<u>262,295</u>	<u>262,295</u>	<u>-</u>
Total expenditures	<u>262,295</u>	<u>262,295</u>	<u>262,295</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	1,250	1,250
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	1,250	1,250
Fund balance - beginning	(1,250)	(1,250)	(1,250)	-
Fund balance - ending	<u>\$ (1,250)</u>	<u>\$ (1,250)</u>	<u>\$ -</u>	<u>\$ 1,250</u>

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

EDWARD BYRNE JUSTICE GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Grants and contributions	\$ 109,917	\$ 109,917	\$ 97,376	\$ (12,541)
Total revenues	<u>109,917</u>	<u>109,917</u>	<u>97,376</u>	<u>(12,541)</u>
Expenditures				
Current:				
Public safety	109,917	109,917	97,376	12,541
Total current	<u>109,917</u>	<u>109,917</u>	<u>97,376</u>	<u>12,541</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>109,917</u>	<u>109,917</u>	<u>97,376</u>	<u>12,541</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources(uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	22,326	22,326	22,326	-
Fund balance - ending	<u>\$ 22,326</u>	<u>\$ 22,326</u>	<u>\$ 22,326</u>	<u>\$ -</u>

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

BULLETPROOF VEST GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 75,185	\$ 75,185	\$ 13,908	\$ (61,277)
Total revenues	75,185	75,185	13,908	(61,277)
Expenditures				
Current:				
Public safety	75,185	75,185	13,908	61,277
Total current	75,185	75,185	13,908	61,277
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	75,185	75,185	13,908	61,277
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	2,076	2,076	2,076	-
Fund balance - ending	\$ 2,076	\$ 2,076	\$ 2,076	\$ -

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

DAN CALLOWAY GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 363,500	\$ 363,500	\$ 313,500	\$ (50,000)
Total revenues	363,500	363,500	313,500	(50,000)
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	363,500	363,500	313,500	50,000
Total capital outlay	363,500	363,500	313,500	50,000
Total expenditures	363,500	363,500	313,500	50,000
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

ASSET FORFEITURE PROGRAM FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 16,269	\$ 16,269	\$ -	\$ (16,269)
Interest	-	-	1,989	1,989
Total revenues	<u>16,269</u>	<u>16,269</u>	<u>1,989</u>	<u>(14,280)</u>
Expenditures				
Current:				
Public safety	16,269	16,269	9,858	6,411
Total current	<u>16,269</u>	<u>16,269</u>	<u>9,858</u>	<u>6,411</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>16,269</u>	<u>16,269</u>	<u>9,858</u>	<u>6,411</u>
Excess (deficiency) of revenues over expenditures	-	-	(7,869)	(7,869)
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	(7,869)	(7,869)
Fund balance - beginning	70,705	70,705	70,705	-
Fund balance - ending	<u>\$ 70,705</u>	<u>\$ 70,705</u>	<u>\$ 62,836</u>	<u>\$ (7,869)</u>

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

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (FDEP) BEACH ACCESS GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Grants and contributions	\$ 120,312	\$ 120,312	\$ 54,402	\$ (65,910)
Total revenues	120,312	120,312	54,402	(65,910)
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	120,312	120,312	54,402	65,910
Total capital outlay	120,312	120,312	54,402	65,910
Total expenditures	120,312	120,312	54,402	65,910
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

VICTIMS ADVOCATE (VOCA) GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Grants and contributions	\$ 232,880	\$ 232,880	\$ 117,507	\$ (115,373)
Total revenues	232,880	232,880	117,507	(115,373)
Expenditures				
Current:				
Public Safety	232,880	232,880	117,507	115,373
Total current	232,880	232,880	117,507	115,373
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	232,880	232,880	117,507	115,373
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

SMART REENTRY SERVICES GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 148,165	\$ 148,165	\$ 106,220	\$ (41,945)
Total revenues	148,165	148,165	106,220	(41,945)
Expenditures				
Current:				
Human services	148,165	148,165	106,220	41,945
Total current	148,165	148,165	106,220	41,945
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	148,165	148,165	106,220	41,945
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

LIBRARY STATE GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ 1,186	\$ 1,186
Grants and contributions	48,794	48,794	386	(48,408)
Total revenues	<u>48,794</u>	<u>48,794</u>	<u>1,572</u>	<u>(47,222)</u>
Expenditures				
Current:				
Culture and recreation	48,661	48,661	386	48,275
Total current	<u>48,661</u>	<u>48,661</u>	<u>386</u>	<u>48,275</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	133	133	-	133
Total capital outlay	<u>133</u>	<u>133</u>	<u>-</u>	<u>133</u>
Total expenditures	<u>48,794</u>	<u>48,794</u>	<u>386</u>	<u>48,408</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1,186</u>	<u>1,186</u>
Other financing sources (uses)				
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	-	-	1,186	1,186
Fund balance - beginning	1,289	1,289	1,289	-
Fund balance - ending	<u>\$ 1,289</u>	<u>\$ 1,289</u>	<u>\$ 2,475</u>	<u>\$ 1,186</u>

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

FLORIDA DEPARTMENT OF ENVIRONMENT PROTECTION FUND (FDEP)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 888,106	\$ 888,106	\$ -	\$ (888,106)
Interest	-	-	4,057	4,057
Total revenues	<u>888,106</u>	<u>888,106</u>	<u>4,057</u>	<u>(884,049)</u>
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	888,106	888,106	-	888,106
Total capital outlay	<u>888,106</u>	<u>888,106</u>	<u>-</u>	<u>888,106</u>
Total expenditures	<u>888,106</u>	<u>888,106</u>	<u>-</u>	<u>888,106</u>
Excess (deficiency) of revenues over expenditures	-	-	4,057	4,057
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	-	-	4,057	4,057
Fund balance - beginning	(4,057)	(4,057)	(4,057)	-
Fund balance - ending	<u>\$ (4,057)</u>	<u>\$ (4,057)</u>	<u>\$ -</u>	<u>\$ 4,057</u>

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

PALM BEACH COUNTY MANATEE GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 32,856	\$ 32,856	\$ 12,929	\$ (19,927)
Interest	-	-	335	335
Total revenues	<u>32,856</u>	<u>32,856</u>	<u>13,264</u>	<u>(19,592)</u>
Expenditures				
Current:				
Public safety	32,856	32,856	12,929	19,927
Total current	<u>32,856</u>	<u>32,856</u>	<u>12,929</u>	<u>19,927</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>32,856</u>	<u>32,856</u>	<u>12,929</u>	<u>19,927</u>
Excess (deficiency) of revenues over expenditures	-	-	335	335
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	-	-	335	335
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335</u>	<u>\$ 335</u>

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

PALM BEACH COUNTY 911 GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 29,326	\$ 29,326	\$ 4,860	\$ (24,466)
Total revenues	29,326	29,326	4,860	(24,466)
Expenditures				
Current:				
Public safety	29,326	29,326	25,785	3,541
Total current	29,326	29,326	25,785	3,541
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	29,326	29,326	25,785	3,541
Excess (deficiency) of revenues over expenditures	-	-	(20,925)	(20,925)
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	-	-	(20,925)	(20,925)
Fund balance - beginning	178,774	178,774	178,774	-
Fund balance - ending	<u>\$ 178,774</u>	<u>\$ 178,774</u>	<u>\$ 157,849</u>	<u>\$ (20,925)</u>

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

MAJOR DISASTER FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ -	\$ -	\$ 555,814	\$ 555,814
Interest	6,000	6,000	-	(6,000)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>555,814</u>	<u>549,814</u>
Expenditures				
Current:				
General government	685,581	685,581	517,645	167,936
Total current	<u>685,581</u>	<u>685,581</u>	<u>517,645</u>	<u>167,936</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	<u>685,581</u>	<u>685,581</u>	<u>517,645</u>	<u>167,936</u>
Excess (deficiency) of revenues over expenditures	<u>(679,581)</u>	<u>(679,581)</u>	<u>38,169</u>	<u>717,750</u>
Other financing sources (uses)				
Transfers in	679,581	679,581	679,581	-
Total other financing sources(uses)	<u>679,581</u>	<u>679,581</u>	<u>679,581</u>	<u>-</u>
Net changes in fund balance	-	-	717,750	717,750
Fund balance - beginning	4,712,961	4,712,961	4,712,961	-
Fund balance - ending	<u>\$ 4,712,961</u>	<u>\$ 4,712,961</u>	<u>\$ 5,430,711</u>	<u>\$ 717,750</u>

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

LIBRARY LOCAL GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Grants and contributions	\$ 6,876	\$ 6,876	\$ 6,876	\$ -
Total revenues	6,876	6,876	6,876	-
Expenditures				
Current:				
Culture and recreation	6,876	6,876	6,876	-
Total current	6,876	6,876	6,876	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	6,876	6,876	6,876	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

CIVIL DRUG COURT GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Grants and contributions	\$ 133,900	\$ 133,900	\$ 98,606	\$ (35,294)
Total revenues	133,900	133,900	98,606	(35,294)
Expenditures				
Current:				
Human services	133,900	133,900	102,145	31,755
Total current	133,900	133,900	102,145	31,755
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	133,900	133,900	102,145	31,755
Excess (deficiency) of revenues over expenditures	-	-	(3,539)	(3,539)
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	-	-	(3,539)	(3,539)
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,539)</u>	<u>\$ (3,539)</u>

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

DEPARTMENT OF JUVENILE JUSTICE GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 180,000	\$ 180,000	\$ 137,157	\$ (42,843)
Total revenues	180,000	180,000	137,157	(42,843)
Expenditures				
Current:				
Human services	180,000	180,000	99,704	80,296
Total current	180,000	180,000	99,704	80,296
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	180,000	180,000	99,704	80,296
Excess (deficiency) of revenues over expenditures	-	-	37,453	37,453
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	-	-	37,453	37,453
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,453</u>	<u>\$ 37,453</u>

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

PREPARE AND REENTRY GRANT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Grants and contributions	\$ 259,108	\$ 259,108	\$ 230,448	\$ (28,660)
Total revenues	259,108	259,108	230,448	(28,660)
Expenditures				
Current:				
Human services	259,108	259,108	230,448	28,660
Total current	259,108	259,108	230,448	28,660
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	259,108	259,108	230,448	28,660
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

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

CAPITAL - LOCAL GAS TAX FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 253,601	\$ 253,601	\$ 224,939	\$ (28,662)
Interest	22,116	22,116	21,852	(264)
Total revenues	<u>275,717</u>	<u>275,717</u>	<u>246,791</u>	<u>(28,926)</u>
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	125,000	125,000	169,087	(44,087)
Total capital outlay	<u>125,000</u>	<u>125,000</u>	<u>169,087</u>	<u>(44,087)</u>
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>169,087</u>	<u>(44,087)</u>
Excess (deficiency) of revenues over expenditures	<u>150,717</u>	<u>150,717</u>	<u>77,704</u>	<u>(73,013)</u>
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	150,717	150,717	77,704	(73,013)
Fund balance - beginning	727,690	727,690	727,690	-
Fund balance - ending	<u>\$ 878,407</u>	<u>\$ 878,407</u>	<u>\$ 805,394</u>	<u>\$ (73,013)</u>

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

CAPITAL - CONTRIBUTIONS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 34,929	\$ 34,929	\$ 19,199	\$ (15,730)
Total revenues	<u>34,929</u>	<u>34,929</u>	<u>19,199</u>	<u>(15,730)</u>
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	300,000	300,000	1,219,623	(919,623)
Total capital outlay	<u>300,000</u>	<u>300,000</u>	<u>1,219,623</u>	<u>(919,623)</u>
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>1,219,623</u>	<u>(919,623)</u>
Excess (deficiency) of revenues over expenditures	<u>(265,071)</u>	<u>(265,071)</u>	<u>(1,200,424)</u>	<u>(935,353)</u>
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	(265,071)	(265,071)	(1,200,424)	(935,353)
Fund balance - beginning	1,443,092	1,443,092	1,443,092	-
Fund balance - ending	<u>\$ 1,178,021</u>	<u>\$ 1,178,021</u>	<u>\$ 242,668</u>	<u>\$ (935,353)</u>

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

CAPITAL BONDS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 143,547	\$ 143,547	\$ 55,227	\$ (88,320)
Total revenues	143,547	143,547	55,227	(88,320)
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	2,322,868	1,894,745	652,755	1,241,990
Total capital outlay	2,322,868	1,894,745	652,755	1,241,990
Total expenditures	2,322,868	1,894,745	652,755	1,241,990
Excess (deficiency) of revenues over expenditures	(2,179,321)	(1,751,198)	(597,528)	1,153,670
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	(2,179,321)	(1,751,198)	(597,528)	1,153,670
Fund balance - beginning	5,126,399	5,126,399	5,126,399	-
Fund balance - ending	\$ 2,947,078	\$ 3,375,201	\$ 4,528,871	\$ 1,153,670

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

CAPITAL - PAY AS YOU GO FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 328,164	\$ 328,164	\$ 249,609	\$ (78,555)
Miscellaneous	-	-	60	60
Total revenues	<u>328,164</u>	<u>328,164</u>	<u>249,669</u>	<u>(78,495)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	137,758	(137,758)
Total current	-	-	<u>137,758</u>	<u>(137,758)</u>
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Capital outlay	6,040,000	16,588,039	6,231,982	10,356,057
Total capital outlay	<u>6,040,000</u>	<u>16,588,039</u>	<u>6,231,982</u>	<u>10,356,057</u>
Total expenditures	<u>6,040,000</u>	<u>16,588,039</u>	<u>6,369,740</u>	<u>10,218,299</u>
Excess (deficiency) of revenues over expenditures	<u>(5,711,836)</u>	<u>(16,259,875)</u>	<u>(6,120,071)</u>	<u>10,139,804</u>
Other financing sources (uses)				
Transfers in	4,000,000	4,000,000	4,000,000	-
Total other financing sources(uses)	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>
Net changes in fund balance	(1,711,836)	(12,259,875)	(2,120,071)	10,139,804
Fund balance - beginning	5,918,565	5,918,565	5,918,565	-
Fund balance - ending	<u>\$ 4,206,729</u>	<u>\$ (6,341,310)</u>	<u>\$ 3,798,494</u>	<u>\$ 10,139,804</u>

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

CAPITAL - ONE CENT SALES SURTAX FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ 2,567,770	\$ 2,567,770	\$ 2,453,144	\$ (114,626)
Taxes	126,782	126,782	91,807	(34,975)
Total revenues	<u>2,694,552</u>	<u>2,694,552</u>	<u>2,544,951</u>	<u>(149,601)</u>
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	1,000,000	1,000,000	-	-
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,694,552</u>	<u>1,694,552</u>	<u>2,544,951</u>	<u>(149,601)</u>
Other financing sources (uses)				
Total other financing sources(uses)	-	-	-	-
Net changes in fund balance	1,694,552	1,694,552	2,544,951	(149,601)
Fund balance - beginning	6,472,239	6,472,239	6,472,239	-
Fund balance - ending	<u>\$ 8,166,791</u>	<u>\$ 8,166,791</u>	<u>\$ 9,017,190</u>	<u>\$ (149,601)</u>

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

DEBT SERVICE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
 For the Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ 95,504	\$ 95,504
Total revenues	-	-	95,504	95,504
Expenditures				
Current:				
Total current	-	-	-	-
Debt service:				
Principal retirement	3,259,591	3,259,591	3,259,591	-
Interest	3,206,335	3,206,335	3,206,335	-
Total debt service	6,465,926	6,465,926	6,465,926	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	6,465,926	6,465,926	6,465,926	-
Excess (deficiency) of revenues over expenditures	(6,465,926)	(6,465,926)	(6,370,422)	95,504
Other financing sources (uses)				
Transfers in	6,465,932	6,465,932	6,465,932	-
Total other financing sources(uses)	6,465,932	6,465,932	6,465,932	-
Net changes in fund balance	6	6	95,510	95,504
Fund balance - beginning	130,736	130,736	130,736	-
Fund balance - ending	\$ 130,742	\$ 130,742	\$ 226,246	\$ 95,504

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



SECTION III:
STATISTICAL SECTION (Unaudited)



STATISTICAL SECTION

Overview

The Statistical Section of the City's Comprehensive Annual Financial Report (Annual Report) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

TABLE OF CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	190
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	196
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the government's ability to issue additional debt in the future.	207
Demographic and Economic Information The schedules present information to help the reader understand the environment within which the City's financial activities take place.	215
Operating Information 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 provides and the activities it performs.	218



FINANCIAL TRENDS



CITY OF RIVIERA BEACH, FLORIDA

**NET POSITION BY COMPONENT
FOR THE LAST TEN FISCAL YEARS**

(accrual basis of accounting)
SEPTEMBER 30, 2020
(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 55,818,186	\$ 36,654,786	\$ 41,055,828	\$ 21,562,964	\$ 39,920,794	\$ 14,248,672	\$ 26,089,236	\$ 35,835,366	\$ 38,778,397	\$ 43,913,329
Restricted	37,987,138	39,571,280	37,122,826	44,583,925	37,023,863	38,640,859	31,375,720	34,927,271	31,022,594	27,537,870
Unrestricted	4,077,354	13,839,263	30,075,750	40,593,227	(46,755,383)	13,460,543	14,911,339	36,163,653	50,230,607	46,160,919
Total governmental activities net position	97,882,678	90,065,329	108,254,404	106,740,116	30,189,274	66,350,074	72,376,295	106,926,290	120,031,598	117,612,118
Business-type activities:										
Net investment in capital assets	9,290,712	17,056,826	37,769,604	30,641,963	41,467,081	34,720,313	34,898,049	41,974,848	54,161,179	63,907,036
Restricted	27,225,865	15,228,268	12,242,586	10,481,565	12,762,727	52,472,305	9,435,277	8,319,468	35,602,871	26,361,054
Unrestricted	17,922,555	39,662,512	12,810,201	31,266,853	28,135,272	348,101	53,298,669	55,962,099	21,775,870	30,728,632
Total business-type activities net position	54,439,132	71,947,606	62,822,391	72,390,381	82,365,080	87,540,719	97,631,995	106,256,415	111,539,920	120,996,722
Primary government:										
Net investment in capital assets	65,108,898	53,711,612	78,825,432	52,204,927	81,387,875	48,968,985	60,987,285	77,810,214	92,939,576	107,820,365
Restricted	65,213,003	54,799,548	49,365,412	55,065,490	49,786,590	91,113,164	40,810,997	43,246,739	66,625,465	53,898,924
Unrestricted	21,999,909	53,501,775	42,885,951	71,860,080	(18,620,111)	13,808,644	68,210,008	92,125,752	72,006,477	76,889,551
Total primary government net position	\$ 152,321,810	\$ 162,012,935	\$ 171,076,795	\$ 179,130,497	\$ 112,554,354	\$ 153,890,793	\$ 170,008,290	\$ 213,182,705	\$ 231,571,518	\$ 238,608,840

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

Financial Trends

CITY OF RIVIERA BEACH, FLORIDA

CHANGES IN NET POSITION FOR THE LAST TEN FISCAL YEARS

(accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 15,173,364	\$ 18,132,947	\$ 16,785,692	\$ 21,820,264	\$ 21,058,870	\$ 22,738,925	\$ 26,155,228	\$ 19,065,528	\$ 25,833,637	\$ 34,173,985
Public safety	29,006,785	28,092,367	26,612,208	28,913,127	30,099,943	28,415,825	29,391,831	21,985,375	36,931,253	41,592,770
Culture and recreation	5,014,393	4,552,035	5,910,024	8,354,852	4,392,302	4,348,511	5,233,868	6,648,678	7,313,077	6,537,958
Transportation	2,717,985	2,217,587	5,437,862	953,676	1,404,272	1,355,625	1,260,487	1,520,410	1,516,053	1,613,403
Human services	2,717,985	2,217,587	5,437,862	953,676	1,404,272	1,355,625	1,260,487	1,520,410	1,516,053	1,513,044
Physical & economic environment	2,717,985	2,217,587	5,437,862	953,676	1,404,272	1,355,625	1,260,487	1,520,410	1,516,053	7,501,750
Interest on long term debt	2,717,985	2,217,587	5,437,862	953,676	1,404,272	1,355,625	1,260,487	1,520,410	1,516,053	4,197,656
Payment to pension plans	154,931	733,697	588,169	692,929	750,939	853,235	1,191,792	1,105,586	1,241,684	-
Total governmental activities expenses	<u>55,267,821</u>	<u>56,713,257</u>	<u>58,141,932</u>	<u>63,157,760</u>	<u>122,047,839</u>	<u>63,675,432</u>	<u>71,364,011</u>	<u>56,566,034</u>	<u>83,270,514</u>	<u>97,130,566</u>
Business-type activities:										
Water and sewer	14,833,468	19,726,867	17,245,348	15,479,318	8,528,767	17,500,858	16,169,715	20,460,717	20,767,160	21,039,186
Marina	2,243,476	1,759,458	1,561,294	1,325,128	1,304,439	2,650,519	2,220,339	2,461,885	5,498,225	2,799,914
Refuse and stormwater	2,243,476	1,759,458	1,561,294	1,325,128	1,304,439	2,650,519	2,220,339	2,461,885	5,498,225	7,396,680
Community development	5,187,564	4,883,152	5,474,999	5,552,227	4,444,093	5,855,255	6,215,552	5,948,652	6,634,632	522,499
Total business-type activities	<u>22,264,508</u>	<u>26,369,477</u>	<u>24,281,641</u>	<u>22,356,673</u>	<u>14,277,299</u>	<u>26,242,500</u>	<u>25,020,728</u>	<u>29,321,986</u>	<u>33,459,958</u>	<u>31,758,279</u>
Total primary government	<u>\$ 77,532,329</u>	<u>\$ 83,082,734</u>	<u>\$ 82,423,573</u>	<u>\$ 85,514,433</u>	<u>136,325,138</u>	<u>\$ 89,917,932</u>	<u>\$ 96,384,739</u>	<u>\$ 85,888,020</u>	<u>\$ 116,730,472</u>	<u>\$ 128,888,845</u>
Program revenues:										
Governmental activities:										
Charges for services										
General government	6,967,484	5,274,854	6,565,474	12,141,552	9,622,826	9,050,311	10,022,554	10,761,131	1,656,477	3,615,754
Public safety	2,315,019	1,379,328	1,250,448	1,454,827	-	-	-	-	2,952,076	2,414,342
Culture and recreation	157,607	248,278	188,556	254,456	-	-	-	-	387,523	359,496
Transportation	5,087	132,242	17,109	8,063	-	-	-	-	21,513	258,481
Human services	-	-	1,710	500	-	-	-	-	-	-
Physical and economic environment	163,771	-	253,372	360,889	-	-	-	-	50,000	50,000
Redevelopment program	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	8,323,293	3,932,071	1,551,571	1,078,287	1,856,503	4,624,844	4,053,333	2,027,460	12,207,521	12,046,933
Capital grants and contributions	-	6,311,037	1,261,838	647,408	344,150	400,357	24,436	303,889	1,170,091	266,519
Total governmental activities program revenues	<u>17,932,261</u>	<u>17,277,810</u>	<u>11,090,078</u>	<u>15,945,982</u>	<u>11,823,479</u>	<u>14,075,512</u>	<u>14,100,323</u>	<u>13,092,480</u>	<u>18,445,201</u>	<u>19,011,525</u>

Continued on next page.

CITY OF RIVIERA BEACH, FLORIDA

**CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS**

(accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Water and sewer	17,483,171	21,147,885	20,832,321	20,102,058	21,499,314	22,547,279	24,091,971	26,928,706	26,048,762	28,633,010
Marina	1,701,677	1,392,703	1,216,138	4,323,779	855,209	1,265,758	2,049,760	2,403,770	2,155,838	2,255,788
Refuse and stormwater	5,480,849	5,357,116	5,859,101	5,670,814	5,770,787	7,059,583	6,637,525	7,401,556	6,764,944	7,412,410
Community development	-	-	-	-	-	149,685	269,413	310,456	-	-
Operating grants and contributions	1,462,139	4,100,844	-	-	566,603	568,670	437,934	48,590	-	-
Capital grants and contributions	-	-	2,328,640	-	217,744	21,075	-	-	1,845,790	1,546,330
Total business-type activities program revenues	<u>26,127,836</u>	<u>31,998,548</u>	<u>30,236,200</u>	<u>30,096,651</u>	<u>28,909,657</u>	<u>31,612,050</u>	<u>33,486,603</u>	<u>37,093,078</u>	<u>36,815,334</u>	<u>39,847,538</u>
Total primary government program revenues	<u>\$ 44,060,097</u>	<u>\$ 49,276,358</u>	<u>\$ 41,326,278</u>	<u>\$ 46,042,633</u>	<u>\$ 40,733,136</u>	<u>\$ 45,687,562</u>	<u>\$ 47,586,926</u>	<u>\$ 50,185,558</u>	<u>\$ 55,260,535</u>	<u>\$ 58,859,063</u>
Net (expenses) revenues:										
Governmental activities	(37,335,560)	(39,435,447)	(47,051,854)	(47,211,778)	(110,224,360)	(49,599,920)	(57,263,688)	(43,473,554)	(64,825,313)	(78,119,041)
Business-type activities	3,863,328	5,629,071	5,954,559	7,739,978	14,632,358	5,369,550	8,465,875	7,771,092	3,355,376	8,089,259
Total primary government net (expenses) revenues	<u>(33,472,232)</u>	<u>(33,806,376)</u>	<u>(41,097,295)</u>	<u>(39,471,800)</u>	<u>(95,592,002)</u>	<u>(44,230,370)</u>	<u>(48,797,813)</u>	<u>(35,702,462)</u>	<u>(61,469,937)</u>	<u>(70,029,782)</u>
General revenues and other changes in Net Position:										
Governmental activities:										
Property taxes	33,722,134	31,225,716	31,558,773	33,986,648	43,810,392	44,624,615	48,088,215	50,026,956	51,424,369	54,389,529
Utility taxes	4,996,255	4,985,199	4,060,124	4,316,158	4,275,034	4,633,809	4,762,948	4,886,000	5,144,247	4,999,397
Franchise fees	2,552,850	2,482,954	2,507,601	2,721,401	2,679,740	2,586,398	2,774,685	2,765,329	2,814,989	2,695,046
Other permits and fees	-	-	-	-	-	4,590,329	4,249,135	5,262,265	2,481,735	1,812,378
Intergov't and shared revenues	4,311,664	4,909,182	6,757,906	6,631,201	5,315,152	5,568,857	8,831,364	10,498,718	8,599,617	8,071,991
Investment earnings	238,381	86,523	673,917	(1,209,881)	(50,986)	205,147	562,381	618,982	2,328,756	1,913,135
Loan proceeds	-	-	-	-	-	-	-	1,646,906	-	-
Net pension plan asset	-	-	-	-	(5,995,735)	19,268,841	-	-	-	-
Gain (loss) on fixed asset disposals	-	-	-	-	-	-	(12,504,173)	-	-	-
Miscellaneous	593,381	246,655	2,436,162	1,151,114	300,791	3,783,692	2,480,551	1,428,113	2,309,957	719,789
Transfers	-	-	270,119	(1,901,014)	-	499,031	709,403	890,280	2,826,951	1,098,297
Total governmental activities	<u>46,414,665</u>	<u>43,936,229</u>	<u>48,264,602</u>	<u>45,695,627</u>	<u>50,334,388</u>	<u>85,760,719</u>	<u>59,954,509</u>	<u>78,023,549</u>	<u>77,930,621</u>	<u>75,699,562</u>
Business-type activities:										
Investment earnings	198,727	294,938	121,163	(63,547)	1,409,192	483,568	1,070,054	1,185,237	1,598,498	1,771,293
Miscellaneous	770,690	1,113,175	232,500	(9,459)	22,759	-	1,264,750	422,371	3,156,579	694,544
Transfers	-	-	(270,119)	1,901,014	-	(499,031)	(709,403)	(754,280)	(2,826,951)	(1,098,297)
Total business-type activities	<u>969,417</u>	<u>1,408,113</u>	<u>83,544</u>	<u>1,828,008</u>	<u>1,431,951</u>	<u>(15,463)</u>	<u>1,625,401</u>	<u>853,328</u>	<u>1,928,126</u>	<u>1,367,540</u>
Total primary government	<u>47,384,082</u>	<u>45,344,342</u>	<u>48,348,146</u>	<u>47,523,635</u>	<u>51,766,339</u>	<u>85,745,256</u>	<u>61,579,910</u>	<u>78,876,877</u>	<u>79,858,747</u>	<u>77,067,104</u>
Change in net position:										
Governmental activities	9,079,105	4,500,782	1,212,748	(1,516,151)	(59,889,972)	36,160,799	2,690,821	34,549,995	13,105,308	(2,419,477)
Business-type activities	4,832,745	7,037,184	6,038,103	9,567,986	16,064,309	5,354,087	10,091,276	8,624,420	5,283,502	9,456,799
Total primary government change in net position	<u>\$ 13,911,850</u>	<u>\$ 11,537,966</u>	<u>\$ 7,250,851</u>	<u>\$ 8,051,835</u>	<u>\$(43,825,663)</u>	<u>\$ 41,514,886</u>	<u>\$ 12,782,097</u>	<u>\$ 43,174,415</u>	<u>\$ 18,388,810</u>	<u>\$ 7,037,322</u>

Financial Trends

CITY OF RIVIERA BEACH, FLORIDA

FUND BALANCES OF GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Nonspendable ⁽¹⁾ :										
Inventories	\$ 1,797,560	\$ 1,524,928	\$ 1,475,943	\$ 942,298	\$ 391,881	\$ 368,759	\$ 398,772	\$ 353,729	\$ 278,517	\$ 278,517
Prepaid items	498,612	576,423	-	15,000	-	-	-	-	-	-
Restricted ⁽¹⁾ :										
Development services	-	-	-	-	-	-	-	-	2,214,501	3,480,682
Unassigned ⁽¹⁾ :	13,458,237	11,939,205	15,321,358	17,400,596	19,080,752	22,284,354	26,114,573	29,983,521	29,898,998	30,183,378
Total general fund	15,754,409	14,040,556	16,797,301	18,357,894	19,472,633	22,653,113	26,513,345	30,337,250	32,392,016	33,942,577
All other governmental funds:										
Nonspendable ⁽¹⁾ :										
Inventories	716,085	716,085	716,085	128,175	-	-	-	-	50,421	50,421
Prepaid items	4,412	4,110	-	11,740	-	-	-	-	-	-
Restricted ⁽¹⁾ :										
Emergency reserves	2,280,502	2,679,826	3,062,374	3,468,375	3,469,985	4,030,318	3,943,610	4,592,233	2,218,057	5,430,711
Community redevelopment	20,967,466	19,894,683	20,106,600	10,116,221	1,738,967	3,960,890	3,705,864	4,704,982	10,841,331	17,704,468
Capital projects	16,633,167	19,289,469	16,627,681	36,630,393	29,131,722	25,715,486	26,737,073	24,199,889	21,687,897	20,769,509
Debt service	386,505	387,129	388,545	252,724	-	32,169	-	2,540	130,736	226,247
Development services	-	-	-	-	-	-	-	-	-	-
Committed ⁽¹⁾ :										
Special revenue funds	968,622	1,454,243	1,358,568	1,437,377	2,100,628	1,824,524	1,555,474	2,120,412	4,707,703	1,753,327
Assigned ⁽¹⁾ :										
Special revenue funds	-	-	1,645,354	-	-	-	-	-	-	-
Unassigned ⁽¹⁾ :	(409,959)	1,531,923	-	(234,095)	-	-	-	-	(5,248)	(3,539)
Total all other governmental funds	41,956,759	44,425,545	43,905,207	52,045,005	36,441,302	35,563,387	35,942,021	35,620,056	39,636,145	45,931,144
Total governmental funds	\$ 57,711,168	\$ 58,466,101	\$ 60,702,508	\$ 70,402,899	\$ 55,913,935	\$ 58,216,500	\$ 62,455,366	\$ 65,957,306	\$ 72,028,161	\$ 79,873,721

(1) Pursuant to GASB Statement No. 54.

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

CITY OF RIVIERA BEACH, FLORIDA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited))

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 41,271,239	\$ 31,448,287	\$ 39,122,872	\$ 41,467,611	\$43,182,086	\$ 52,451,049	\$ 57,501,944	\$ 60,692,092	\$ 62,557,639	\$ 65,264,599
Licenses and permits	1,256,129	1,231,233	1,241,983	1,658,174	4,924,658	4,590,329	5,537,836	8,027,594	4,838,943	6,945,013
Intergovernmental	13,297,326	15,031,555	6,231,962	6,466,606	4,099,977	4,577,768	5,666,567	4,719,582	4,115,965	3,807,927
Charges for services	7,394,474	12,521,851	6,469,086	8,056,137	9,622,826	9,050,311	10,022,554	10,761,131	12,871,127	11,759,817
Fines and forfeitures	295,996	276,665	436,058	369,536	628,307	571,744	786,763	474,136	724,823	472,132
Rent	-	-	34,381	-	-	-	-	-	-	-
Investment Earnings	238,381	101,678	155,511	138,139	295,945	205,147	508,340	618,982	2,022,579	1,554,273
Miscellaneous	593,380	617,926	1,370,405	(307,600)	714,520	3,211,948	1,632,182	953,977	771,360	734,518
Grant and contributions	-	-	3,404,560	1,889,669	2,205,288	5,025,201	793,063	2,331,349	3,099,756	2,821,998
Total revenues	64,346,925	61,229,195	58,466,818	59,738,272	65,673,607	79,683,497	82,449,249	88,578,843	91,002,192	93,360,277
Expenditures:										
Current										
General government	17,111,819	16,705,690	17,617,869	24,429,024	21,502,286	22,738,925	22,853,939	22,062,032	21,900,347	21,704,575
Public safety	28,284,372	26,635,641	25,743,021	28,283,246	30,099,943	28,415,825	29,391,831	32,734,624	34,721,666	38,149,664
Transportation	1,816,708	1,296,846	1,003,004	1,348,693	1,408,908	1,355,625	1,260,487	1,372,730	1,516,264	1,700,880
Human services	148,566	724,838	584,090	694,523	762,196	853,234	1,191,792	1,105,586	1,187,129	1,576,277
Culture and recreation	4,487,922	3,858,531	3,532,554	4,366,977	4,392,302	4,348,511	5,233,868	5,910,276	5,935,317	5,165,299
Economic environment	3,573,182	1,248,817	2,396,058	223,679	8,598,381	1,978,163	3,437,981	2,215,216	5,777,165	6,387,615
Physical environment	741,746	-	-	-	-	-	404,471	-	-	-
Capital outlay	6,470,525	8,402,517	7,772,369	8,502,269	8,878,525	14,922,489	7,826,178	13,252,268	19,183,714	11,341,839
Debt service:										
Principal	571,968	2,283,729	10,352,067	2,675,126	2,280,812	5,822,226	4,558,268	4,769,290	5,482,484	5,755,513
Interest and fiscal charges	908,777	1,629,841	1,573,816	1,627,881	2,791,712	3,985,148	4,288,353	4,025,241	4,290,390	4,098,407
Total expenditures	64,115,585	62,786,450	70,574,848	72,151,418	80,715,065	84,420,146	80,447,168	87,447,263	99,994,476	95,880,069
Excess (deficiency) of revenues over expenditures	231,340	(1,557,255)	(12,108,030)	(12,413,146)	(15,041,458)	(4,736,649)	2,002,081	1,131,580	(8,992,284)	(2,519,792)
Other financing sources (uses)										
Issuance of debt	25,570,000	-	11,550,000	23,780,455	56,973,253	-	-	-	8,807,000	29,635,000
Capital lease	-	614,868	-	-	-	-	-	1,646,906	3,429,188	1,656,154.00
Payment to pension plans	-	-	-	-	(56,090,063)	-	-	-	-	-
Transfers in	861,553	829,608	2,874,219	1,723,322	1,104,633	10,116,666	11,886,612	11,754,932	-	(22,024,098)
Transfers out	(861,553)	(829,608)	(1,611,704)	(3,624,336)	(1,569,234)	(9,617,635)	(11,177,209)	(10,864,652)	21,097,639	23,648,299
Loss on investments	-	-	-	-	-	-	-	-	(18,270,688)	(22,550,002)
Loss on value of land	-	-	-	-	-	-	-	-	15,063,139	10,365,353
Proceeds from sale of surplus items	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,570,000	614,868	12,812,515	21,879,441	418,589	499,031	709,403	2,537,186	15,063,140	15,063,140
Net change in fund balances	25,801,340	(942,387)	704,485	9,466,295	(14,622,869)	(4,237,618)	2,711,484	3,668,766	6,070,855	7,845,561
Fund balance-beginning as restated	31,499,864	60,940,411	59,998,024	60,702,509	70,536,803	62,454,118	59,743,882	62,288,540	65,957,303	72,028,160
Fund balance-ending (restated)	\$ 57,301,204	\$ 59,998,024	\$ 60,702,509	\$ 70,168,804	\$ 55,913,934	\$ 58,216,500	\$ 62,455,366	\$ 65,957,306	\$ 72,028,158	\$ 79,873,721
Debt service as a percentage of non-capital expenditures	2.31%	6.23%	16.90%	5.96%	6.28%	11.62%	11.00%	10.06%	9.77%	10.28%



REVENUE CAPACITY



CITY OF RIVIERA BEACH, FLORIDA

GOVERNMENTAL FUNDS REVENUES BY SOURCE**FOR THE LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended Sep 30	Total Revenues	Taxes	Licenses and Permits	Intergovernmental	Charges for Service	Fines and Forfeitures	Investment Earnings	Grants and Contributions	Miscellaneous
2011	\$64,346,926	\$41,271,239	\$1,256,129	\$13,297,326	\$7,394,474	\$295,996	\$238,381	\$-	\$593,381
2012	61,844,063	31,448,287	1,231,233	5,015,349	12,521,851	276,665	101,678	10,016,206	1,232,794
2013	58,466,818	39,122,872	1,241,983	6,231,962	6,469,086	436,058	155,511	3,404,560	1,404,786
2014	59,738,272	41,467,611	1,658,174	6,466,606	8,056,137	369,536	138,139	1,889,669	(307,600)
2015	65,673,607	43,182,086	4,924,658	4,099,977	9,622,826	628,307	295,945	2,205,288	714,520
2016	79,683,497	52,451,049	4,590,328	4,577,768	9,050,311	571,744	205,147	5,025,201	3,211,949
2017	82,449,249	57,501,944	5,537,836	5,666,567	10,022,554	786,763	508,340	793,063	1,632,182
2018	88,578,843	60,692,092	8,027,594	4,719,582	10,761,131	474,136	618,982	2,331,349	953,977
2019	91,002,192	62,557,639	4,838,943	4,115,965	12,871,127	724,823	2,022,579	3,099,756	771,360
2020	93,360,277	65,264,599	6,945,013	3,807,927	11,759,817	472,132	1,554,273	2,821,998	734,518

Revenue Capacity

CITY OF RIVIERA BEACH, FLORIDA

GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION

FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended Sep 30	Total Expenditures	General Government	Public Safety	Physical Environment	Transportation	Human Servicess	Culture and Recreation	Economic Environment	Capital Outlay	Debt Service Requirements
2011	\$64,115,585	\$ 17,111,819	\$ 28,284,372	\$ 741,746	\$ 1,816,708	\$ 148,566	\$ 4,487,922	\$ 3,573,182	\$ 6,470,525	\$ 1,480,745
2012	62,786,450	16,705,690	26,635,641	-	1,296,846	724,838	3,858,531	1,248,817	8,402,517	3,913,570
2013	70,574,848	17,617,869	25,743,021	-	1,003,004	584,090	3,532,554	2,396,058	7,772,369	11,925,883
2014	72,151,417	24,429,023	28,283,246	-	1,348,693	694,523	4,366,977	223,679	8,502,269	4,303,007
2015	80,715,064	21,502,285	30,099,943	-	1,408,908	762,196	4,392,302	8,598,381	8,878,525	5,072,524
2016	84,420,146	22,738,925	28,415,825	-	1,355,625	853,234	4,348,511	1,978,163	14,922,489	9,807,374
2017	80,447,168	22,853,939	29,391,831	404,471	1,260,487	1,191,792	5,233,868	3,437,981	7,826,178	8,846,621
2018	87,447,263	22,062,032	32,734,624	-	1,372,730	1,105,586	5,910,276	2,215,216	13,252,268	8,794,531
2019	99,749,149	21,900,347	34,721,666	-	1,516,264	1,187,130	5,935,317	5,777,165	19,183,714	9,527,546
2020	95,880,069	21,704,575	38,149,664	-	1,700,880	1,576,277	5,165,299	6,387,615	11,341,839	9,853,920

CITY OF RIVIERA BEACH, FLORIDA

**GENERAL FUND FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
FOR THE LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended September 30	Unassigned	Non-spendable	Restricted	Total Fund Balance	Total Expenditures	Unassigned Fund Balance as a Percentage of Expenditures
2011	\$ 13,458,237	\$ 2,296,172	\$ -	\$ 15,754,409	\$ 47,385,165	28.40%
2012	11,939,205	2,101,351	-	14,040,556	46,863,034	25.48%
2013	15,321,358	1,475,943	-	16,797,301	47,775,617	32.07%
2014	17,400,596	957,298	-	18,357,894	50,340,791	34.57%
2015	19,080,752	391,881	-	19,472,633	54,603,976	34.94%
2016	22,284,354	368,759	-	22,653,113	54,173,421	41.14%
2017	26,114,573	398,772	-	26,513,345	56,341,253	46.35%
2018	29,983,521	353,729	-	30,337,250	60,817,895	49.30%
2019	29,898,998	278,517	2,214,504	32,392,019	66,694,601	44.83%
2020	30,183,378	278,517	3,480,682	33,942,577	68,224,053	44.24%

Revenue Capacity

CITY OF RIVIERA BEACH, FLORIDA

**GENERAL FUND REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS**
(modified accrual basis of accounting)
SEPTEMBER 30, 2020
(Unaudited)

Fiscal Year Ended Sep 30	Total Revenues	Taxes	Licenses and Permits	Intergovernmental	Charges for Service	Fines and Forfeitures	Investment Earnings	Grants and Contributions	Miscellaneous
2011	\$ 50,320,673	\$ 36,158,036	\$ 1,256,129	\$ 4,758,236	\$ 7,168,128	\$ 295,996	\$ 165,847	\$ -	\$ 518,301
2012	45,918,789	32,755,944	1,231,234	4,780,363	5,729,218	276,665	(182,481)	128,652	1,199,194
2013	49,289,002	33,464,465	1,212,131	6,231,962	6,469,086	299,852	28,095	239,687	1,343,724
2014	51,932,988	35,246,989	1,642,699	6,466,606	8,056,137	286,888	33,297	216,901	(16,529)
2015	55,930,412	36,497,116	4,796,158	4,030,264	8,822,826	600,609	178,601	310,226	694,612
2016	66,472,505	45,089,743	4,252,502	4,235,815	9,050,311	542,393	108,288	649,102	2,544,351
2017	70,669,291	48,214,773	5,489,225	4,173,986	10,022,554	782,623	289,961	290,406	1,405,763
2018	73,136,092	49,558,438	7,360,181	4,387,012	10,761,131	474,136	392,247	247,963	(45,016)
2019	75,557,730	51,357,793	4,654,798	4,115,965	12,821,127	680,627	881,624	658,125	387,671
2020	77,827,872	53,869,037	6,093,727	3,807,927	11,709,817	466,054	941,565	538,230	401,515

CITY OF RIVIERA BEACH, FLORIDA

GENERAL FUND TAX REVENUES BY SOURCE
FOR THE LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
SEPTEMBER 30, 2020
(Unaudited)

Fiscal Year Ended Sep 30	Total Tax Revenues	General Property Taxes	Use and Fuel Taxes	Public Service Taxes	Communications Service Tax	Business Taxes	Insurance Premium Taxes
2011	\$ 36,158,036	\$ 28,608,931	\$ 470,924	\$ 3,467,981	\$ 1,528,274	\$ 1,532,346	\$ 549,580
2012	32,755,944	26,114,850	473,444	3,551,369	1,433,830	606,659	575,792
2013	33,464,465	26,120,272	471,241	4,060,124	1,369,752	875,909	567,167
2014	35,246,989	27,993,790	477,499	4,316,158	1,222,571	1,014,930	222,041
2015	36,497,116	29,304,127	510,525	4,275,034	1,215,175	1,192,255	-
2016	45,089,741	37,506,969	523,141	4,633,810	991,089	1,434,732	-
2017	48,214,773	40,381,674	542,643	4,762,948	1,041,524	1,485,984	-
2018	49,558,438	41,570,107	497,870	4,886,000	1,081,552	1,522,909	-
2019	51,357,793	43,045,894	543,837	5,144,247	1,095,242	1,528,574	-
2020	53,869,038	45,672,050	497,260	4,999,398	1,065,266	1,635,064	-

Revenue Capacity

CITY OF RIVIERA BEACH, FLORIDA

PROPERTY TAX LEVIES AND COLLECTIONS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended September 30	Tax Roll Year	Taxes Levied for the Fiscal Year	Current Gross Property Tax Collections	Percent of Levy Collected	Delinquent Property Tax Collections	Total Property Tax Collections	Total Collections as a Percent of Current Levy
2011	2010	\$ 28,461,695	\$ 28,257,434	99.28%	\$ 351,497	\$ 28,608,931	100.52%
2012	2011	27,217,043	25,871,229	95.06%	243,621	26,114,850	95.95%
2013	2012	27,020,224	25,713,920	95.17%	406,352	26,120,272	96.67%
2014	2013	27,693,990	27,257,403	98.42%	736,387	27,993,790	101.08%
2015	2014	28,901,318	29,304,127	101.39%	213,593	29,517,720	102.13%
2016	2015	36,554,341	37,057,072	101.38%	449,897	37,506,969	102.61%
2017	2016	39,692,520	40,166,337	101.19%	215,337	40,381,674	101.74%
2018	2017	40,933,873	41,461,168	101.29%	108,939	41,570,107	101.55%
2019	2018	42,403,307	42,884,217	101.13%	161,676	43,045,893	101.52%
2020	2019	45,305,402	45,365,468	101.13%	306,582	45,672,050	100.81%

Sources: City of Riviera Beach Finance Department
Palm Beach County Property Appraiser's Officer

Includes General Fund only.

CITY OF RIVIERA BEACH, FLORIDA

**TAXABLE VALUES AND GROSS ASSESSED VALUE OF PROPERTY
FOR THE LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended September 30	Tax Roll Year	Taxable Value of Operating Millage					Exemptions and Adjustments	Total Assessed Values	Total Direct Tax Rate
		Real Property	Personal Property	Centrally Assessed	Taxable Value				
2011	2010	\$3,540,220,470	\$ 348,802,754	\$ 4,633,594	\$ 3,893,656,818	\$ 723,395,515	\$ 4,617,052,333	8.998	
2012	2011	3,430,605,305	300,240,707	4,855,627	3,735,701,639	750,612,888	4,486,314,527	8.998	
2013	2012	3,423,577,683	280,218,177	5,108,721	3,708,904,581	716,488,332	4,425,392,913	8.998	
2014	2013	3,609,561,170	300,437,003	4,657,362	3,914,655,535	750,387,922	4,665,043,457	8.998	
2015	2014	3,821,801,946	306,390,283	5,268,669	4,133,460,898	754,569,514	4,888,030,412	8.952	
2016	2015	4,123,057,541	1,202,591,653	6,020,005	5,331,669,199	773,060,380	6,104,729,579	8.452	
2017	2016	4,427,673,377	1,322,870,368	6,556,506	5,757,100,251	821,454,130	6,578,554,381	8.452	
2018	2017	4,780,339,123	1,192,830,648	6,849,751	5,980,019,522	887,777,363	6,867,796,885	8.452	
2019	2018	5,031,469,383	1,167,896,433	7,100,965	6,206,466,781	940,465,733	7,146,932,514	8.452	
2020	2019	4,459,700,974	1,126,355,689	6,975,382	5,593,032,045	979,451,311	6,572,483,356	8.452	

Source: DR-403 - Recapitulation of Ad Valorem Assessment Rolls, Palm Beach County Property Appraiser's Office

Revenue Capacity

CITY OF RIVIERA BEACH, FLORIDA

DIRECT AND OVERLAPPING PROPERTY TAX RATES FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended Sep 30	Tax Roll Year	Direct				Overlapping					Total Direct and Overlapping Rates
		City of Riviera Beach General Operations	Palm Beach County	Palm Beach County School Board	South Florida Water Mgt District	South Florida Water Mgt District - Everglades Construction	Florida Inland Navigation District (F.I.N.D.)	Children's Services Council	Palm Beach County Health Care District		
2011	2010	8.9980	4.9925	8.180	0.5346	0.0894	0.0345	0.7475	1.1250	24.7015	
2012	2011	8.9980	4.9902	7.7780	0.3676	0.0613	0.0345	0.7300	1.1220	24.0816	
2013	2012	8.9980	4.9852	7.5860	0.3523	0.0587	0.0345	0.7025	1.0800	23.7972	
2014	2013	8.9980	4.9729	7.5940	0.3294	0.0548	0.0345	0.6745	1.0800	23.7381	
2015	2014	8.9520	4.9277	7.5940	0.3045	0.0506	0.0320	0.6677	1.0426	23.5711	
2016	2015	8.4520	4.9142	7.0700	0.2836	0.0471	0.0320	0.6833	0.8993	22.3815	
2017	2016	8.4520	4.9023	6.7690	0.2659	0.0441	0.0320	0.6590	0.7808	21.9051	
2018	2017	8.4520	4.9023	6.7690	0.2659	0.0441	0.0320	0.6590	0.7808	21.9051	
2019	2018	8.4520	4.8980	6.5720	0.2519	0.0417	0.0320	0.6403	0.7261	21.6140	
2020	2019	8.4520	4.8580	7.1640	0.2398	0.0397	0.0320	0.6497	0.7261	22.1613	

Sources: City of Riviera Beach, Finance and Administrative Services Department
Palm Beach County Property Appraiser's Office

Notes: Millage rates are based on \$1 for every \$1,000 of assessed value. The City has a millage rate limit of 10.00 as stipulated by the State of Florida.
Overlapping rates are those of local and county governments that apply to property owners within the City.

CITY OF RIVIERA BEACH, FLORIDA

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS PRIOR
 SEPTEMBER 30, 2020
 (Unaudited)

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Florida Power & Light Co	\$ 945,391,529	1	16.76%	\$ 128,289,247	1	4.05%
Marriott Resorts Hospitality Corp.	123,825,684	2	2.19%	56,338,950	3	1.78%
Morguard Woodbine LLC	50,707,511	3	0.90%	25,402,043	4	0.80%
AR Northlake LLC	36,817,927	4	0.65%			
HHR Singer Island Limited Partnership	36,074,175	5	0.64%	13,705,423	6	
Florida Southeast Connection LLC	29,771,579	6	0.53%			
Riviera Beach SMI LLC	22,078,494	7	0.39%			
Sysco Food Services	21,043,182	8	0.37%	13,402,627	7	0.42%
RBY LLC	19,585,401	9	0.35%			
Ask Florida LLC	19,280,000	10	0.34%			
2700 North Ocean LLC				117,943,000	2	3.72%
Riviera Beach FL Syndicated Holdings LLC				12,783,128	8	0.40%
South Florida Materials Corp				15,836,053	5	0.50%
Prospect Northlake LP				12,500,000	9	0.39%
Total Assessed Taxable Value for Top 10	\$ 1,304,575,482		23.12%	\$ 396,200,471		12.06%

Source: Palm Beach County Tax Collector's Office





DEBT CAPACITY



Debt Capacity

CITY OF RIVIERA BEACH, FLORIDA

OUTSTANDING DEBT PER CAPITA BY TYPE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended Sep 30	Capital Projects Note	CRA Projects Note	Public Improvement Revenue Bonds (1)	Capital Leases	Community Redevelopment Revenue Bonds	Water & Sewer Consolidated Utility	Water & Sewer Revenue Bonds (1)	Sales Tax Revenue Refunding Bonds	Stormwater Revenue Bonds (1)	Total Debt Primary Government	City's Population	Net Debt per Capita
2011	\$ 1,229,134	\$ 5,935,271	\$ -	\$ -	\$ 25,570,000	\$ 306,432	\$ 27,505,743	\$ 520,000	\$ -	\$ 61,066,580	32,496	\$ 1,879
2012	1,003,291	5,562,385	-	614,868	23,885,000	951,580	26,675,429	-	-	58,692,553	32,861	1,786
2013	768,071	5,170,855	-	534,551	25,790,000	886,823	26,020,115	-	-	59,170,415	33,129	1,786
2014	520,914	4,759,748	22,000,000	1,454,173	24,045,000	816,690	22,645,000	-	-	76,241,525	33,369	2,285
2015	265,755	4,328,086	79,855,158	3,195,672	22,265,000	740,738	25,370,753	-	-	136,021,162	33,649	4,042
2016	-	3,874,841	78,379,438	3,652,366	20,410,000	658,481	64,989,894	-	10,481,402	182,446,422	34,005	5,365
2017	-	3,398,934	77,258,083	2,342,301	18,680,000	569,396	64,234,697	-	10,187,783	176,671,194	34,674	5,095
2018	-	2,899,231	75,872,298	1,237,714	16,880,000	472,917	61,432,916	-	9,739,359	168,534,435	34,834	4,838
2019	-	2,374,543	74,204,808	3,216,603	23,817,000	368,431	60,596,130	-	9,289,222	173,866,737	34,352	5,061
2020	-	1,823,641	72,216,959	3,548,164	29,635,000	255,273	58,543,321	-	8,832,558	174,854,916	35,463	4,931

(1) Net of related premiums, discounts and adjustments.

CITY OF RIVIERA BEACH, FLORIDA

DIRECT AND OVERLAPPING DEBT

SEPTEMBER 30, 2020

(Unaudited)

Government Unit	Debt	Percentage Applicable to the City of Riviera Beach ⁽⁵⁾	Amount Applicable to the City of Riviera Beach
Direct Debt:			
City of Riviera Beach ⁽¹⁾			
Total bonds ⁽²⁾	\$ 141,416,479		
Capital leases	3,548,164		
Total direct debt	144,964,643	100%	\$ 144,964,643
Overlapping Debt:			
Palm Beach County School District ⁽³⁾	1,474,433,000	2.65%	39,099,214
Palm Beach County ⁽⁴⁾	947,154,000	2.66%	25,208,516
Total overlapping debt	\$ 2,421,587,000		\$ 64,307,730
Total direct and overlapping Debt			\$ 209,272,373

Sources: City of Riviera Beach, Finance and Administrative Services Department
Palm Beach County School Board, Annual Report June 30, 2020
Palm Beach County, Office of Financial Management and Budget
Palm Beach County Property Appraiser's Office

Notes: (1) Details regarding the City's outstanding debt are available in the notes to the basic financial statements.

(2) Net of related premiums, discounts and adjustments.

(3) Details regarding Palm Beach County School District's outstanding debt are available in the notes to the financial statements for fiscal year ended June 30, 2020.

(4) Details regarding Palm Beach County's outstanding debt are available from Palm Beach County, Office of Financial Management and Budget.

(5) Estimated percentage applicable to the City of Riviera Beach is computed based on the ratio of Palm Beach County and Palm Beach County School District's total taxable assessed value to that within the City of Riviera Beach.

Debt Capacity

CITY OF RIVIERA BEACH, FLORIDA

SCHEDULE OF GENERAL GOVERNMENT PLEDGED REVENUE COVERAGE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended Sep 30	Use and Fuel Taxes	Public Service Taxes	Communications Service Tax	Business Taxes	Insurance Premium Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Forfeitures
2011	\$ 470,924	\$ 3,467,981	\$ 1,528,274	\$ 1,532,346	\$ 549,580	\$ 1,256,129	\$ 4,758,236	\$ 7,168,128	\$ 295,996
2012	473,444	3,551,369	1,433,830	606,659	575,792	1,231,234	4,780,363	5,729,218	276,665
2013	471,241	4,060,124	1,369,752	875,909	567,167	1,212,131	6,231,962	6,469,086	299,852
2014	477,499	4,316,158	1,222,571	1,014,930	222,041	1,642,699	6,466,606	8,056,137	286,888
2015	510,525	4,275,034	1,215,175	1,192,255	-	4,796,158	4,030,264	8,822,826	600,609
2016	523,141	4,633,810	991,089	1,434,732	-	4,252,502	4,235,815	9,050,311	542,393
2017	542,643	4,762,948	1,041,524	1,485,984	-	5,489,225	4,173,986	10,022,554	782,623
2018	497,870	4,886,000	1,081,552	1,522,909	-	7,360,181	4,387,012	10,761,131	474,136
2019	543,837	5,144,247	1,095,242	1,528,574	-	4,654,798	4,115,965	12,821,127	680,627
2020	497,260	4,999,398	1,065,266	1,635,064	-	6,093,727	3,807,927	11,709,817	466,054

Continued on next page.

CITY OF RIVIERA BEACH, FLORIDA

**SCHEDULE OF GENERAL GOVERNMENT PLEDGED REVENUE COVERAGE
FOR THE LAST TEN FISCAL YEARS**

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended Sep 30	Investment Earnings	Grants and Contributions	Miscellaneous	Total Non-Ad Valorem Revenues	Amounts Not Legally Available for Debt Service	Total Available Non-Ad Valorem Revenues	Debt Service Requirements			Debt Service Coverage Ratio
							Principal	Interest	Total	
2011	\$ 165,847	-	\$ 518,301	\$21,711,742	\$ 216,048	\$ 21,495,694	\$ 567,602	\$ 317,629	\$ 885,231	24.2826
2012	(182,481)	128,652	1,199,194	19,803,939	202,234	19,601,705	594,181	293,555	887,736	22.0806
2013	28,095	239,687	1,343,724	23,168,730	209,712	22,959,018	622,014	268,352	890,365	25.7861
2014	33,297	216,901	(16,529)	23,939,198	204,664	23,734,534	651,161	241,966	893,127	26.5746
2015	178,601	310,226	694,612	26,626,285	166,221	26,460,064	681,684	570,557	1,252,241	21.1302
2016	108,288	649,102	2,544,351	28,965,534	596,355	28,369,179	2,188,648	2,360,475	4,549,123	6.2362
2017	289,961	290,406	1,405,763	30,287,617	259,750	30,027,867	1,846,661	3,372,259	5,218,920	5.7537
2018	392,247	247,963	(45,016)	31,565,985	476,218	31,089,767	1,864,703	3,322,572	5,187,275	5.9935
2019	881,624	658,125	387,671	32,511,837	172,691	32,339,146	2,169,688	3,271,568	5,441,256	5.9433
2020	941,565	538,230	401,515	32,155,823	-	32,155,823	2,908,468	3,125,495	6,033,963	5.3291

Debt Capacity

CITY OF RIVIERA BEACH, FLORIDA

SCHEDULE OF CRA TAX INCREMENT REVENUE COVERAGE FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended September 30	Operating Revenues	Operating Expenditures	Net Revenues Available for Debt Service	Debt Service Requirements			Debt Service Coverage Ratio
				Principal	Interest	Total	
2011	\$ 5,251,843	\$ 6,802,762	\$ (1,550,919)	\$ -	\$ -	\$ -	-
2012	5,255,458	6,328,544	(1,073,086)	1,685,000	1,135,308	2,820,308	-0.3805
2013	5,642,411	5,434,603	207,808	1,760,000	1,060,494	2,820,494	0.0737
2014	6,049,804	16,121,609	(10,071,805)	1,745,000	1,061,503	2,806,503	-3.5887
2015	6,640,071	14,931,925	(8,291,854)	1,780,000	1,023,902	2,803,902	-2.9573
2016	10,871,420	15,189,689	(4,318,269)	1,855,000	947,073	2,802,073	-1.5411
2017	7,938,519	9,293,602	(1,355,083)	1,730,000	867,048	2,597,048	-0.5218
2018	9,136,029	8,561,747	574,282	1,800,000	793,665	2,593,665	0.2214
2019	8,824,500	11,444,731	(2,620,231)	1,870,000	962,706	2,832,706	-0.9250
2020	9,108,746	9,856,511	(747,765)	2,162,000	588,844	2,750,844	-0.2718

CITY OF RIVIERA BEACH, FLORIDA

**SCHEDULE OF WATER AND SEWER PLEDGED REVENUE COVERAGE
FOR THE LAST TEN FISCAL YEARS**

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended September 30	Operating Revenues	Operating Expenses	Net Revenues Available for Debt Service	Debt Service Requirements			Debt Service Coverage Ratio
				Principal	Interest	Total	
2011	\$ 17,980,835	\$ 13,254,233	\$ 4,726,602	\$ 1,190,000	\$ 1,341,727	\$ 2,531,727	1.87
2012	21,384,020	17,446,153	3,937,867	1,230,000	1,299,446	2,529,446	1.56
2013	20,832,321	16,656,519	4,175,802	735,000	1,253,581	1,988,581	2.10
2014	20,060,259	14,064,330	5,995,929	760,000	1,226,019	1,986,019	3.02
2015	22,015,917	15,230,196	6,785,721	795,000	1,870,740	2,665,740	2.55
2016	22,673,701	16,380,403	6,293,298	740,000	1,028,325	1,768,325	3.56
2017	24,357,793	13,971,580	10,386,213	750,000	1,858,247	2,608,247	3.98
2018	26,828,559	17,606,091	9,222,468	1,640,000	2,621,525	4,261,525	2.16
2019	26,321,913	18,359,666	7,962,247	1,720,000	2,545,400	4,265,400	1.87
2020	28,740,063	18,788,362	9,951,701	1,895,000	2,369,050	4,264,050	2.33

Debt Capacity

CITY OF RIVIERA BEACH, FLORIDA

SCHEDULE OF STORMWATER PLEDGED REVENUE COVERAGE FOR THE LAST FOUR FISCAL YEARS

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year Ended September 30	Operating Revenues	Operating Expenses	Net Revenues Available for Debt Service	Debt Service Requirements			Debt Service Coverage Ratio
				Principal	Interest	Total	
2017	\$ 2,829,588	\$ 2,212,759	\$ 616,829	\$ 185,000	\$ 369,685	\$ 554,685	1.11
2018	3,432,915	1,876,691	1,556,224	350,000	339,431	689,431	2.26
2019	3,864,045	2,319,038	1,545,007	365,000	321,556	686,556	2.25
2020	3,432,915	1,876,691	1,556,224	405,000	283,056	688,056	2.26



DEMOGRAPHIC AND ECONOMIC INFORMATION



Demographic and Economic Information

CITY OF RIVIERA BEACH, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS FOR THE LAST TEN FISCAL YEARS

SEPTEMBER 30, 2020

(Unaudited)

Fiscal Year	Palm Beach County Population (1)	City of Riviera Beach Population (2)	Median Age (3)	Palm Beach County per Capita Personal Income (3)	City of Riviera Beach per Capita Personal Income (4)	City of Riviera Beach Total Personal Income	City Unemployment Rate (5)
2011	1,325,758	32,496	36.8	\$ 53,871	\$ 21,702	\$ 705,228,192	10.8%
2012	1,335,415	32,861	37.4	55,628	22,399	736,053,539	9.7%
2013	1,345,652	33,129	37.6	57,985	22,399	742,056,471	7.7%
2014	1,360,248	33,369	36.5	66,914	23,159	772,792,671	6.4%
2015	1,378,417	33,649	35.3	68,743	23,652	795,866,148	5.9%
2016	1,391,741	34,005	36.9	71,946	23,685	805,408,425	6.0%
2017	1,414,144	34,674	36.5	74,754	24,181	838,451,994	5.2%
2018	1,433,417	34,352	36.1	79,760	25,856	888,205,312	4.1%
2019	1,447,857	34,352	38.5	83,268	25,657	881,369,264	3.7%
2020	1,466,494	35,463	36.1	N/A	N/A	N/A	10.6%

Sources: (1) Palm Beach County Annual Report, September 30, 2020

(2) U.S. Census Bureau

(3) Palm Beach County Annual Report, September 30, 2020

(4) U.S. Census Bureau

(5) U.S. Bureau of Labor Statistics

N/A = Not Available

CITY OF RIVIERA BEACH, FLORIDA

PRINCIPAL EMPLOYERS
CURRENT YEAR, 2020
SEPTEMBER 30, 2020
(Unaudited)

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Veterans Affairs Medical Center	Health care	2,727
Palm Beach County School Board	Education	1,950
Cheney Brothers	Food distribution	970
City of Riviera Beach	Municipal government	550
Tropical Shipping	Freight shipping and logistics	500
Pepsi Cola Bottling Company	Bottled soft drinks	450
Sysco Food Services	Food distribution	340
Lockheed Martin Corporation	Aerospace engineering	335
Farmer and Irvin Corporation	Mechanical construction	173
Serta Mattress	Mattress manufacturing	164

Sources: Business Development Board of Palm Beach County
City of Riviera Beach Finance and Administrative Services Department



OPERATING INFORMATION



CITY OF RIVIERA BEACH, FLORIDA

**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS**
SEPTEMBER 30, 2020
(Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	94	96	92	103	105	115	109	112	113	101.0
Police	163	157	153	160	159	160	162	168	173	170.5
Fire	71	70	72	65	74	68	73	87	85	82.5
Culture and recreation	41	49	50	52	48	47	58	49	43	38.0
Transportation	12	8	8	7	8	13	14	6	7	15.0
Human Services	4	4	3	6	5	5	5	13	11	12.0
Marina	9	9	9	9	9	-	-	-	-	-
Water and sewer	55	55	56	49	48	42	44	52	52	47.0
Stormwater	12	10	10	10	9	7	7	9	9	10.0
Total number of FTE employees	461	458	453	461	465	457	472	496	492	476.0

Source: City of Riviera Beach, Finance and Administrative Services Department

OPERATING INDICATORS BY FUNCTION / PROGRAM FOR THE LAST TEN FISCAL YEARS SEPTEMBER 30, 2020 (Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fire										
Emergency responses	6,490	6,604	6,750	7,172	6,577	8,090	8,101	7,982	7,825	8,614
Fires reported	118	105	100	84	124	128	233	162	158	154
Streets										
Potholes repaired	135	300	375	180	300	350	218	N/A	N/A	N/A
Streets swept (miles)	3,100	4,800	3,200	3,200	4,500	4,500	4,500	N/A	N/A	N/A
Planning and development										
Building permits issued	2,497	2,444	2,601	2,535	2,952	2,825	2,528	3,338	3,545	4,389
Building inspections conducted	3,772	4,131	4,937	5,419	7,082	7,662	6,648	2,111	2,480	1,284
Parks and recreation										
Number of participants:										
Barracuda Bay	22,155	20,086	4,509	6,710	6,100	8,396	7,565	6,556	12,164	477
Swim lessons	530	675	558	175	600	466	35	681	476	18
Junior lifeguard	30	26	34	58	60	28	10	5	3	-
Football and cheerleading	250	270	210	250	250	219	400	475	475	-
Summer program	60	65	75	250	250	192	300	300	300	-
Seniors program	80	80	80	80	100	100	150	175	175	175
Youth basketball	215	190	130	130	600	191	250	100	100	145
Tee ball / Baseball / Tennis	100	100	125	125	250	56	80	-	-	-
Utility system										
Active accounts - water	13,929	13,175	13,366	12,975	12,686	12,665	12,555	12,566	13,693	12,980
Active accounts - sewer	13,475	13,127	13,315	13,010	13,052	12,616	12,511	12,521	13,655	12,943
Active accounts - trash	10,832	10,746	10,827	10,663	10,540	10,538	10,535	10,514	10,641	10,579
Water treated (gallons in millions)	2,450	2,472	2,500	2,647	2,762	2,800	2,919	2,806	2,894	N/A
Wastewater treated (gallons in millions)	1,715	1,759	1,836	1,778	1,796	1,799	1,323	1,443	1,655	N/A

Sources: Various departments of the City of Riviera Beach

N/A = Not Available

CITY OF RIVIERA BEACH, FLORIDA

**CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM
FOR THE LAST TEN FISCAL YEARS**
SEPTEMBER 30, 2020
(Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government:										
Government buildings	1	1	1	1	2	2	2	2	2	2
Public safety:										
Police stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Patrol cars	110	110	110	120	132	135	135	135	135	114
Fire stations	4	4	4	4	4	4	4	4	4	4
Culture and recreation										
Parks	12	12	12	12	12	12	12	12	12	12
Parks acreage	55	55	55	55	55	55	55	55	55	53
Recreation centers	2.0	2.0	2.0	2.0	2	2	2	3	3	3
Senior centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Playgrounds	10	10	10	10	10	10	10	10	10	10
Tennis courts	6	6	6	6	6	6	6	6	6	6
Basketball courts	5	5	5	5	5	5	5	5	6	6
Baseball/softball/soccer fields	7	7	7	7	7	7	7	7	7	7
Libraries	1	1	1	1	1	1	1	1	1	1
Transportation:										
Miles of streets	82	82	82	82	82	82	84	84	84	84
Number of street lights	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Miles of sidewalks	57	57	57	57	57	57	135	135	135	135
Utility systems:										
Water mains (miles)	188	188	187	187	187	187	187	188.3	193	193
Sewer mains (miles)	157	157	157	157	157	157	157	157	157	157
Water treatment capacity (MGD)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Storage tank & repump stations	4	4	4	4	4	4	4	4	4	4
Lift stations	51	51	51	51	51	51	53	51	51	51
Fire hydrants	1,100	1,100	1,109	1,109	1,125	1,125	1,136	1,143	1148	1,148

Sources: Various departments of the City of Riviera Beach

SECTION IV:
COMPLIANCE SECTION



The Compliance Section section of the City's Comprehensive Annual Financial Report provides the Independent Auditor's Report on internal controls, schedule of expenditures of federal awards along with relevant notes, summary of findings, and management letter issued by the auditor.

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Independent Auditor's Report on Internal Controls over Financial Reporting and on Compliance and other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	224
Independent Auditor's Report on Compliance for Each Major Federal Program and Major State Project and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by Uniform Guidance and Chapter 10.550, Rules of the Auditor General	226
Schedule of Expenditures of Federal Awards and State Financial Assistance	229
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance	232
Schedule of Findings and Questioned Costs	234
Independent Auditor's Report on Compliance with Section 218.415, Florida Statutes, Local Government Investment Policies	247
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	249

HCT Certified Public Accountants & Consultants, LLC

**INDEPENDENT AUDITOR'S 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***

The Honorable Mayor and Members of the City Council
City of Riviera Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Riviera Beach, Florida (the 'City'), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the Fiduciary Funds, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-008 to be material weaknesses.

West Palm Beach
Phone (561) 655-2664

Miami
Phone (305) 331-8768

Hollywood
Phone (954) 966-4435

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2020-001, 2020-004, and 2020-005 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Riviera Beach, Florida's Response to Findings

The City of Riviera Beach, Florida's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
June 28, 2021

HCT Certified Public Accountants & Consultants, LLC

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

The Honorable Mayor and Members of the City Council
City of Riviera Beach, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Riviera Beach, Florida's (the 'City') compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Florida Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 Florida Auditor General* (Chapter 10.550). Those standards, the Uniform Guidance, and Chapter 10.550 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

West Palm Beach
Phone (561) 655-2664

Miami
Phone (305) 331-8768

Hollywood
Phone (954) 966-4435

Opinion on Each Major Federal Program and State Project

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

HCT Certified Public Accountants & Consultants, LLC

Hollywood, Florida
June 28, 2021



UNIFORM GUIDANCE/GRANTS COMPLIANCE



CITY OF RIVIERA BEACH, FLORIDA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

FEDERAL AWARDS

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Identification Number	Federal Expenditures
U.S. Department of Justice:			
Edward Byrne Memorial Justice Assistance Grant Program (JAG)			
FY 2018 Edward Byrne Memorial Justice Assistance Grant Program - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0744	\$ 97,376
Bulletproof Vest Partnership Grant			
Bulletproof Vest Partnership Grant	16.607	2019-BUBX-190-96389	4,224
Public Safety Partnership and Community Policing Grants			
COPS Hiring Program	16.710	2014UMWX0156	9,684
Passed through State of Florida, Department of Legal Affairs, Office of the Attorney General			
Victims of Crime Act (VOCA) Grant	16.575	VOCA-2019-CITY OF RIVIERA BEACH POL-00264	117,507
Passed through Palm Beach County Public Safety			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program SMART Reentry Services	16.738	2017-CZ-BX-0003	106,220
Total U.S. Department of Justice			335,011
U.S. Department of Housing and Urban Development:			
Passed through Palm Beach County, Housing and Community Development			
FY 2017/2018 Community Development Block Grant (CDBG)	14.218	R2019 1765	155,892
	14.218	R2018 2001	106,402
Total U.S. Department of Housing and Urban Development			262,294
U.S. Department of Homeland Security:			
Passed through Federal Emergency Management Agency (FEMA)			
Staffing for Adequate Fire and Emergency Reponse (SAFER) Grant	97.083	EMW-2016-FH-00645	315,218
Disaster Grants - Public Assistance (Presidentially Declared Disasters) - COVID	97.036	4486DR-FL	152,489
Total U.S. Department of Homeland Security			467,707
U.S. Department of the Interior:			
Passed through Florida Department of Environmental Protection			
Land and Water Conservation Fund (LWCF) Program	15.916	LWCF PROJECT NUMBER 12-00677	54,402
	15.916	LWCF PROJECT NUMBER 12-00683	63,500
Total U.S. Department of the Interior			117,902
U. S. Department of Energy			
Passed through Florida Department of Agriculture and Consumer Services Division of Administration - State Energy Program	81.041	FDACS CONTRACT 025866 LG013	250,000
Total U. S. Department of Energy			250,000
National Endowment for the Humanities			
Passed through Promotion of the Humanities Federal/State Partnership			
Passed through Florida Humanities Council - State Humanities Program	45.129	SO-253160-17	300
Total U. S. Department of National Endowment for the Humanities			300
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,433,214

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

CITY OF RIVIERA BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

STATE FINANCIAL ASSISTANCE

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Identification Number	Federal Expenditures
Florida Department of State			
State Aid to Libraries	45.030	20-ST-63	\$ 386
General Program Support (Cultural and Museum Grants)	45.061	20.C.P.S.114.586	6,576
Total Florida Department of State			6,962
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 6,962

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

CITY OF RIVIERA BEACH, FLORIDA

**SCHEDULE OF EXPENDITURES OF LOCAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

LOCAL AWARDS

Grantor/Pass-Through Grantor/Program Title	Identification Number	Local Expenditures
Florida Inland Navigation District (FIND)		
Florida Inland Navigation District- Dock G	PB-RB-16-189	\$ 325,589
Florida Inland Navigation District - Dock F	PR-RB-17-196	95,803
Florida Inland Navigation District - Dock E	PB-RB-19-203	570,134
Total Florida Inland Navigation District (FIND)		991,526
Passed through Palm Beach County Sheriff's Office		
Manatee Protection Law Enforcement	R2018-1512	12,929
Total Palm Beach County Sheriff's Office		12,929
Passed through Palm Beach County		
Ex-Offender Adult Reentry Services	R2019-1570	230,448
Youth Violence Prevention Project	R2019-1407	99,704
Civil Drug Court Contract Services	R2018-1808	102,145
Total Palm Beach County		432,297
TOTAL EXPENDITURES OF LOCAL AWARDS		\$ 1,436,752

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

CITY OF RIVIERA BEACH, FLORIDA

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

NOTE 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the Federal award activity of the City of Riviera Beach, Florida (the City) under programs of the Federal government for the fiscal year ended September 30, 2020. 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 of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cashflows of the City.

NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - Indirect Cost Rate

The City has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.

NOTE 4 - Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by a grantor agency as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the City. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.





SCHEDULE OF FINDINGS AND QUESTIONED COSTS



**City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2020**

I. Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant Deficiency(s) X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant Deficiency(s) identified yes X none reported

Type of auditor's report issued on compliance for major programs: **Unmodified.**

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? yes X no

Identification of major programs:

<u>CFDA No(s).</u>	<u>Names of Federal Programs or Cluster</u>
97.083	Staffing for Adequate Fire and Emergency Response
14.218	Community Development Block Grant (CDBG)

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? yes X no

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

II. Prior Year Findings

2019-001 - Noncompliance or other matters that are required to be reported under Government Auditing Standards

Condition: We noted that the audit report and the Annual Financial Report filed with the Florida Department of Financial Services for the fiscal year ended September 30, 2019 were not filed timely.

Recommendation: We recommend that the City review the financial reporting process and make any changes required to facilitate the timely preparation of financial reports.

Current Year Status: Fully implemented.

2019-002 – Significant deficiency - Employee formal evaluations / City should must have an employee evaluation process which is performed at least annually

Condition: The City does not have a formal process for employees to receive an annual evaluation that includes a City form with the employee’s name, the period under evaluation, and the supervisor’s/department head’s rating and scoring based on a rating matrix.

Recommendation: We recommend that the City institute an annual employee evaluation process during fiscal year 2020.

Current Year Status: Not implemented. Target implementation date is June 2021.

2019-003 – Significant deficiency - Parks and recreations should not receive cash directly from rental facility clients before, during or after any event

Condition: The City’s Parks and Recreation Department should have payment procedures that does not include accepting of cash payments from the various types of events that may occur.

Recommendation: We recommend that the Finance Department implement through the elected and appointment officials a cash handling procedure for the Parks and Recreation Department during fiscal year 2020 that does not allow for any cash payments to occur at, during or after any event.

Current Year Status: Not implemented. Target implementation date is June 2021.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

2019-004 – Management comment - The Office of Internal Audit should report directly to the Mayor and City Commission

Condition: The Office of Internal Audit does not report directly to the Mayor and City Commission.

Recommendation: We recommend that the Office of the Internal Auditor be established and report directly to the elected officials as a matter of Organizational chart and by ordinance and bylaws of the City code during fiscal year 2020.

Current Year Status: Not implemented. Target implementation date is June 2021.

2019-005 – Significant deficiency - The City’s employees should be trained and informed on all potential cyber-attacks on a monthly or quarterly basis

Condition: City’s Information Technology Department must update and inform all employees on a monthly or quarterly basis of the current and possible new types of cyber-attacks that they may encounter.

Recommendation: We recommend that the City institute an upgrade in training session and frequency of cyber-attack training as a method to eliminate real and potential cyber-attacks.

Current Year Status: Fully implemented.

2019-006 – Significant deficiency - The Finance Department should perform a month-end or quarter end close with reporting of financial results to the elected and appointed officials

Condition: The Finance Department does not perform a month-end or a quarter-end closing of the accounting records at no certain time during the subsequent month/quarter. The month and quarter end closing and reporting should include a sign off by initiating or reviewing staff. The month end or quarter end reporting should reflect the dates that the month end and quarter end was performed, the person performing each step by their initials and then a sign off by the department finance director or designee as the approving City representative.

Recommendation: We recommend that the City’s Finance Department institute a practice of month-end and quarter-end closing and reporting. The completed month-end and quarter-end close and reporting should be retained in accordance with the record retention policy as maintained by the City Clerk.

Current Year Status: Partially implemented.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

2019-007 – Material Weakness - Human Resources Employee files were noted to have a high rate of errors

Condition: Based on our audit inspection of the Human Resource employee files, we noted that 3 of 6 (50%) of the new retired files were noted to have errors and 21 out of 25 (84%) newly terminated employee files were noted to have errors. We selected 125 current and active employee files for audit inspections and noted that 122 of 125 (98%) files contained errors. Additionally, we noted that 3 employee files were not located. Furthermore, we noted that several executive level City staff employee files did not contain key documents such as a signed Code of Ethics form or signed job descriptions.

Recommendation: We recommend that all employee files are reviewed and all noted corrective actions are taken during fiscal year 2020 to ensure all required HR documents are associated with each personnel file.

Current Year Status: Partially implemented. Target implementation date is June 2021.

2019-008 – Significant deficiency - The Legal Department selected various law firms to represent the City without a formal committee vetting process. The Legal Department selects law firms without going through the normal and approved procurement process of obtaining a competitive bid via quote, RFI or RFP

Condition: The Legal Department selected various law firms to represent the City without a formal committee vetting process.

Recommendation: We recommend that all legal vendors be required to follow the normal and routine vetting and procurement process for any other goods and services hired by the City.

Current Year Status: Not implemented.

2019-009 – Significant deficiency - City Procurement Department should include a notice of award and a notice to proceed for every selected vendor after the formal award process has concluded

Condition: The City's Procurement Department should include a notice of award and a notice to proceed for every selected vendor after the formal award process has concluded.

Recommendation: We recommend that the City implement a notice of award and notice to precede letters for all procurements during fiscal year 2019 and prospectively.

Current Year Status: Fully implemented.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

2019-010 – Significant deficiency - The Police Department should not receive cash directly from rental facility clients before, during or after any event

Condition: The City's Police Department should have payment procedures that does not include accepting of cash payments from the various types of events that may occur.

Recommendation: We recommend that the Finance Department implement through the elected and appointment officials a cash handling procedure for the Parks and Recreation Department during fiscal year 2020 that does not allow for any cash payments to occur at, during or after any event.

Current Year Status: Not implemented. Target implementation date is June 2021.

2019-011 – Management comment - Utility District time tracking

Condition: The Utility district should implement a time tracking mechanism to determined and independently report the time in hours and minutes from the commencement of a request for service until the end of the service for all stand by employees. There should be maximum time granted to the stand by employee for travel to and from the location based on GPS or miles to be traveled.

Recommendation: We recommend that the Utility District Department implement through the elected and appointment officials a procedure for independent and accurate time tracking for all stand by employees.

Current Year Status: Not implemented. Target implementation date is June 2021.

2019-012 – Significant deficiency - Purchase card usage by employee and elected official out of town travel

Condition: Lack of compliance with policies and procedures over purchasing card process and for compliance with purchasing card policies and procedures and payments to council members' for out of state travel expenditures and their compliance with the travel policy and tuition reimbursements. (Reference – OIG of Palm Beach County 2019-A-003).

Recommendation: We recommend that the Finance Department implement through the elected and appointment officials a procedure for independent and accurate time tracking all purchase card transactions, travel expenditures, and tuition reimbursements.

Current Year Status: Not implemented. Target implementation date is fiscal year 2022.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

2019-013 – Management comment – Reporting to the City Commission

Condition: We noted management did not provide adequate and timely financial information to the City Commission.

Recommendation: We recommend that the City review its policies and procedures for internal financial reporting and implement steps to provide appropriate and timely financial information to those charged with governance.

Current Year Status: Not implemented.

2019-014 – Significant deficiency – Contract copies

Condition: The City's Procurement Department should ensure that each active vendor has a current signed agreement / contract on file every selected vendor after the formal award process has concluded.

Recommendation: We recommend that the City implement a mechanism to ensure that all agreement and contracts all procurements during fiscal year 2019 and prospectively are maintained and retained in accordance with the retention policy of Florida Statutes.

Current Year Status: Not implemented.

III. Financial Statement Findings

2020-001 – Significant deficiency – The City should require the Database Administrator position to report to IT Director or City Manager department

Condition: The database administrator for the City's major software platform reports to the finance director. The finance department oversees most of the critical functions of the City.

Criteria: Best practices suggest that IT operations members and key person should be segregated from any distinct department of the municipal government.

Cause: This condition exists as a result of the database administrator being assigned to the finance department.

Effect: The security of the database should be help with the Information Technology (IT) department. The City finance department has oversight and manages major operational areas and key functions for the City and its component units. The database administrator has operational authorization and access to implement, modify and/or terminate various functions and modules of the City software platform.

Recommendation: We recommend that the City's organizational chart is modified so that the database administrator reports to the IT department head or a member of the City Manager's office.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

Views of responsible officials and planned corrective actions: The City concurs with this finding and the related recommendation in that security for all systems should be centrally administered by the Information Technology department (IT). City Administration and IT have budgeted for a position within IT to assume security roles, which also include Tyler application security.

In addition, we concur with the criteria above that operations members and key persons should be segregated from any distinct department of the municipal government.

2020-002 – Management comment – City should require grant agreements to be subject to internal audit/examination.

Condition: The internal audit department has not performed cycle audits of the grant activities to ensure that compliance with all grant agreements.

Criteria: The internal audit department should perform cycle audit over various activities of the City on an annual or bi annual basis. The cycle audits should cover expenditures and reporting for grant monies received and expended by the City.

Cause: The internal audit department has been established to ensure internal policies and procedures are maintained. The internal audit department has not performed any federal, state or local grant cycle audits.

Effect: Grant agreement require compliance with various time events, special activities and/or unallowable cost. Cycle audits by the internal audit department may limit a requirement to pay back monies expended in an inappropriate fashion.

Recommendation: We recommend that the City Internal audit department should perform a schedule of cycle audits that include review and sample testing for federal, state and local grants.

Views of responsible officials and planned corrective actions: The Office of the Internal Auditor's audit plan is risk based. Thus, the current audits aim to address the areas that represent highest risk to the City. The Office will consider the risk grants present to the City and will add them to the plan, based on availability and staffing.

2020-003 – Management comment – The City should require candidates' files and documents be maintained in a locked file cabinet in the City Clerk's office.

Condition: The City Clerk office does not maintain a locked place for qualified candidates for elected office documents to be maintained.

Criteria: Best practices suggest that candidates for local office documents be maintain with the City Clerk's office to ensure that access, retrieval and modification can only occur by a selected group of authorized persons.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

Cause: Candidate information and documents could be modified without the ability to determine the person(s) who has access to the official candidate documents.

Effect: The City Clerk office is the custodian of official documents for candidates attempting to become an elected official. The City Clerk office should maintain a locked area with only authorized person able to access, retrieve and review candidates' documents.

Recommendation: We recommend that the City Clerk office establish and/or maintain an internal safe or cabinet that only selected authorized person can access. Those authorized people should maintain a log of entry and actions taken on official candidate's paperwork.

Views of responsible officials and planned corrective actions: In response to the discussion with HCT, the Office of the City Clerk relocated the candidates for elected office files, required to be maintained by the Florida Division of Elections, to the vault located within the office. In addition, a log was created for staff to complete upon accessing the files.

2020-004 – Significant deficiency – The Parks and recreation department maintain cash at barracuda bay facility. The monies are pick up once a week by brinks. The Finance department should perform surprise cash counts.

Condition: The park and recreational department operates various programs that require payments from the residents that seek to participate.

Criteria: As an off-site location receiving various forms of payments, another cognization department should be tasked with performing surprise audits at Barracuda Bay.

Cause: The surprise cash reconciliation counts have not occurred over the past 16 months due to the COVID pandemic. The Parks and Recreation department has begun to reengagement the community by offering summer programs and other activities.

Effect: The City Parks and recreation department operates and received various forms of payments at an off-site location - Barracuda Bay. Surprise audits should occur intermittently by a separate department.

Recommendation: We recommend that the City implement a cognization department to perform surprise cash audits Barracuda Bay a frequently to ensure internal controls over receipt of assets is adhered.

Views of responsible officials and planned corrective actions: The City concurs with this finding and the related recommendation. The Cash Handling policy provides for quarterly and spot audits. Since March 2020, all Parks and Recreation department programs have been suspended and no cash was collected. Upon the department resuming normal operations, the Treasury Division will resume its quarterly audits.

**City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020**

2020-005 – Significant deficiency – The Parks and recreation department Parks should have the ability to automate supplies of materials to safeguard against unauthorized usage by employees for personal gain.

Condition: The Parks and recreational department maintains a manual inventory of city purchased materials.

Criteria: The Parks and recreation department Parks should have the ability to automatically monitor supplies / materials to safeguard against unauthorized usage by employees for personal gain.

Cause: This condition exists as the Park and Recreation department does not maintain a perpetual inventory tracking on a system on purchased materials.

Effect: Government purchased material in the parks and recreation department could be used for an authorized person(s) for personal gain.

Recommendation: We recommend that the City implement a perpetual inventory tracking system for material and supplies.

Views of responsible officials and planned corrective actions: The City is aware of the condition and is currently taking corrective actions. An Inventory policy is being developed, which will guide staff in managing inventory and small tools City-wide. In addition, Tyler includes an inventory module, which may provide additional benefits.

2020-006 – Management comment – The procurement department should seek and obtain a written memo or letter regarding legal sufficiency for each RFP document.

Condition: The Invitation to Bid (ITB) documents acts a legal request for potential proposers and Request for Proposal (RFP) is for a requested procurement for good and services. The Office of the City Attorney must review and sign off on all ITBs for legal accuracy and sufficiency. The Office of the City Attorney should review and sign off on all RFPs ensure the document is in accordance with the City’s ordinances and the procurement code.

Criteria: The Office of the City Attorney must review and sign off on all ITBs for legal accuracy and sufficiency. The Office of the City Attorney should review and sign off on all RFPs and provide written comments for change or an approval for release should occur for each ITB or RFP.

Cause: Currently the Office of the City Attorney does not provide a written legal opinion or rendering on ITBs or RFPs let by the procurement department.

Effect: The City’s ITBs / RFP process is subject to bid protest and potentially a legal suit. The RFP document is usually incorporated by reference to the contracted goods and services for the successful bidder.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

Recommendation: We recommend that the Office of the City Attorney provide a written legal opinion or rendering on all ITBs. We also recommend the Office of the City Attorney review and sign off on all RFPs documents and provide assurance that the RFP is in accordance with the City's ordinances and the procurement code.

Views of responsible officials and planned corrective actions: The City disagrees with this finding and the related recommendation. It is overly burdensome for the Legal department to review every solicitation document produced by the Procurement department. The Legal department will create standardized documents, a more efficient use of its time, which should be adopted by the Procurement department.

2020-007 – Management comment – The selection of old vehicles to be place for sale should be outsourced to an independent vendor to eliminate employee or insiders selecting vehicles for favorable transactions.

Condition: The City employees have the discretion to select which City vehicles that are to be disposed.

Criteria: City employees being able to select and participate in purchase of vehicles to be disposed of by the City can foster an environment of collusion.

Cause: City employees could collaborate to select, promote and select vehicles that have been assigned a marked down value for personal purchase at a later time by themselves or related parties.

Effect: The City employees could foster mechanism to select which vehicles to be disposed of for personal gain or usage.

Recommendation: We recommend that the City implement a procedure that is independent or requires the selecting person and their related parties to be prohibited from purchasing of disposed of City vehicles.

Views of responsible officials and planned corrective actions: The City is aware of the condition and is currently taking corrective actions. A Fleet Vehicle and Equipment Replacement policy is being developed, which will include criteria for identifying vehicles to be surplus.

City of Riviera Beach, Florida
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended September 30, 2020

2020-008 – Material weakness – The Office of City of Attorney lack of internal controls over legal expenditures.

Condition: The Office of the City Attorney does not maintain the appropriate internal control procedures over legal expenditures paid to Law firms personally selected by the City Attorney.

Criteria: The Office of the City Attorney does not maintain a process to ensure payments to law firms are performed in accordance with the internal controls over expenditures.

Cause: We selected a sample of 60 transactions for inspection. We noted a 100% error rate. The sample transaction did not include appropriate sign off to reflect the review and approval by the City Attorney. We also noted that the internal control over legal expenditures require a cover sheet to be prepare and present to payment to the insurance provide or the City’s financial department. We noted that the requirement for a cover sheet was not adhered to during the entire fiscal year 2020.

Effect: The Office of the City Attorney adopted budget was \$865,155 for fiscal year 2020. Expenditures paid to law firms are not appropriate reviewed and approved by signature / initials by the City Attorney.

Recommendation: We recommend that the City Attorney sign or initial each law firm’s invoice to reflect that the internal review and approval has occurred.

Views of responsible officials and planned corrective actions: The City concurs with this finding and the related recommendation that the City Attorney should initial or sign each law firm’s invoice as proof of review and approval. Departments will be reminded that all invoices must be provided to the Office of the City Attorney for review and approval.

Since March 2021, the Legal department requires that every invoice presented for payment to either an insurance carrier or to the Finance department is accompanied by a cover sheet. The Legal department will enforce this new control going forward.

- IV. Federal Award Findings and Questioned Costs
 - None Noted
- V. State Award Findings and Questioned Costs
 - None Noted



REPORTING SECTION



HCT Certified Public Accountants & Consultants, LLC

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH SECTION 218.415,
FLORIDA STATUTES, LOCAL GOVERNMENT INVESTMENT POLICIES**

To the Honorable Mayor and City Council
The City of Riviera Beach, Florida

We have audited the financial statements of the City Riviera Beach, Florida (the “City”) as of and for the year ended September 30, 2020, and have issued our report thereon dated June 28, 2021.

Auditor’s 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; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Schedule of Findings and Questioned Costs; the Independent Accountant’s 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, and the management letter in accordance with the rules of the Auditor General of the State of Florida. Disclosures in those reports and schedule, which are dated June 28, 2021, should be considered in conjunction with this report.

Local Government Investment Policies

We have examined the City’s compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management is responsible for City’s compliance with those 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* and, accordingly, included examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. 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 the aforementioned requirements for the year ended September 30, 2020. This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

HCI Certified Public Accountants & Consultants, LLC
Hollywood, Florida
June 28, 2021

HCT Certified Public Accountants & Consultants, LLC

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR
GENERAL OF THE STATE OF FLORIDA**

To the Honorable Mayor and City Council
City of Riviera Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Riviera Beach, Florida (the 'City'), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 28, 2021.

Auditor's 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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's 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 schedule, which are dated June 28, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2018-19 FY Finding #	2017-18 FY Finding #
2020-001	2019-002	None
2020-002	2019-003	
2020-003	2019-004	
2020-004	2019-006	
2020-005	2019-007	
2020-006	2019-008	
2020-007	2019-010	
2020-008	2019-011	
	2019-012	
	2019-013	
	2019-014	

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. All related disclosures have been made in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report 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 Statute.

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. It is management’s responsibility to monitor the City’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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, recommendations can be found on the attached schedule of findings and questioned costs as finding 2020-002, 2020-003, 2020-006, and 2020-007.

Special District Component Units

Sections 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, the Mayor and City Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

HCI Certified Public Accountants & Consultants, LLC
Hollywood, Florida
June 28, 2021







CITY OF RIVIERA BEACH

600 WEST BLUE HERON BOULEVARD

RIVIERA BEACH, FLORIDA 33404

PHONE 561-845-4040

FAX 561-845-8843

www.rivierabeach.org