

CITY OF BOCA RATON FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2013





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Boca Raton
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012

Executive Director/CEO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF BOCA RATON, FLORIDA
FOR THE FISCAL YEAR ENDED
September 30, 2013



Prepared by the Financial Services Department

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Jean Bonds, Office Supervisor II

ABOUT THE COVER:



Our cover picture is of the southern-most portion of South Boca Raton Beach (also known as South Beach) during the construction of the South Boca Raton Beach Renourishment Project. South Beach experienced significant erosion in October 2012, when Hurricane Sandy traveled up the eastern coastline of the United States from Florida to Maine, causing devastating erosion and destruction along its path.

The South Boca Raton Beach Renourishment Project is located just south of the Boca Raton Inlet and extends .9 miles to the southern city limits. The City of Boca Raton hired a dredge contractor to excavate sand from the bottom of the ocean at the mouth of the Boca Raton Inlet to build up and extend the beachfront of South Beach. The excavation provided boaters with a safer passage through the Boca Raton Inlet and placed over 160,000 cubic yards of sand, previously lost during Hurricane Sandy, on the beach, widening South Beach by an average of 60 feet. The Project also provides additional storm protection to the properties along this coastal area.

This project was completed in December 2013 at a total construction cost of \$1.47 million and qualifies for cost-sharing reimbursement from the Florida Department of Environmental Protection at 48.9% and Palm Beach County at 20%.

PHOTO CREDIT:

Jennifer Bistyga, Coastal Program Manager, Municipal Services, *City of Boca Raton*

DESIGN CREDIT:

Mark Witzen, Video Producer/Multimedia Technician, *City of Boca Raton*

CITY OF BOCA RATON, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2013

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March 28, 2014

To The Honorable Mayor,
Members of the City Council,
Citizens of the City of Boca Raton, Florida:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Boca Raton, Florida (the City), for the fiscal year ended September 30, 2013. State law requires that all general-purpose local governments annually publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by an independent auditing firm. We believe that this report complies with these requirements and continues to present the City's strong tradition of full financial disclosure. This philosophy is reflected by the informative financial analysis provided by the City's Financial Services Department and the exhibits and statistical tables included herein.

The CAFR's role is to assist in making economic, social and political decisions and to assist in assessing accountability to the citizenry by:

- Comparing actual financial results with the legally adopted budget, where appropriate;
- Assessing financial condition and results of operations;
- Assisting in determining compliance with finance related laws, rules and regulations;
and
- Assisting in evaluating the efficiency and effectiveness of City operations

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to present fairly the financial position and results of operations of the City; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

Marcum LLP, independent auditors, have issued unmodified opinions on the City of Boca Raton's financial statements for the fiscal year ended September 30, 2013. The independent auditors' report is located at the front of the financial section of this report.

The City's Financial Statements have been prepared using the reporting model in accordance with Governmental Accounting Standard Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis (MD&A). MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments the letter of transmittal and should be read in conjunction with it.

THE CITY OF BOCA RATON

Profile

Boca Raton is a full service city located within the boundaries of Palm Beach County. The City derives its governmental authority from a charter granted by the Legislature of the State of Florida. In 1965, the Council-Manager form of government replaced the Commissioner-Manager system in Boca Raton. Four Council Members and a Mayor are elected at large on a non-partisan basis for three-year terms. The City Council appoints the City Manager who is the Chief Administrative Officer of the City and directs the business of the City and its various departments. The City Council determines policy, adopts legislation, approves the City's budget, sets taxes and fees, and appoints the City Attorney and members of various boards and committees.

Services Provided

The City provides a full range of municipal services. The public safety program includes police, fire protection and rescue services; the City's extensive recreation program includes beaches, a pool, golf courses, libraries, tennis courts, neighborhood parks, and community centers; the Municipal Services Department provides essential traffic, facility and street maintenance, solid waste collection and stormwater services as well as other technical assistance to the City; the Utility Services Department provides water and sewer services. The City's Development Services Department provides planning, zoning and building permit and inspection services and administers the City's Community Development Block Grants. The City also provides general administrative services.

Reporting Entity

This report includes all of the funds of the City. In addition to general government activities, the Community Redevelopment Agency (CRA) is included in the reporting entity. However, the Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority do not meet the established criteria for inclusion in the reporting entity and, accordingly, are not included in this report.

Accounting and Internal Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

(1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

The City is required to undergo an annual single audit performed under the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and Chapter 10.550, Rules of the Auditor General, State of Florida. The information related to the Single Audit, including the schedule of expenditure of federal awards, schedule of findings and questioned costs, and auditors' reports on the internal control and compliance with applicable laws and regulations are included in a separate report. This report disclosed no instances of material weaknesses in internal control over financial reporting or significant violations of applicable laws and regulations.

Budgetary Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. In accordance with state laws the Approved Budget is posted on the City's website within 30 days of adoption. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department (by fund) level. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget adoption. All expenditures for other than personal services are controlled by a procurement system, which encumbers purchase orders against budgets prior to issuance to the vendors. Purchase orders are not issued until appropriations are made available.

Administrative budget transfers may occur upon approval of the City Manager as long as the department budget within a fund is not increased. Budget amendments are submitted quarterly to Council for their consideration and in accordance with state law are posted to the City's website within five days of adoption.

LOCAL ECONOMY

The birthplace of the of the IBM personal computer, Boca Raton has grown from a small agricultural community to a large regional employment center with one of the largest business concentrations in South Florida. In fact, about half of all of the large office buildings in Palm Beach County are located in Boca Raton, and a number of national and international corporations call Boca Raton home. Corporate headquarters in Boca Raton include such well-

known companies such as Office Depot, Bluegreen Corp., Campus Management, Garda Global, and Jarden Consumer Solutions, as well as innovative and high-tech start-up companies such as 3CInteractive, GeoGroup, Integrity Tracking, Modernizing Medicine, and Biotest. Nearly 3,000 businesses are located in Boca Raton, employing over 38,000 people. Boca Raton Regional Hospital is a nonprofit hospital that has over 2,500 employees.

Boca Raton is facing increasing competition for new and existing national and regional corporate head quarters. In order to create and retain jobs in the City, the City Council again identified economic development strategy and funding as one of the top priorities for Fiscal Year 2013-14. The City continued to work with economic development agencies such as Enterprise Florida and the Palm Beach County Business Development Board to attract businesses to the City and to retain and promote the growth of existing businesses in the City.

In addition, the City developed and adopted an aggressive Economic Development Incentive Program. One of the primary components in the City's Economic Development Incentive Policy is to provide economic development incentives for companies seeking to relocate to the City or to expand their existing business within the City. Based on the criteria listed in the policy, including job creation and/or retention, capital investment and job salaries, the City can provide incentives through a number of different methods including providing the local match for state economic development programs, making grants and/or loans, and subsidizing rents and leases. It also can provide non-financial incentives such as expedited permitting.

Through its Economic Development Incentive Policy, the City has created 2,473 new jobs and retained an additional 1,830 existing jobs as a result of committing \$1,117,400 in incentives to date. The incentives provided by the City also leveraged \$4.8 million of State of Florida incentives and \$850,000 of Palm Beach County incentives.

Major business centers within the City include the Arvida Park of Commerce (APOC), which has over 5 million square feet of office space on its 850 acres, and the Florida Atlantic University (FAU) Research Park, which is currently home to 23 companies, and which in 2012 increased the number of jobs in the businesses located there over 17% to 952 jobs.



The City initiated a free shuttle bus system that connects businesses and universities with mass transit; the shuttle bus system carries workers to and from the Boca Raton Tri-Rail station to the Arvida Park of Commerce, Florida Atlantic University and the Town Center Mall area.

Education continues to play an important role in the Boca Raton area. The City is the location of Florida Atlantic University (FAU), Lynn University, and the southern campus of Palm Beach State

College. The combined enrollment of these institutions is over 25,000 students, which adds to the stability of the City's economic base, and the educational facilities continue to expand.

FAU, for example, has continued to expand its campus with the opening of Parliament Hall, the first student housing facility at FAU to have a faculty member in residence. Parliament Hall – so named because the collective term for a group of owls is “a parliament of owls” – provides state-of-the-art housing and dining amenities to 614 freshmen (FAU's mascot is the owl). Other major projects completed in 2013 at the university include additions to the Centre Marketplace, the Louis and Anne Green Memory and Wellness Center and the Recreation and Wellness Center as well as construction of a much-needed third parking garage on the Boca Raton campus. FAU appointed a new president, John Kelly in January 2014.

Lynn University is continuing its also development and expansion; the university opened its new performance facility as part of hosting the final Presidential Debate in October 2012 and registered its largest freshman class in six years. The University now brings students from 87 nations to the community and many of those students remain in Boca upon graduation as productive members of the local workforce. Lynn University has also created a new master plan for its campus and has completed construction of a new International Business Center and Central Energy Plant.

Palm Beach State College has expanded its programs to include courses in alternative energy and environmental sustainability. Additionally, all of the public schools in the City have received an “A” rating, the highest rating possible, by the State of Florida.

Boca Raton is a major cultural location in southeast Florida, anchored by the Mizner Park Amphitheater, the Boca Raton Museum of Art, and the Mizner Park Cultural Arts Center. The City has a large number of quality hotel accommodations, including the iconic Boca Raton Resort & Beach Club.

Boca Raton also remains as a premier shopping and dining location. The Town Center at Boca Raton has continued to expand and is considered the premier regional mall in South Florida. Other destination shopping and dining areas in the City include the downtown areas of Mizner Park, as well as Royal Palm Place. Amid much fanfare the new Lord & Taylor department store opened in October of 2013 and anchors the southeast corner at Mizner Park.

MAJOR INITIATIVES

For the Year

With goals and priorities of a financially sound City government, top quality municipal services, sustainable city and a strong partnership with our stakeholders, the City continues to demonstrate its ability to be one of the most financially secure local governments in Florida. As part of its strategic planning efforts a financial summit was held to ensure long term sustainability of the city.

The City's taxable value is \$16.627 billion, making the City's taxable value the highest of any municipality in Palm Beach County and the fourth highest in the three South Florida counties behind Miami, Miami Beach and Ft. Lauderdale.

The Boca Raton Community Redevelopment Agency's taxable value over the last five years has decreased an average of 4.8% annually. The City of Boca Raton's taxable property values increased 1.65% for the 2013 tax year. This is the second year of growth after four prior years of declines in property values.



Boca Raton completed Phase IV of the El Rio Trail in April 2013. El Rio Shared-Use Trail is the City's first "linear park" exclusively for the use of cyclists, skaters and pedestrians. The north portion of the El Rio Trail (shown below), runs between Yamato Road to the L-40 Canal, north of Clint Moore Road. This section also skirts along the water's edge of the El Rio Canal, passing decorative picnic and seating rest areas. The extension of the north portion of the El Rio

Trail between the L-40 Canal and Congress Avenue with a pedestrian signal crossing Congress Avenue was completed in 2013. This phase provides a seamless connection between Yamato Road and the border of Delray Beach while providing access to the Yamato Scrubs, an environmentally sensitive land.

Within the City are a number of excellent cultural facilities and venues, including the Boca Raton Historical Society and Museum, The Boca Raton Museum of Art, the Mizner Park Amphitheater, the Boca Raton Children's Museum and the Mizner Park Cultural Arts Center, not to mention a number of wonderful facilities at FAU and Lynn University. The City took over operation of the Mizner Park Amphitheater several years ago, with over 80 concerts, performance and events each year with over 100,000 visitors. As part of a pedestrian friendly walk way in the downtown the Sanborn Square arches were completed which serve as a gateway into the downtown.





The City completed construction in 2013 of the 40,000 square foot Downtown Library which was funded by voter approved General Obligation Bonds. The CIP construction dollars provided \$1.5 million to fund the balance of the costs of the downtown library construction, furniture, fixtures and equipment. Several non-profit organizations and local benefactors including The

Friends of the Library and the Rotary Club of Boca Raton donated funds toward the new facility.

FOR THE FUTURE

The City recognizes that a successful downtown is a critical component for Boca Raton. To be successful, downtown Boca Raton must develop a sense of place, the public and private sector must work together with a common goal, public funds need to be wisely invested and new development should provide pedestrian connections to the overall downtown.

Through the recent economic downturn, Boca Raton has maintained its strong financial position through prudent long-term financial planning and fiscal actions to reduce or contain fixed costs.

For the 2014 fiscal year, the City approved a .34% increase in the operating tax rate to \$3.4216 per \$1,000. The City's 2014 debt service tax rate decreased 3.71% to \$0.3009 per \$1,000 based upon voter approved bond issues. The net result was that there was not an increase.

The City continues to evaluate and implement user fees as part of its efforts for long term sustainability. In the 2014 budget, the sanitation fee was increased from \$16.50 to \$16.90 monthly for single family residents and the monthly fee for multi-family residential units to cover the cost to provide sanitation services remained the same at \$9.50. The provision of solid waste services is accounted for as an enterprise fund. Also, in the 2014 operating budget, the fire assessment fee remained the same at \$85 per household to recover a portion of the operational costs of the City's fire services.

In the 2014 Session, the Florida Legislature is considering reducing or eliminating business and communication services taxes, pension reform, as well as pushing additional costs down to local governments as unfunded mandates, specifically related to the new statewide Chart of Accounts project which requires additional level of detail and frequency of reporting to the Office of the State CFO. The City is closely monitoring these proposals and their potential impacts and limitations to Florida municipalities. The consequences of a combination of several of the proposals being considered could have a significant impact on the City's ability to maintain and/or improve services to residents.

LONG RANGE FINANCIAL PLANNING

The City Council has adopted financial policies for operating, capital and debt management. Management has made every effort to comply with these policies and we believe that we are in compliance with the adopted policies. A long-range financial plan is presented to the City Council annually in the spring. This document forecasts the General Fund and several other fund operations for the next five years and is used to guide the development of the annual operating budget and to achieve the long term goal of a financially sound city.

The City has also recognized the long-term financial cost implications of its pension benefits and in fiscal year 2008 adjusted benefits prospectively for new general employee hires, then in fiscal year 2010, adjusted benefits prospectively for executive employees. For 2014, the City created a Retirement Sustainability Fund and will transfer \$15 million from the General Fund. The City hired an outside actuary to perform a review of the Police Officers and Firefighters' Retirement System and to recommend changes for long-term sustainability. The City continues to monitor all

of its pension costs for sustainability and to provide cost containment so as not to shift the costs to future taxpayers.

The Capital Improvements Program (CIP) is prepared and presented to the City Council as part of the annual budget process. The projects represent the City's plan for infrastructure improvement and major equipment acquisition for the next six years.

The approved CIP also includes funding for a Police Safety Information system; this project will update the radio communications system enveloping the City's roadways, buildings and significant public venues into a video security network. The City participated in a project by the Army Corp of Engineers to provide beach renourishment project for the North and Central beaches to protect and preserve the City's beachfront property.

OTHER INFORMATION

Independent Audit

The City Charter, Article 3, Section II, requires an annual audit of the City's financial statements by independent accountants selected by the City Council. This requirement has been complied with and the independent auditors' report is included in the financial section of this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boca Raton, Florida for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the 33rd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Award for Distinguished Budget

The City received the GFOA Award for the Distinguished Budget Presentation for the City budget for the fiscal year ended September 30, 2013. It was the 31st consecutive year the City received the award for the document, which serves as the City's primary fiscal policy document.

ACKNOWLEDGMENTS

The completion and issuance of this report could not have been accomplished without the dedicated efforts of the entire staff of the Financial Services Department. Special thanks must be given to Patricia White, Carol Himes, Victoria Guinn, Gary Kapalka, Nicholas Pontiroli-Kelly and Cormac Conahan, for their dedication in the creation and compilation of this document. Our appreciation is also extended to Jean Bonds, Stephen Timberlake, Michael Woika, Sharon McGuire, Leslie Harmon and Ella Moore-Poitier for providing support in the preparation of this report.

We believe that this report clearly illustrates the strong financial posture of the City of Boca Raton and we wish to take this opportunity to thank you and the citizens of Boca Raton for the vital role you have historically played in enabling the City to achieve and maintain this high degree of fiscal responsibility.

Respectfully yours,

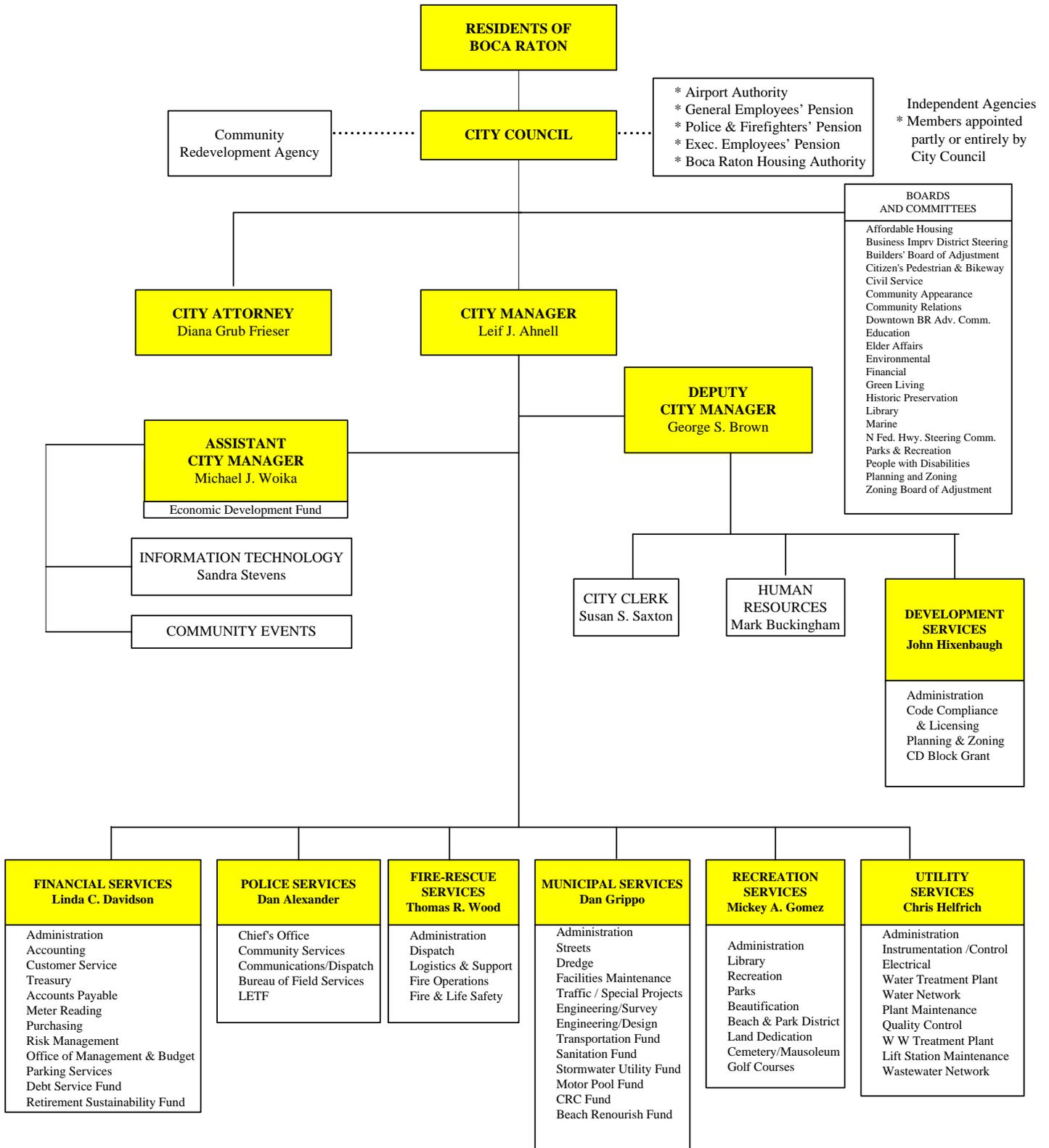
A handwritten signature in cursive script that reads "Linda C. Davidson".

Linda C. Davidson, C.P.A., C.G.F.O.
Financial Services Director

LIST OF PRINCIPAL OFFICIALS
September 30, 2013

Mayor	Susan Welchel
Deputy Mayor	Susan Haynie
Council Member	Michael Mullaugh
Council Member	Anthony Majhess
Council Member	Constance Scott
City Manager.....	Leif J. Ahnell
Deputy City Manager.....	George S. Brown
Assistant City Manager.....	Michael J. Woika
City Attorney.....	Diana Grub Frieser
City Clerk	Susan Saxton
Development Services Director.....	John Hixenbaugh III
Financial Services Director	Linda C. Davidson
Fire/Rescue Services Chief.....	Thomas R. Wood
Recreation Services Director	Mickey A. Gomez
Police Services Chief	Dan Alexander
Utility Services Director	Chris Helfrich
Municipal Services Director	Dan Grippo
Office of Management and Budget Director.....	Sharon McGuire
Information Technology Director.....	Sandra Stevens
Human Resources Director.....	Mark Buckingham

CITY OF BOCA RATON ORGANIZATIONAL STRUCTURE





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council and City Manager
City of Boca Raton, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boca Raton, Florida, (the City), as of and for the fiscal year ended September 30, 2013, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. 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 auditors' 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress, employer contributions and the budgetary comparison information on pages 1-18 and 84-91 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.

Supplementary and 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 and statistical sections and the combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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. In our opinion, the combining and individual fund financial statements and schedules 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Marcum LLP

West Palm Beach, FL
March 28, 2014

Management's Discussion and Analysis (Unaudited)

The purpose of financial reporting, in general, is to provide the readers of the financial statements with information that will help them make decisions or draw conclusions about an entity. As management of the City of Boca Raton, 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, 2013. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets plus deferred outflows of resources of the City exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$846.343 million (net position). Of this amount, \$156.732 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$17.986 million. The increase is attributable to a significant increase in program revenues in the governmental activities and an increase in operating revenues for the business-type activities, especially in water and sewer.
- The City's business-type activities reported total net position of \$337.412 million, which is an increase of \$12,312 million, or 3.79%, in comparison to the prior year. Approximately 18.37% of the total or \$61.970 million is unrestricted and thus available for spending at the City's discretion.
- At the end of the current fiscal year, fund balance for the General Fund was \$58.646 million, or 46.1% of the general fund expenditures and other financing uses. Of this balance, \$170 thousand has been restricted for the Army Corp of Engineers for an overflow site in the event of emergency dredging of the Intracoastal Waterway, \$24.233 million has been committed for hurricane/disaster emergency, Mizner Park debt service and retirement, \$12.92 million was assigned for the subsequent years' budget, \$22.5 thousand for inventories was non-spendable and \$21.300 million was unassigned and available for new spending.
- Due to continued volatile financial market conditions, interest rates declined by a significant margin again this past fiscal year, resulting in decreased interest earnings for the City. The City's average interest earnings return decreased from .65% in 2012 to .50% in 2013.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The focus of the *government-wide financial statements* is on the overall financial position and activities of the City of Boca Raton. Reporting is similar to that of a private-sector business. The City's government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the City's fiduciary funds because resources of these funds cannot be used to finance the City's activities. However, the financial statements of fiduciary funds are included in the City's fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties.

The *Statement of Net Position* presents financial and capital resources of the City. Assets are reported when the City acquires ownership over the assets and liabilities are reported when they are incurred, regardless of the timing of the related cash flows. For example, the City reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the City. On the other hand, the City reports liabilities even though these liabilities might not be paid until several years into the future.

The difference between the City's total assets and outflows and total liabilities and inflows is 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. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The *Statement of Activities* presents the revenue and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private-sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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, law enforcement, fire rescue, physical environment, transportation, community development and parks and recreation. The business-type activities include water and sewer utility, cemetery/mausoleum, golf course, stormwater utility, and sanitation.

The City's government-wide financial statements are presented on pages 19-22 of this report.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. Except for the General Fund, separate funds are established 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 (pension) funds.

Governmental Funds

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time including deferred outflows of resources, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period of time after the end of the fiscal year including deferred inflows of resources. The difference between a fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The City maintains twenty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the major funds which are the General Fund, Community Redevelopment Agency Mizner Park Revenue Fund, the Five Year Capital Improvement Fund and the Beach and Park Operations Fund. The City presents data from all other non-major governmental funds in a single column (non-major funds). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City's governmental fund financial statements are presented on pages 23-28.

Proprietary Funds

Proprietary fund financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used

to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds and Internal Service Funds.

The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal Service funds are used to account for services provided and billed on an internal basis. The City uses Internal Service Funds to account for its fleet of vehicles, information technology systems and self-insurance/benefit programs. Because 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 City presents a separate column for the Water and Sewer Utility Fund since it is most significant to the City. The remaining four non-major enterprise funds are aggregated and reported in a single column. Internal Service Funds are aggregated and presented in a single column. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

The City's proprietary fund financial statements are presented on pages 29-32.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in net position.

The City's fiduciary fund financial statements are presented on pages 33-34.

Notes to the Financial Statements

The notes provide additional information that is essential to 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 35-83.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as other post employment benefits. This section also includes a comparison between the City's adopted and final budget and actual financial results. The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the general fund and for the major special revenue funds to demonstrate compliance with this budget.

Required supplementary information can be found on pages 84-91.

Combining and individual fund statements and schedules referred to earlier in connection with major and non-major governmental funds and proprietary funds are presented immediately following the required supplementary information and can be found on pages 92-129 of this report.

Government-Wide Financial Analysis

The following schedule is a summary of the fiscal 2013 Statement of Net Position found on pages 19-20 with comparative information for fiscal 2012.

CITY OF BOCARATON, FLORIDA Net Position (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 191,740	\$ 190,403	\$ 133,948	\$ 126,140	\$ 325,688	\$ 316,543
Capital assets	438,008	445,328	255,788	252,238	693,796	697,566
Total assets	629,748	635,731	389,736	378,378	1,019,484	1,014,109
Deferred outflows of resources	1,905	2,187	661	721	2,566	2,908
Long-term liabilities outstanding	111,092	121,389	43,748	47,423	154,840	168,812
Other liabilities	11,630	13,272	9,237	6,576	20,867	19,848
Total liabilities	122,722	134,661	52,985	53,999	175,707	188,660
Deferred inflows of resources	-	-	-	-	-	-
Net position:						
Net investment in capital assets	368,548	370,985	214,698	207,936	583,246	578,921
Restricted	45,621	45,031	60,744	51,835	106,365	96,866
Unrestricted	94,762	87,241	61,970	65,329	156,732	152,570
Total net position	\$ 508,931	\$ 503,257	\$ 337,412	\$ 325,100	\$ 846,343	\$ 828,357

The overall position of the City improved in both the 2013 and 2012 fiscal years. Changes in net position over time can be one of the best and most useful indicators of financial position. The total City's net position balance of \$846.3 million at September 30, 2013 is a 2.17%, or \$17.99 million, increase compared to the 2012 balance of \$828.4 million. The increase in net position was a result of operations in both the governmental and business-type activities.

By far, the largest portion of the City's net position (69%) reflect its investment in capital assets (such as land, roads, parks, buildings, machinery and equipment) less any related outstanding debt and deferred outflows used to acquire those assets. Although the capital assets are shown net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate and pay for these liabilities. With a 2013 balance of \$583.246 million, net investment in capital assets increased slightly by 0.75% or \$4.33 million, over the 2012 balance of \$578.921 million. This increase was due primarily to the acquisition of capital assets.

13% of the City's net position represents resources that are subject to external restrictions on how they may be used. The \$106.365 million balance in restricted net position reflects a net increase of \$9.499 million from \$96.866 million in 2012.

The remaining 18% of the City's net position are unrestricted and may be used to meet the City's on-going obligations to its citizens and creditors. The ending balance of \$156.732 million is a 2.7%, or \$4.162 million, increase from the 2012 balance of \$152.570 million. This increase in unrestricted net position is due to the overall increase in revenues.

The following schedule is a summary of the fiscal year ended September 30, 2013 Statement of Activities found on pages 21-22 with comparative information for fiscal year ended September 30, 2012.

CITY OF BOCA RATON, FLORIDA
Changes in Net Position (in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 63,132	\$ 59,378	\$ 60,759	\$ 61,246	\$ 123,891	\$ 120,624
Operating grants & contributions	4,482	5,238			4,482	5,238
Capital grants & contributions	2,971	3,503	9,025	5,769	11,996	9,272
General revenues:						
Property taxes	59,568	55,914			59,568	55,914
Other taxes	46,866	46,835			46,866	46,835
Other	2,339	3,800	(59)	863	2,280	4,663
Total revenues	<u>179,358</u>	<u>174,668</u>	<u>69,725</u>	<u>67,878</u>	<u>249,083</u>	<u>242,546</u>
Expenses:						
General government	18,891	18,808			18,891	18,808
Law enforcement	42,044	40,865			42,044	40,865
Fire rescue	43,626	42,227			43,626	42,227
Physical environment	4,255	4,105			4,255	4,105
Transportation	20,185	17,925			20,185	17,925
Community development	2,889	3,106			2,889	3,106
Parks and recreation	37,542	39,039			37,542	39,039
Interest and fiscal charges	3,807	2,971			3,807	2,971
Water and sewer			45,617	43,662	45,617	43,662
Cemetery			569	589	569	589
Golf			2,776	2,690	2,776	2,690
Stormwater Utility			2,169	2,545	2,169	2,545
Sanitation			6,727	6,593	6,727	6,593
Total expenses	<u>173,239</u>	<u>169,046</u>	<u>57,858</u>	<u>56,079</u>	<u>231,097</u>	<u>225,125</u>
Increase in net position before transfers	6,119	5,622	11,867	11,799	17,986	17,421
Transfers	(445)	(410)	445	410		
Increase in net position	<u>5,674</u>	<u>5,212</u>	<u>12,312</u>	<u>12,209</u>	<u>17,986</u>	<u>17,421</u>
Net position beginning of year	503,257	498,045	325,100	312,891	828,357	810,936
Net position end of year	<u>\$ 508,931</u>	<u>\$ 503,257</u>	<u>\$ 337,412</u>	<u>\$ 325,100</u>	<u>\$ 846,343</u>	<u>\$ 828,357</u>

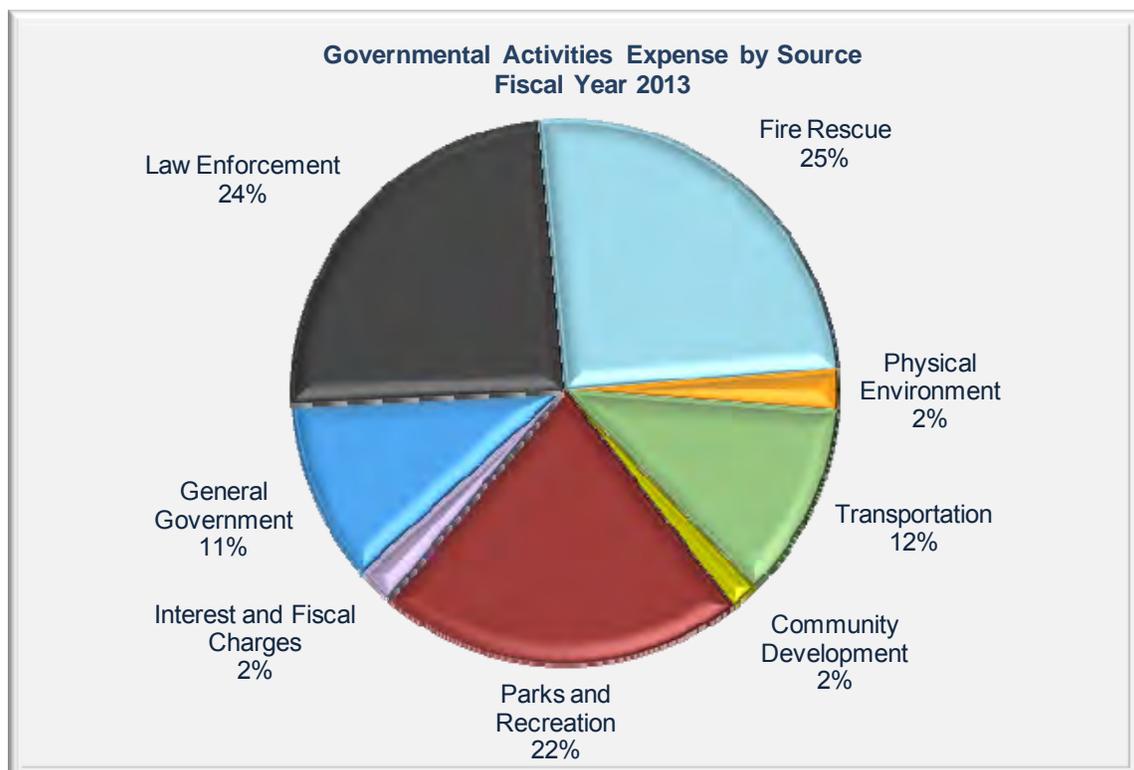
Changes in net position:

Governmental activities increased the City's net position by \$5.674 million. This net increase in position is a result of the following:

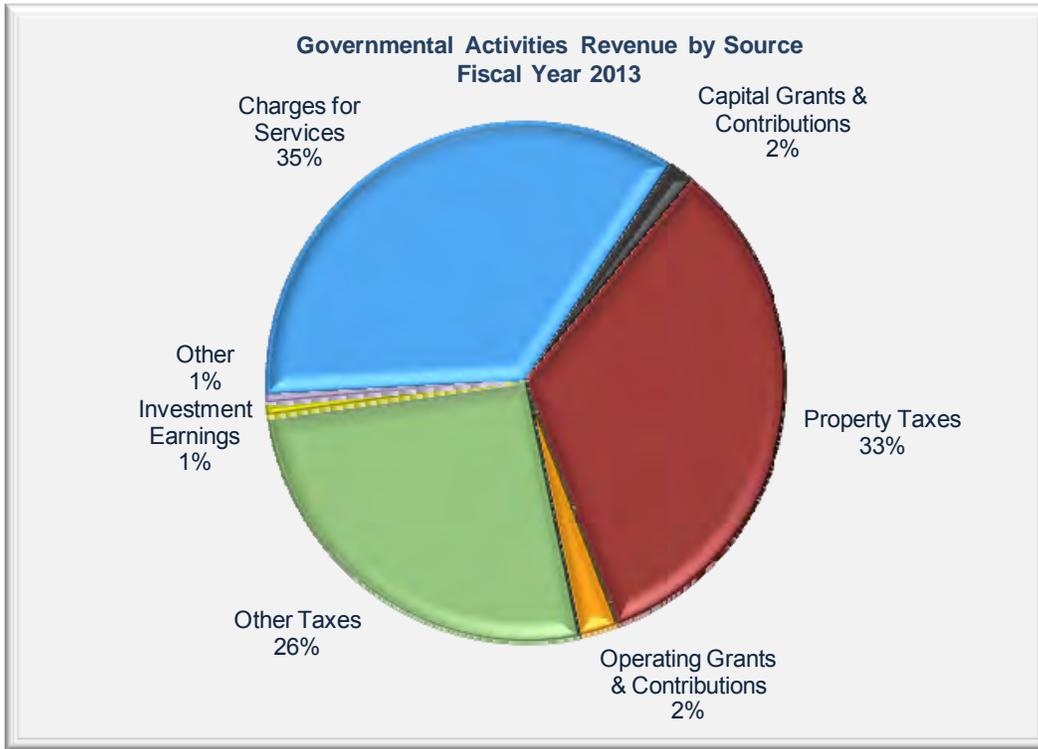
- Property tax revenues increased by approximately \$3.654 million due to an increase in new construction and property tax values and an increase in the property tax rate.

- Charges for services increased by \$3.754 million related to the metered parking program, building permits and the red light camera program.
- Operating grants and contributions received by the City declined by approximately \$756 thousand and capital grants and contributions decreased by \$532 thousand. This was primarily attributable due to the state and federal reimbursements related to transportation projects that were specific to the prior fiscal year.
- Other revenues decreased by \$1.461 million due to reduced support from the General Fund to Sanitation as part of four year plan to make Sanitation a self-sufficient operation.
- Expenses during 2013 increased by approximately \$4.193 million from 2012; an increase of \$5.907 million in expenses due primarily to increases related to public safety, general government and transportation which was offset by \$1.714 in reductions in spending for parks and recreation and community development.

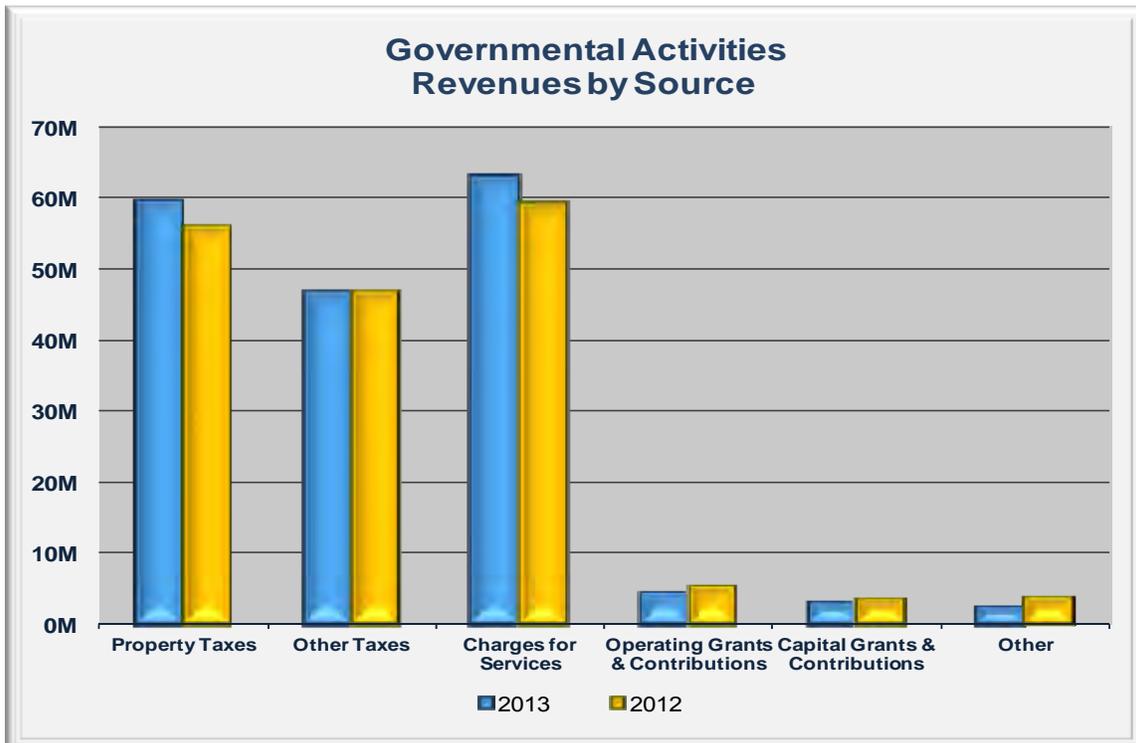
The following chart compares expenses and program revenues for the governmental activities for fiscal year 2013.



The following is a chart of the fiscal year 2013 revenues by source of governmental activities by percent of total revenues.



The following is a comparative chart of the fiscal years 2013 and 2012 revenues by source for governmental activities.

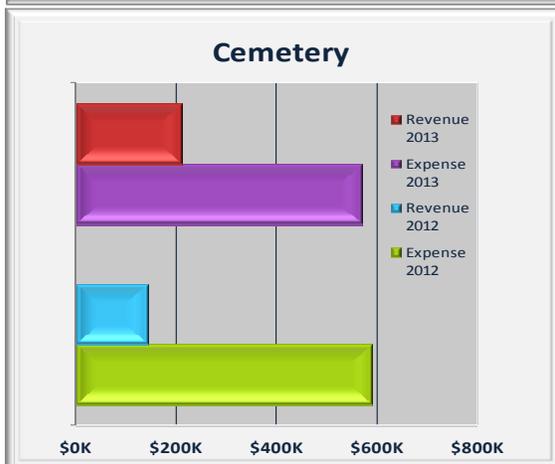
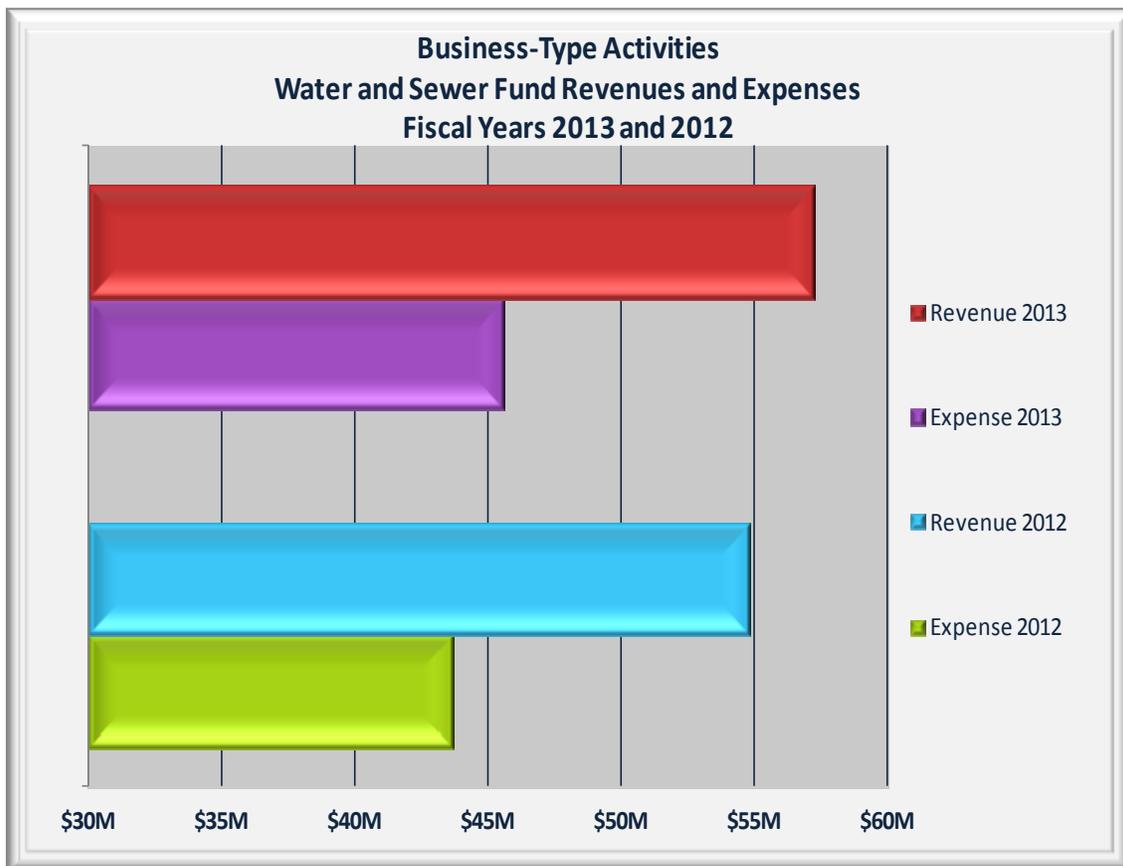


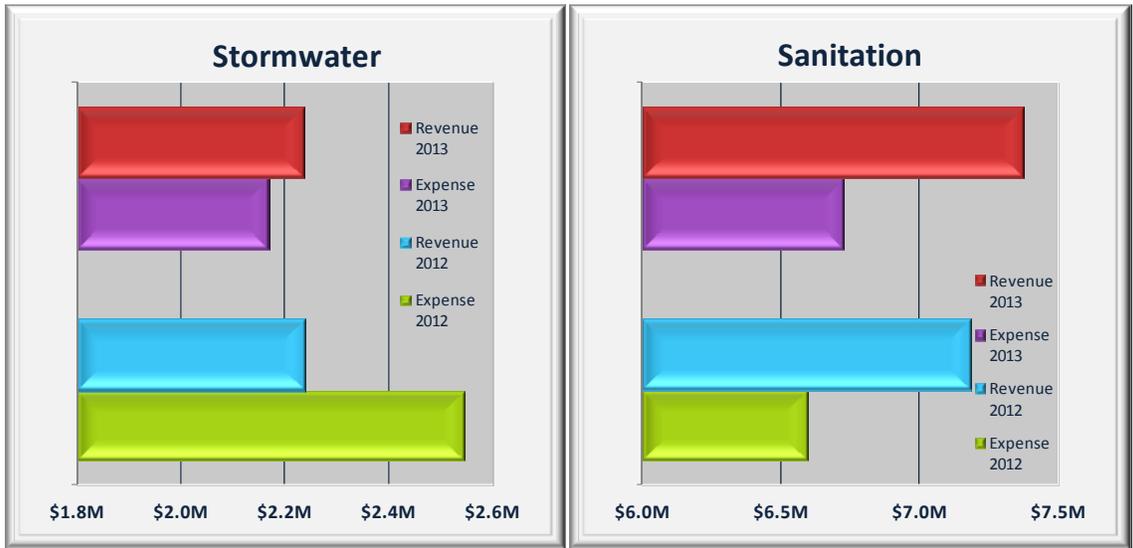
Business-Type Activities

Net position for business-type activities at September 30, 2013 was \$337.4 million, a 2.2%, or \$12.3 million, increase from the 2012 balance of \$325.1 million.

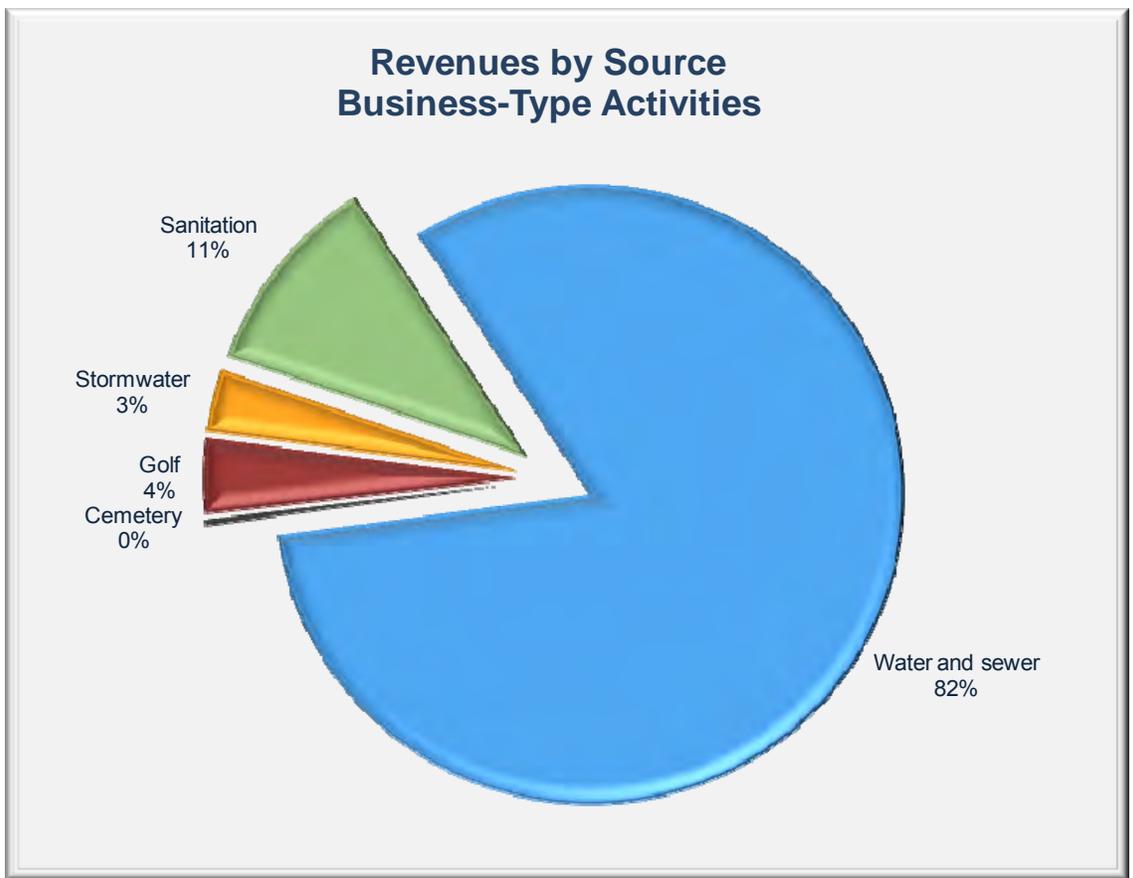
The net position for the Water and Sewer Fund increased by \$11.466 million in 2013, a 2.18% decrease from the \$11.723 million reported in 2012. In 2013 there were \$8.8 million of nonrecurring system development charges, an increase of \$3.25 million over 2012.

The following charts show the fiscal years 2013 and 2012 expenses and revenues by program for the business-type activities.





The following is a chart of the fiscal year 2013 revenue by program for business-type activities.



Financial Analysis of the City of Boca Raton’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The fund financial statements for the governmental funds are provided on pages 23-28. 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 spending at the end of the fiscal year.

Major Fund Information				
(in thousands)				
	General Fund	Community Revelopment Agency Mizner Park Revenue Fund	Five Year Capital Improvement Fund	Beach and Park Operations Fund
Fiscal Year 2013				
Revenues	\$133,884	\$7,824	\$6,139	\$14,896
Expenditures	124,684	1,500	5,471	14,884
Other financing sources (uses)	(2,394)	(6,395)	(1,895)	(12)
Increase (decrease) in fund balance	6,806	(71)	(1,227)	0
Fiscal Year 2012				
Revenues	\$125,252	\$7,811	\$7,171	\$16,404
Expenditures	119,119	2,000	5,310	16,394
Other financing sources (uses)	(865)	(6,150)	(2,217)	(10)
Increase (decrease) in fund balance	5,268	(339)	(355)	0

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$21.3 million while the total fund balance amounted to \$58.65 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 and other financing uses. Unassigned fund balance represents 17% of total general fund expenditures and other financing uses, while total fund balance represents 46.1% of that same amount.

The fund balance of the City's General Fund increased by \$6.8 million in 2013 due primarily to additional revenue received for property and franchise taxes and charges for services and building permits of \$3.65 million and \$3.15 million, respectively.

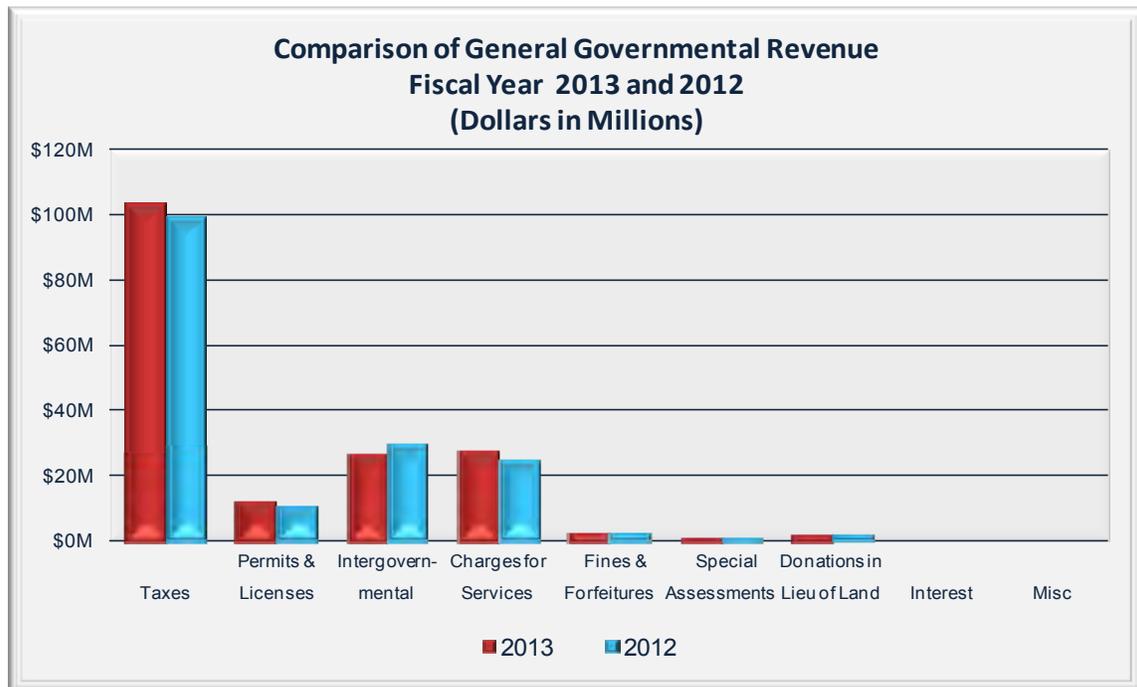
The fund balance of the City's Community Redevelopment Agency (CRA) Mizner Park Revenue Fund decreased by \$71 thousand in 2013. Revenues increased very slightly by \$13 thousand while expenditures decreased by \$500 thousand and other financing uses increased by \$245 thousand related to debt service.

The Five Year Capital Improvement Fund had a decrease in fund balance from the prior year of \$1,227 thousand. Revenues decreased by \$1,032 thousand related to a reduction in the allocation of property taxes to fund capital improvements and a decline in intergovernmental revenue while expenditures increased \$161 thousand. Other financing sources decreased \$322 thousand due to a decrease in the funding amount for heavy equipment transferred to the Motor Pool fund.

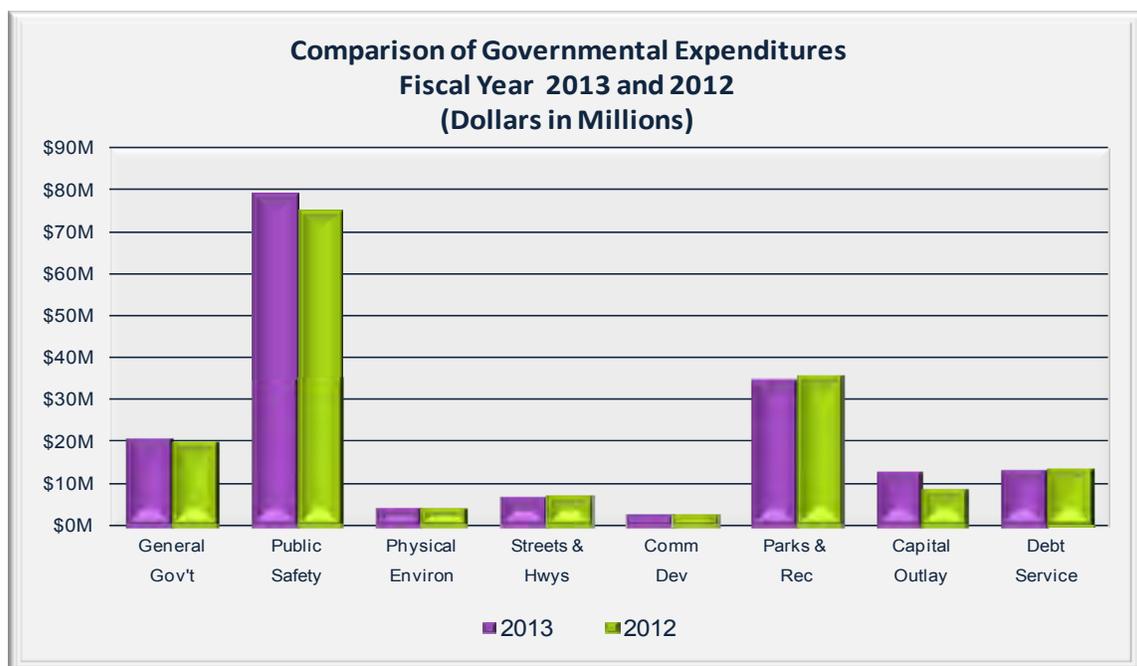
The Beach and Park Operations Fund decreased contributions from an independent special district by \$1,071 thousand. This decrease relates to reductions in the district's operating and capital costs; the City provides services to the special district through an interlocal agreement.

The fund balance in the other non-major governmental funds decreased \$4.97 million from \$41.765 million in 2012 to \$36.790 million in 2013. This decrease was primarily attributable to spending down the bond proceeds for the construction of the new Downtown library, which was completed during 2013.

The chart below compares revenues by source for the governmental funds for fiscal years 2013 and 2012.



The following chart compares governmental expenditures by program for fiscal years 2013 and 2012.



Proprietary Funds

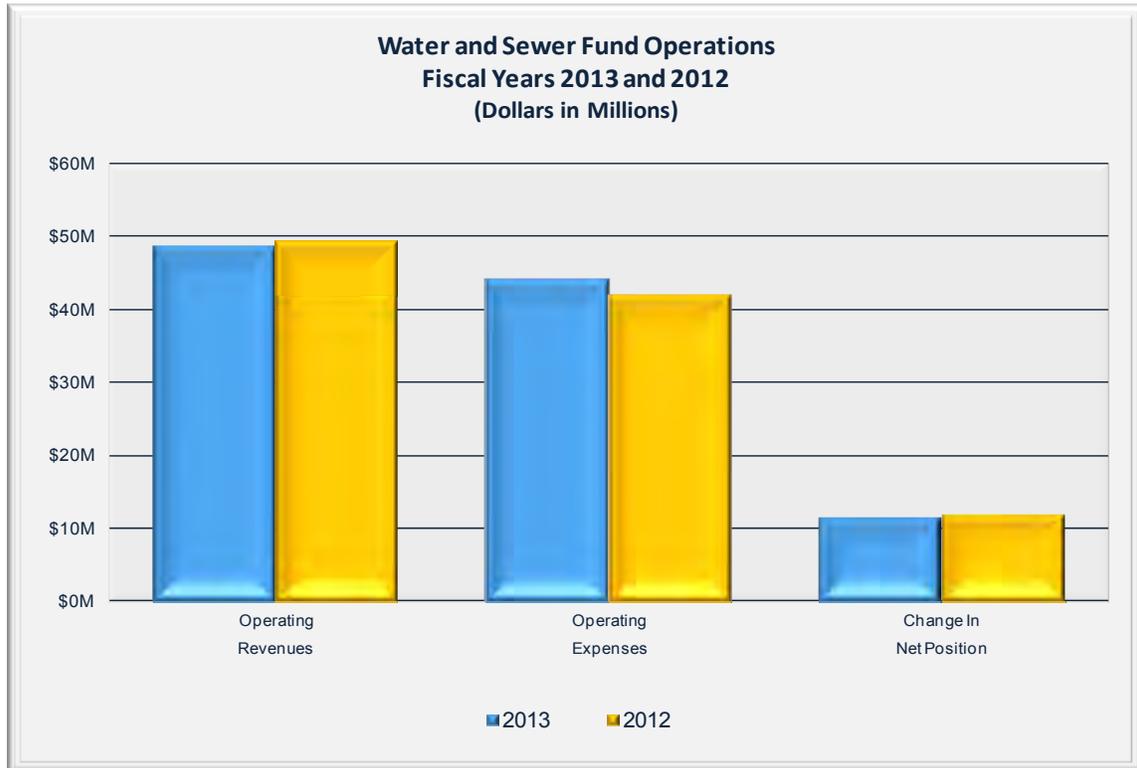
The table below summarizes both the operating income (loss) and the change in net position for each of the City's proprietary funds. The current year operating income in the Water and Sewer Fund was \$4.449 million as compared with \$7.289 million income in the prior year. The non operating revenues total \$8.816 million, contributed to the increase in net position.

PROPRIETARY FUNDS				
	Operating Income (Loss) in thousands		Change in Net Position in thousands	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Water and Sewer	\$ 4,449	\$ 7,289	\$ 11,466
Cemetery / Mausoleum	(359)	(446)	164	89
Golf Course	(292)	(246)	(85)	(39)
Stormwater Utility	68	(305)	61	(250)
Sanitation	649	586	706	688
Fleet Management	113	(278)	1,128	859
Information Technology	(1,621)	(1,156)	(221)	54
Insurance Programs	1,151	287	1,105	446
Total	\$ 4,158	\$ 5,731	\$ 14,324	\$ 13,568

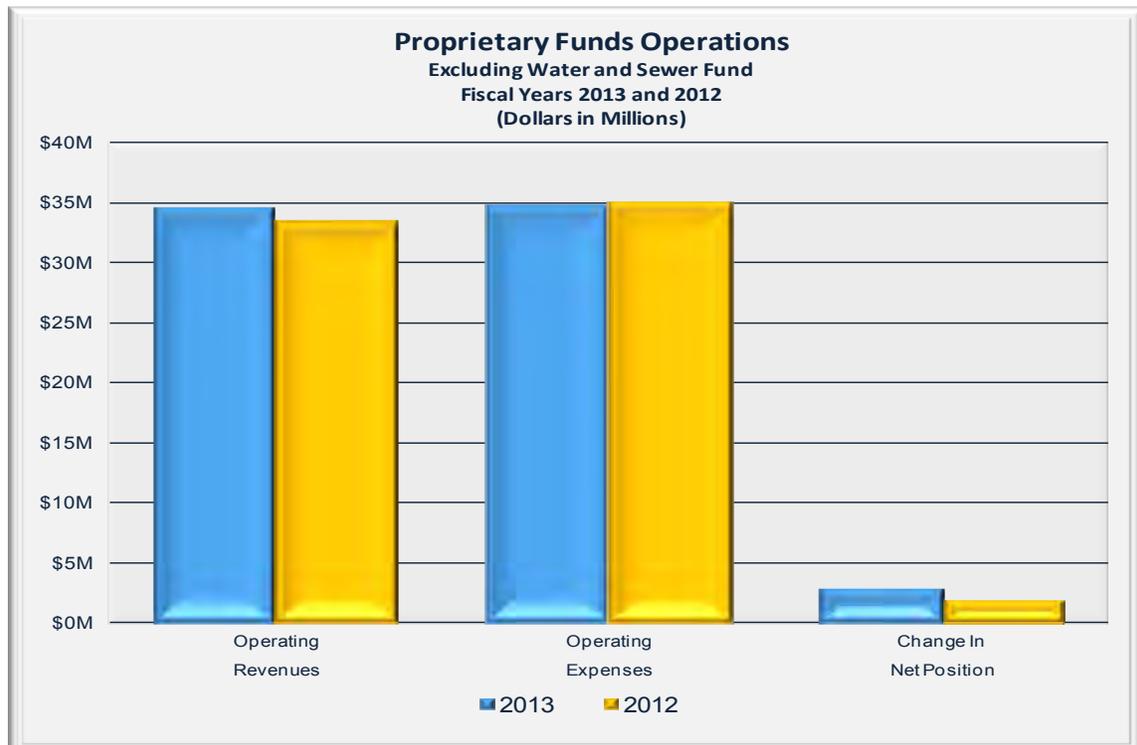
The Cemetery Mausoleum Fund experienced an operating loss and an increase in net position due to a transfer in from the Cemetery and Mausoleum Perpetual Care Funds. The Golf Course Fund experienced an operating loss resulting in a slight decrease in net position. The Stormwater Utility Fund experienced operating income of \$68 thousand due to decreased maintenance costs and had an increase in net position. The Sanitation Fund generated an operating income and an increase in net position.

Fleet Management experienced operating income of \$113 thousand and an increase in net position of \$269 thousand due to transfers from other funds for future vehicle and heavy equipment replacement. The Self Insurance Fund increased its net position by \$659 thousand due primarily to less than anticipated claim costs. The Information Technology Fund recovers part of the cost of its operations through transfers in from other departments.

The following chart summarizes the operations of the Water and Sewer Fund for fiscal years 2013 and 2012.



The following chart summarizes the operations of the proprietary funds, excluding the Water and Sewer Fund, for fiscal years 2013 and 2012.



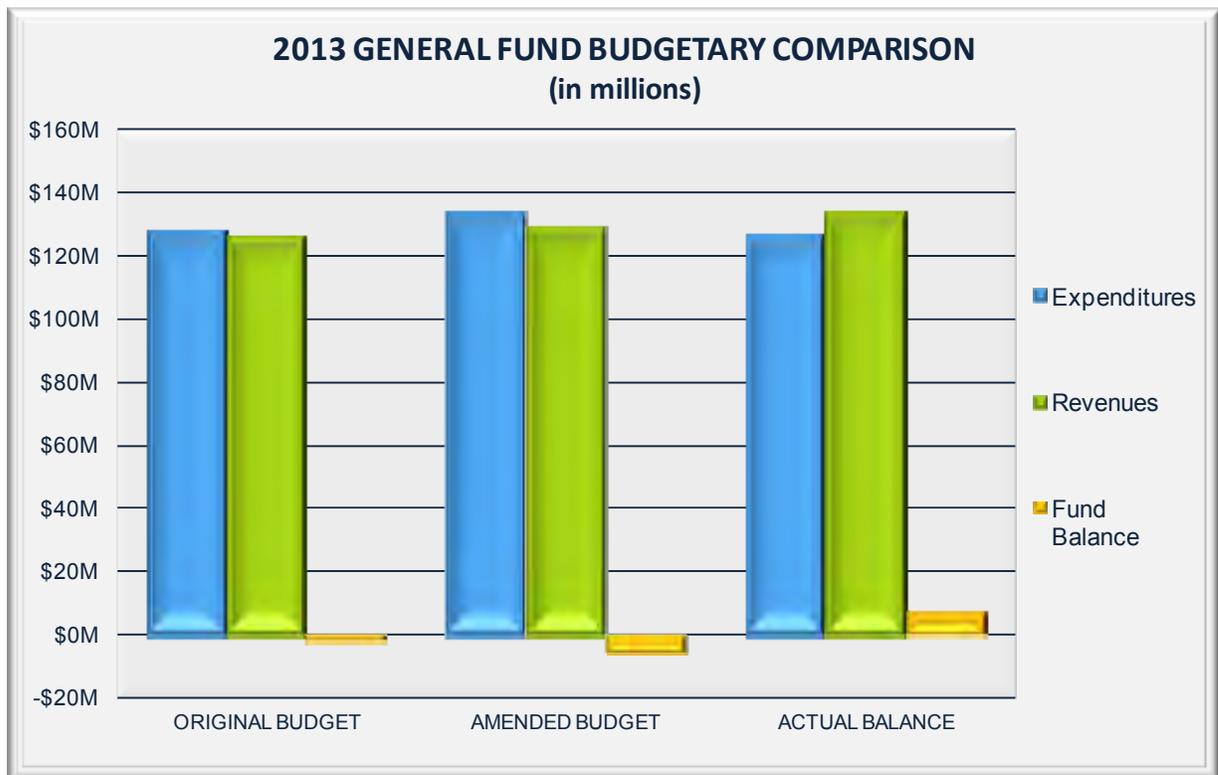
General Fund Budgetary Highlights

The difference between the original and final amended budget for 2013 was an increase of \$2.9 million funded from additional available revenues related to insurance premium taxes.

The City generated a positive variance of approximately \$11.9 million between the final adopted budget and actual results of operations. Actual revenues were greater than final budgeted revenues by \$4.9 million due to the collection of additional property and franchise taxes, increased building permit activity, increased fire assessment fees, red light camera and metered parking programs. Actual expenditures during the year were less than final budgeted expenditures by \$7.1 million. This positive variance is due primarily to actual operating costs being less than anticipated; general government of \$4.7 million, public safety of \$493 thousand, physical environment of \$519 thousand, transportation of \$519 thousand and parks and recreation of \$864 thousand.

Both the original and the final budget anticipated \$1.8 and \$5.6 million, respectively, to be expended from available unassigned fund balance. During the year, however, expenditures in most areas were below the budgetary estimates, producing the very positive budget variance of \$11.9 million.

The following chart depicts the fiscal year 2013 original and amended budgets, as well as, the actual balance.



Capital Assets and Debt Administration

Capital Assets

As of year-end, the City had \$694 million invested in a variety of capital assets, as reflected in the following schedule. In 2013, there was a net decrease (additions less retirements and depreciation) of \$3.771 million.

CITY OF BOCA RATON, FLORIDA
Capital Assets
Net of Depreciation and Amortization
(in thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$138,136	\$138,136	\$833	\$833	\$138,969	\$138,969
Utility Plant in Service			190,347	195,977	190,347	195,977
Buildings	64,317	57,177	798	856	65,115	58,033
Improvements other than Buildings	24,466	18,364	14,606	14,580	39,072	32,944
Equipment	17,722	17,897	28,244	27,511	45,966	45,408
Intangible	351	338	2,763	4,996	3,114	5,334
Infrastructure	190,815	199,998			190,815	199,998
Construction in Progress	2,201	13,418	18,196	7,485	20,397	20,903
Total	<u>\$438,008</u>	<u>\$445,328</u>	<u>\$255,787</u>	<u>\$252,238</u>	<u>\$693,795</u>	<u>\$697,566</u>

Major capital asset events during the fiscal year included:

- The new Downtown Library was completed and opened during 2013. Costs associated with the construction of the new library were transferred from construction in progress to the appropriate asset category.
- Capital projects under construction in the business-type activities increased by \$10.711 million.

Additional information can be found in Note 6 Capital Assets on pages 57-59.

Debt Administration

As of year-end, the City had \$124 million in debt (bonds, notes, etc.) outstanding compared to the \$137 million last year, a 10% decrease (considering debt retirement). Of this amount of debt outstanding as of the end of fiscal year 2013, approximately 29% was backed by the full faith and credit of the government and the balance was secured by various revenue sources.

CITY OF BOCA RATON, FLORIDA
Bonded Debt and Loans Payable
(in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General Obligation Bonds	\$36,490	\$39,905			\$36,490	\$39,905
Revenue Bonds	34,490	39,213	\$40,260	\$43,640	74,750	82,853
Special Assessment Debt with Government Commitments	11,925	12,830			11,925	12,830
Loans Payable	655	1,275			655	1,275
Totals	<u>\$83,560</u>	<u>\$93,223</u>	<u>\$40,260</u>	<u>\$43,640</u>	<u>\$123,820</u>	<u>\$136,863</u>

The debt position of the City is summarized below and is more fully explained in Note 8 Long-Term Debt on pages 60-64.

During fiscal year 2013, the City had the following debt activity:

- All decreases in the debt and notes payable were due to principal payments on the debt.

The City's General Obligation Bonds were rated AAA by all three credit rating agencies. Boca Raton was the first municipality in Florida to have been granted this credit rating by all three rating agencies. The Water and Sewer Utility Fund bonds are also rated AAA by Fitch Rating Services, Standard and Poor's and Moody's Investor Service. Under Florida Statutes, no debt limit margin is placed on local governments.

Economic Factors and Next Year's Budgets and Rates

The City Council during the annual Goal Setting Session in May 2013, established goals and priorities which included: a financially sound City government, top quality municipal services and a strong partnership with our stakeholders. These goals were used as a guide to prioritize funding for the Fiscal Year 2013-14 Approved Budget. The City expenditures have been strategically linked to the goals, objectives, core businesses, and existing obligations of the City.

- For FY 2013-14 property values increased 4.12% in the City. The net increase is composed of a 3.38% increase from reassessments of existing properties and an increase of .74% from new construction (net of CRA Downtown values). This is the second consecutive increase in property values after four prior years of declines. The City increased the 2013 operating property tax rates by .34%, making the millage rate 3.42 mills per \$1,000 of taxable value.
- In October 2013, the sanitation fees increase to \$16.90 per month for single family residents and \$9.75 per month for multi-family residents. It is anticipated that the sanitation fee will cover the total cost to provide sanitation services to residents.

- Created a Retirement Sustainability Fund and transferred \$15 million to separately account and manage future pension obligations.
- Current projections indicate that General Fund revenues will grow at an estimated rate of 1-2% annually for the next several years while at the same time operating costs are projected to increase at 3-4% annually.
- The Florida legislature is again considering various proposals relating to the elimination of local government revenues and limits to business taxes. Potential legislation could have a significant impact on a local government's ability to maintain and or improve services to residents. The State is also considering a new chart of accounts statewide that could potentially impact all local governments and their financial reporting activities without any funding assistance from the State. The City is carefully monitoring these initiatives and their future impact on the City's ability to function as its present level.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about this report or need additional information, contact the Director of Financial Services, 201 W. Palmetto Park Road, Boca Raton, Florida 33432. Additional Information is also available on the City's web site, www.myboca.us.



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CITY OF BOCA RATON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Government</u>
Assets			
Cash and cash equivalents	\$ 61,479,934	\$ 25,845,873	\$ 87,325,807
Investments	93,785,494	25,395,019	119,180,513
Receivables, net	16,499,603	9,260,547	25,760,150
Due from other governmental units	5,904,304	124,602	6,028,906
Inventories	563,385	57,281	620,666
Other assets		827	827
Restricted:			
Cash and cash equivalents	1,979,946	23,670,359	25,650,305
Investments	2,947,532	48,498,575	51,446,107
Interest receivable on investments	3,228	12,237	15,465
Accounts receivable	11,576		11,576
Assessment receivable		1,054,640	1,054,640
Interest receivable on assessments		28,234	28,234
Net pension assets	8,564,757		8,564,757
Capital assets:			
Non-depreciable	140,336,916	19,028,057	159,364,973
Depreciable (net)	297,671,532	236,759,372	534,430,904
Total assets	<u>629,748,207</u>	<u>389,735,623</u>	<u>\$ 1,019,483,830</u>
Deferred outflows of resources:			
Deferred charge on refunding	1,904,633	661,394	2,566,027
Total deferred outflows of resources	<u>1,904,633</u>	<u>661,394</u>	<u>2,566,027</u>

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

CITY OF BOCA RATON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Government</u>
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 8,281,956	\$ 1,659,168	\$ 9,941,124
Accrued interest payable	487,644		487,644
Retainage payable	355,192	239,349	594,541
Performance bonds and escrow funds	1,743,614	1,000	1,744,614
Unearned revenue		10,825	10,825
Current liabilities payable from restricted assets:			
Accounts payable and accrued liabilities		1,743,229	1,743,229
Customer deposits payable		3,863,071	3,863,071
Retainage payable		914,404	914,404
Accrued interest payable		805,791	805,791
Non-current liabilities:			
Due within one year:			
Compensated absences	1,444,294	188,200	1,632,494
Bonds and loans	11,460,000	3,480,000	14,940,000
Estimated liability for self-Insured losses	3,602,801		3,602,801
Due in more than one year:			
Compensated absences	12,998,645	1,693,800	14,692,445
Bonds and loans	74,241,633	38,031,152	112,272,785
Net OPEB obligation	1,461,097	354,903	1,816,000
Estimated liability for self-Insured losses	5,884,000		5,884,000
Total liabilities	<u>121,960,876</u>	<u>52,984,892</u>	<u>174,945,768</u>
Deferred inflows of resources:			
Unavailable revenue	761,334		761,334
Total deferred inflows of resources	<u>761,334</u>		<u>761,334</u>
Net Position			
Net investment in capital assets	368,547,850	214,698,322	583,246,172
Restricted - nonexpendable	4,623,796		4,623,796
Restricted for:			
Community development	14,151,806		14,151,806
Debt service	10,719,608	28,377,389	39,096,997
Law enforcement	1,084,202		1,084,202
Transportation	8,346,612		8,346,612
Renewal and replacement		23,263,412	23,263,412
Operations and maintenance reserves		9,102,725	9,102,725
Capital projects	6,524,800		6,524,800
Other purposes	170,000		170,000
Unrestricted	94,761,956	61,970,277	156,732,233
Total net position	<u>\$ 508,930,630</u>	<u>\$ 337,412,125</u>	<u>\$ 846,342,755</u>

**CITY OF BOCA RATON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 18,890,609	\$ 25,300,666	\$ 258,112	\$ 342,361
Law enforcement	42,043,915	3,285,824	1,096,315	
Fire rescue	43,625,532	12,968,225	103,092	
Physical environment	4,255,421	244,742	557,814	
Transportation	20,185,327			136,721
Community development	2,889,518	2,020,019	2,467,071	
Parks and recreation	37,542,092	19,312,648		2,492,206
Interest and fiscal charges	3,806,872			
Total governmental activities	<u>173,239,286</u>	<u>63,132,124</u>	<u>4,482,404</u>	<u>2,971,288</u>
Business-type activities:				
Water and sewer	45,616,552	48,451,973		8,816,166
Cemetery	569,009	209,573		
Golf course	2,776,468	2,484,737		209,220
Stormwater utility	2,168,932	2,236,448		
Sanitation	6,726,730	7,375,683		
Total business-type activities	<u>57,857,691</u>	<u>60,758,414</u>		<u>9,025,386</u>
Total Primary Government	<u>\$ 231,096,977</u>	<u>\$ 123,890,538</u>	<u>\$ 4,482,404</u>	<u>\$ 11,996,674</u>

General revenues:
 Property tax
 Utility tax
 Franchise tax
 Sales tax
 Gas tax
 Incremental property tax
 State shared revenues, unrestricted
 Loss on investments
 Gain on disposal of capital assets
 Miscellaneous
 Transfers
 Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government

	Governmental Activities	Business-type Activities	Total
\$	7,010,530		\$ 7,010,530
	(37,661,776)		(37,661,776)
	(30,554,215)		(30,554,215)
	(3,452,865)		(3,452,865)
	(20,048,606)		(20,048,606)
	1,597,572		1,597,572
	(15,737,238)		(15,737,238)
	(3,806,872)		(3,806,872)
	<u>(102,653,470)</u>		<u>(102,653,470)</u>
		\$ 11,651,587	11,651,587
		(359,436)	(359,436)
		(82,511)	(82,511)
		67,516	67,516
		<u>648,953</u>	<u>648,953</u>
		<u>11,926,109</u>	<u>11,926,109</u>
	<u>(102,653,470)</u>	<u>11,926,109</u>	<u>(90,727,361)</u>
	59,567,750		59,567,750
	20,501,631		20,501,631
	11,976,839		11,976,839
	5,853,974		5,853,974
	1,958,559		1,958,559
	6,574,895		6,574,895
	2,280,421		2,280,421
	(186,148)	(287,643)	(473,791)
	156,654	228,723	385,377
	88,161		88,161
	<u>(445,400)</u>	<u>445,400</u>	
	<u>108,327,336</u>	<u>386,480</u>	<u>108,713,816</u>
	5,673,866	12,312,589	17,986,455
	503,256,764	325,099,536	828,356,300
\$	<u>508,930,630</u>	<u>\$ 337,412,125</u>	<u>\$ 846,342,755</u>

**CITY OF BOCA RATON, FLORIDA
GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2013**

	General	Community Redevelopment Agency Mizner Park Revenue Fund	Five Year Capital Improvement Fund
ASSETS			
Cash and cash equivalents	\$ 20,369,604	\$ 479,195	\$ 9,359,049
Investments	37,473,855	593,447	13,935,247
Receivables, net:			
Accounts receivable	3,742,366		
Assessments			
Lease revenues		12,230,109	
Interest	39,494	783	15,262
Due from other funds	2,223,981		
Due from other governmental units	2,537,704		50,596
Inventories	22,473		
Restricted:			
Cash and cash equivalents			
Investments			
Interest receivable on investments			
Accounts receivable			
Total assets	66,409,477	13,303,534	23,360,154
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	5,671,385		187,860
Retainage payable			18,009
Performance bonds and escrow funds	1,247,130		132,876
Due to other funds			
Total liabilities	6,918,515		338,745
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	845,100	12,230,109	
Total deferred inflows of resources	845,100	12,230,109	
Fund balances:			
Non-spendable:			
Inventories	22,473		
Perpetual care, cemetery			
Perpetual care, mausoleum			
Restricted for:			
Army Corp of Engineers	170,000		
Debt service			
Housing			
Law enforcement			
Transportation			
Right of way beautification			
Downtown		1,073,425	
Land dedication			
Library			
Committed to:			
Hurricane/ disaster emergency	10,600,000		
Mizner Park debt service	1,633,000		
Parking			
Right of way acquisition			
Retirement system reserve	12,000,000		
Assigned to:			
Capital projects			23,021,409
Environmentally sensitive lands			
Subsequent year's budget	12,920,400		
Unassigned			
General fund	21,299,989		
Total fund balances	58,645,862	1,073,425	23,021,409
Total liabilities, deferred inflows of resources and fund balances	\$ 66,409,477	\$ 13,303,534	\$ 23,360,154

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

Beach and Park Operations Fund	Other Governmental Funds	Total Governmental Funds
\$ 100	\$ 14,941,022	\$ 45,148,970
	17,363,031	69,365,580
	6,648	3,749,014
	199,820	199,820
		12,230,109
	21,725	77,264
		2,223,981
2,839,011	476,993	5,904,304
		22,473
	1,979,946	1,979,946
	2,947,532	2,947,532
	3,228	3,228
	11,576	11,576
<u>2,839,111</u>	<u>37,951,521</u>	<u>143,863,797</u>
698,528	377,151	6,934,924
	337,183	355,192
6,756	356,852	1,743,614
<u>2,133,827</u>	<u>90,154</u>	<u>2,223,981</u>
<u>2,839,111</u>	<u>1,161,340</u>	<u>11,257,711</u>
		13,075,209
		<u>13,075,209</u>
		22,473
	1,629,501	1,629,501
	2,994,295	2,994,295
		170,000
	11,207,252	11,207,252
	201,899	201,899
	1,084,202	1,084,202
	8,346,612	8,346,612
	270,550	270,550
	1,929,911	3,003,336
	5,243,307	5,243,307
	550,156	550,156
		10,600,000
		1,633,000
	3,067	3,067
	2,297,001	2,297,001
		12,000,000
		23,021,409
	1,032,428	1,032,428
		12,920,400
		21,299,989
	<u>36,790,181</u>	<u>119,530,877</u>
\$ <u>2,839,111</u>	\$ <u>37,951,521</u>	\$ <u>143,863,797</u>

CITY OF BOCA RATON, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Ending fund balance - governmental funds	\$	119,530,877
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.		
Governmental capital assets, excluding Internal Service Funds	\$ 688,203,750	
Less accumulated depreciation/amortization	<u>(259,407,469)</u>	
Net capital assets		428,796,281
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the governmental funds.		
Operating lease revenues	12,230,109	
Communication Service Tax revenues	<u>83,766</u>	
		12,313,875
Net pension assets resulting from overfunding of the Police and Firefighters, General Employees and Executive Employees pension plans.		
		8,564,757
Long term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable on long-term debt	(487,644)	
Bonds and loans payable	(85,701,633)	
Deferred charges on refunding (to be amortized as interest expense over the life of the bond)	1,904,633	
Compensated absences	(14,004,100)	
Net OPEB obligation	(1,399,665)	
Supplemental SERP pension accrual	<u>(465,708)</u>	
Total long-term liabilities		(100,154,117)
Internal service funds are used by management to charge the costs of fleet management, management information systems and insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Assets	50,747,353	
Liabilities	<u>(10,868,396)</u>	
Net position		<u>39,878,957</u>
Net position of governmental activities	\$	<u>508,930,630</u>

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



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CITY OF BOCA RATON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>General</u>	<u>Community Redevelopment Agency Mizner Park Revenue Fund</u>	<u>Five Year Capital Improvement Fund</u>
REVENUES			
Taxes	\$ 82,788,535	\$ 6,574,895	\$ 5,191,636
Licenses and permits	12,661,480		
Intergovernmental	12,288,204		639,961
Charges for services	23,324,468	1,240,859	
Fines and forfeitures	2,741,222		
Special assessments			
Donations in lieu of land			342,361
Investment earnings (loss)	(92,475)	8,320	(34,764)
Miscellaneous	172,543		
Total revenues	<u>133,883,977</u>	<u>7,824,074</u>	<u>6,139,194</u>
EXPENDITURES			
Current:			
General government	20,917,289		
Law enforcement	39,148,897		
Fire rescue	39,809,307		
Physical environment	4,281,679		
Transportation	4,841,212		
Community development		1,500,000	
Parks and recreation	15,685,136		
Capital outlay			5,470,946
Debt service:			
Principal			
Interest			
Total expenditures	<u>124,683,520</u>	<u>1,500,000</u>	<u>5,470,946</u>
Excess (deficiency) of revenues over expenditures	<u>9,200,457</u>	<u>6,324,074</u>	<u>668,248</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	250,000	
Transfers out	<u>(2,414,000)</u>	<u>(6,645,400)</u>	<u>(1,894,600)</u>
Total other financing sources (uses)	<u>(2,394,000)</u>	<u>(6,395,400)</u>	<u>(1,894,600)</u>
Net change in fund balances	6,806,457	(71,326)	(1,226,352)
Fund balances - beginning	<u>51,839,405</u>	<u>1,144,751</u>	<u>24,247,761</u>
Fund balances - ending	<u>\$ 58,645,862</u>	<u>\$ 1,073,425</u>	<u>\$ 23,021,409</u>

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

	Beach and Park Operations Fund	Other Governmental Funds	Total Governmental Funds
		\$ 9,285,611	\$ 103,840,677
			12,661,480
\$	12,568,640	1,735,946	27,232,751
	2,327,713	1,608,208	28,501,248
		232,334	2,973,556
		1,493,004	1,493,004
		2,100,060	2,442,421
		17,582	(101,337)
		32,539	205,082
	<u>14,896,353</u>	<u>16,505,284</u>	<u>179,248,882</u>
			20,917,289
		366,285	39,515,182
			39,809,307
			4,281,679
		1,884,537	6,725,749
		1,525,793	3,025,793
	14,884,153	4,423,730	34,993,019
		7,816,911	13,287,857
		11,015,000	11,015,000
		2,460,400	2,460,400
	<u>14,884,153</u>	<u>29,492,656</u>	<u>176,031,275</u>
	<u>12,200</u>	<u>(12,987,372)</u>	<u>3,217,607</u>
		10,187,500	10,457,500
	<u>(12,200)</u>	<u>(2,174,600)</u>	<u>(13,140,800)</u>
	<u>(12,200)</u>	<u>8,012,900</u>	<u>(2,683,300)</u>
		(4,974,472)	534,307
		<u>41,764,653</u>	<u>118,996,570</u>
\$	<u>\$</u>	<u>\$ 36,790,181</u>	<u>\$ 119,530,877</u>

**CITY OF BOCA RATON, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

Net change in fund balances - total governmental funds		\$ 534,307
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 9,606,061	
Less current year depreciation/amortization	<u>(16,001,925)</u>	(6,395,864)
The net effect of the various miscellaneous transactions involving capital assets (i.e. sales, trade ins and donations) is to decrease net position.		
		(556)
Some revenues and expenses reported in the statement of activities are not reported in the governmental funds because they have no effect on current financial resources.		
Operating lease revenues	396,869	
Communications Service Tax revenues	(417,308)	
Compensated absences	19,460	
Net OPEB obligation	(195,626)	
Net effect of accrued interest on long term debt (difference between amount that would have been accrued in prior year and current year accrual)	<u>63,849</u>	(132,756)
Pension contributions are reported as expenditures in the governmental funds and recorded as a net pension asset on the statement of net position.		
		52,731
The issuance of long-term debt (e.g., bonds and loans) 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.		
Debt retired:		
Principal payments on bonds and loans	11,015,000	
Change in accreted interest on tax increment revenue bonds payable	(1,351,681)	
The governmental funds report bond premiums, discounts and similar items as expenditures when debt is first issued, whereas those amounts are deferred and amortized in the statement of activities.		
Amortization of loss on refunding	(282,614)	
Amortization of bond discount	(6,441)	
Amortization of bond premium	<u>230,414</u>	9,604,678
Internal service funds are used by management to charge costs of fleet management, management information systems and insurance programs to individual funds.		
The net revenue of the activities of the internal service funds is reported with governmental activities:		
Net operating loss of the internal service funds	(357,242)	
Impact of external transactions on the net position of governmental activities:		
Investment income	(84,812)	
Gain on disposal of capital assets	52,480	
Capital contributions	163,000	
Net transfers from governmental funds to internal service funds decrease the fund balances of the governmental funds, but have no effect on net position as reported on a government-wide basis.		
	<u>2,237,900</u>	<u>2,011,326</u>
Change in net position of governmental activities		<u>\$ 5,673,866</u>

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



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**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2013**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 20,776,566	\$ 5,069,307	\$ 25,845,873	\$ 16,330,964
Investments	17,694,784	7,700,235	25,395,019	24,419,914
Interest receivable on investments	60,247	8,279	68,526	26,142
Interest receivable on assessments	20,320		20,320	
Accounts receivable (net of allowance for uncollectibles)	7,057,308	1,545,376	8,602,684	217,254
Assessments receivable	569,017		569,017	
Due from other governmental units		124,602	124,602	
Inventories		57,281	57,281	540,912
Other assets		827	827	
Total unrestricted current assets	<u>46,178,242</u>	<u>14,505,907</u>	<u>60,684,149</u>	<u>41,535,186</u>
Restricted assets:				
Cash and cash equivalents	23,670,359		23,670,359	
Investments	48,498,575		48,498,575	
Interest receivable on investments	12,237		12,237	
Interest receivable on assessments	28,440		28,440	
Assessments receivable	1,054,434		1,054,434	
Total restricted current assets	<u>73,264,045</u>		<u>73,264,045</u>	
Total current assets	<u>119,442,287</u>	<u>14,505,907</u>	<u>133,948,194</u>	<u>41,535,186</u>
Noncurrent assets:				
Capital assets:				
Utility plant in service	349,214,909		349,214,909	
Land	245,873	586,735	832,608	
Buildings		2,259,661	2,259,661	1,313,785
Golf course improvements		3,660,473	3,660,473	
Cemetery lot improvements		477,867	477,867	
Stormwater utility improvements		15,690,409	15,690,409	
Equipment	46,189,599	8,458,356	54,647,955	19,925,484
Construction in progress	17,879,828	315,621	18,195,449	
Less accumulated depreciation	(180,525,850)	(11,429,080)	(191,954,930)	(12,166,974)
Intangible assets	4,125,033		4,125,033	1,238,737
Less accumulated amortization	(1,362,005)		(1,362,005)	(1,098,865)
Total capital assets (net of accumulated depreciation/amortization)	<u>235,767,387</u>	<u>20,020,042</u>	<u>255,787,429</u>	<u>9,212,167</u>
Total noncurrent assets	<u>235,767,387</u>	<u>20,020,042</u>	<u>255,787,429</u>	<u>9,212,167</u>
Total assets	<u>355,209,674</u>	<u>34,525,949</u>	<u>389,735,623</u>	<u>50,747,353</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	661,394		661,394	
Total deferred outflows of resources	<u>661,394</u>		<u>661,394</u>	

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

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2013**

	<u>Business - Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Fund</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,130,456	\$ 528,712	\$ 1,659,168	\$ 881,324
Compensated absences	119,640	68,560	188,200	43,884
Retainage payable	238,857	492	239,349	
Performance bonds and escrow funds		1,000	1,000	
Estimated liability for self-insurance losses				3,602,801
Unearned revenue		10,825	10,825	
Total unrestricted current liabilities	<u>1,488,953</u>	<u>609,589</u>	<u>2,098,542</u>	<u>4,528,009</u>
Current liabilities payable from restricted assets:				
Accounts payable and accrued liabilities	1,743,229		1,743,229	
Customer deposits payable	3,863,071		3,863,071	
Retainage payable	914,404		914,404	
Revenue bonds payable, current portion	3,480,000		3,480,000	
Accrued interest payable	805,791		805,791	
Total current liabilities payable from restricted assets	<u>10,806,495</u>		<u>10,806,495</u>	
Total current liabilities	<u>12,295,448</u>	<u>609,589</u>	<u>12,905,037</u>	<u>4,528,009</u>
Non-current liabilities:				
Compensated absences	1,076,755	617,045	1,693,800	394,955
Net OPEB obligation	233,386	121,517	354,903	61,432
Revenue bonds payable	38,031,152		38,031,152	
Estimated liability for self-insurance losses				5,884,000
Total noncurrent liabilities	<u>39,341,293</u>	<u>738,562</u>	<u>40,079,855</u>	<u>6,340,387</u>
Total liabilities	<u>51,636,741</u>	<u>1,348,151</u>	<u>52,984,892</u>	<u>10,868,396</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources				
NET POSITION				
Net investment in capital assets	194,678,772	20,019,550	214,698,322	9,212,167
Restricted for:				
Debt service	28,377,389		28,377,389	
Renewal and replacement	23,263,412		23,263,412	
Operations and maintenance reserves	9,102,725		9,102,725	
Unrestricted	<u>48,812,029</u>	<u>13,158,248</u>	<u>61,970,277</u>	<u>30,666,790</u>
Total net position	<u>\$ 304,234,327</u>	<u>\$ 33,177,798</u>	<u>\$ 337,412,125</u>	<u>\$ 39,878,957</u>

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

**CITY OF BOCA RATON, FLORIDA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Business - Type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES				
Charges for sales and services		\$ 12,209,179	\$ 12,209,179	\$ 22,136,359
Water sales	\$ 27,999,166		27,999,166	
Sewer service charges	18,170,411		18,170,411	
Other	2,282,396	97,262	2,379,658	
Total operating revenues	<u>48,451,973</u>	<u>12,306,441</u>	<u>60,758,414</u>	<u>22,136,359</u>
OPERATING EXPENSES				
Personal services	9,311,696	5,464,063	14,775,759	3,865,845
Materials and supplies	3,965,073	706,303	4,671,376	1,329,979
General and administration	10,891,411		10,891,411	
Other services and charges	9,235,749	4,570,630	13,806,379	5,754,956
Insurance claims				9,266,684
Depreciation of capital assets	10,296,408	1,500,143	11,796,551	2,276,137
Amortization	302,996		302,996	
Total operating expenses	<u>44,003,333</u>	<u>12,241,139</u>	<u>56,244,472</u>	<u>22,493,601</u>
Operating income (loss)	<u>4,448,640</u>	<u>65,302</u>	<u>4,513,942</u>	<u>(357,242)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	(258,935)	(28,708)	(287,643)	(84,812)
Interest expense	(1,613,219)		(1,613,219)	
Gain on disposal of capital assets	145,190	83,533	228,723	52,480
Total nonoperating revenues (expenses)	<u>(1,726,964)</u>	<u>54,825</u>	<u>(1,672,139)</u>	<u>(32,332)</u>
Income (loss) before transfers and contributions	2,721,676	120,127	2,841,803	(389,574)
Transfers in		523,700	523,700	2,237,900
Transfers out	(71,500)	(6,800)	(78,300)	
Capital contributions	8,816,166	209,220	9,025,386	163,000
Change in net position	11,466,342	846,247	12,312,589	2,011,326
Net position - beginning	<u>292,767,985</u>	<u>32,331,551</u>	<u>325,099,536</u>	<u>37,867,631</u>
Net position - ending	<u>\$ 304,234,327</u>	<u>\$ 33,177,798</u>	<u>\$ 337,412,125</u>	<u>\$ 39,878,957</u>

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

**CITY OF BOCA RATON, FLORIDA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Enterprise Funds			Governmental Activities
	Water and Sewer	Other Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 49,275,052	\$ 12,334,555	\$ 61,609,607	\$ 22,025,383
Payments to suppliers	(19,326,811)	(5,174,583)	(24,501,394)	(6,891,274)
Payments to employees	(11,678,620)	(5,506,727)	(17,185,347)	(3,769,795)
Claims paid				(9,079,108)
Net cash provided by (used in) operating activities	<u>18,269,621</u>	<u>1,653,245</u>	<u>19,922,866</u>	<u>2,285,206</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in		523,700	523,700	2,237,900
Transfers out	(71,500)	(6,800)	(78,300)	
Net cash provided by (used in) non-capital financing activities	<u>(71,500)</u>	<u>516,900</u>	<u>445,400</u>	<u>2,237,900</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development charges		209,220	209,220	
Capital donations				163,000
Payment of bond principal	(3,465,288)		(3,465,288)	
Acquisition of capital assets	(6,196,207)	(671,489)	(6,867,696)	(1,353,455)
Interest paid	(1,661,806)		(1,661,806)	
Proceeds from sale of capital assets	145,190	161,423	306,613	52,480
Net cash provided by (used in) capital and related financing activities	<u>(11,178,111)</u>	<u>(300,846)</u>	<u>(11,478,957)</u>	<u>(1,137,975)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	(237,491)	(26,438)	(263,929)	(75,136)
Sale of investments	50,446,800	5,310,663	55,757,463	18,033,440
Purchase of investments	(66,193,359)	(7,700,235)	(73,893,594)	(24,419,914)
Net cash provided by (used in) investing activities	<u>(15,984,050)</u>	<u>(2,416,010)</u>	<u>(18,400,060)</u>	<u>(6,461,610)</u>
Net increase (decrease) in cash and cash equivalents	(8,964,040)	(546,711)	(9,510,751)	(3,076,479)
Cash and cash equivalents				
Beginning of year	<u>53,410,965</u>	<u>5,616,018</u>	<u>59,026,983</u>	<u>19,407,443</u>
End of year, including restricted cash and cash equivalents	<u>\$ 44,446,925</u>	<u>\$ 5,069,307</u>	<u>\$ 49,516,232</u>	<u>\$ 16,330,964</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 4,448,640	\$ 65,302	\$ 4,513,942	\$ (357,242)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Amortization	302,996		302,996	
Depreciation	10,296,408	1,500,143	11,796,551	2,276,137
Change in assets and liabilities				
(Increase) decrease in accounts receivable	457,372	67,732	525,104	(110,976)
(Increase) decrease in assessment receivable	302,361		302,361	
(Increase) decrease in due from other governmental units		(39,618)	(39,618)	
(Increase) decrease in inventories		3,585	3,585	45,691
(Increase) decrease in other assets		1,583	1,583	25,856
Increase (decrease) in accounts payable and accrued liabilities	1,385,184	141,477	1,526,661	185,103
Increase (decrease) in unearned revenue				
Increase (decrease) in retainage payable	1,108,226		1,108,226	
Increase (decrease) in customer deposits payable	63,346		63,346	
Increase (decrease) in compensated absences	(121,848)	(99,174)	(221,022)	22,838
Increase (decrease) in OPEB obligations	26,936	12,215	39,151	10,223
Increase (decrease) in self-insured liabilities				187,576
Increase (decrease) in unavailable revenue				
Total adjustments	<u>13,820,981</u>	<u>1,587,943</u>	<u>15,408,924</u>	<u>2,642,448</u>
Net cash provided by (used in) operating activities	<u>\$ 18,269,621</u>	<u>\$ 1,653,245</u>	<u>\$ 19,922,866</u>	<u>\$ 2,285,206</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Increase in fair value of investments that are not cash equivalents:				
Unrealized gains/(losses) on investments	\$ (504,193)	\$ (57,772)	\$ (561,965)	\$ (185,095)
Contributions of capital assets	8,816,166	209,220	9,025,386	

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

**CITY OF BOCA RATON, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013**

		Pension Plans
ASSETS		
Cash and cash equivalents	\$	12,299,541
Investments:		
Corporate bonds and debentures		45,339,507
U.S. government securities		47,347,698
Common and preferred stock		197,091,538
Preferred stock		71,703
Corporate convertible bonds		9,206,085
Convertible equity		2,127,718
Real estate		36,373,695
Mutual funds		123,167,552
Florida Municipal Pension Trust Fund		27,570,150
Total investments		<u>488,295,646</u>
Receivables:		
Interest and dividends		905,633
Unsettled trades		2,849,804
Total receivables		<u>3,755,437</u>
Other assets		65,728
Total assets		<u>504,416,352</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources		<u> </u>
 LIABILITIES		
Accounts payable		564,588
Unsettled trades		3,198,902
Total liabilities		<u>3,763,490</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - Advance Contribution		460,057
Total deferred inflows of resources		<u>460,057</u>
 NET POSITION		
Restricted for pension benefits	\$	<u><u>500,192,805</u></u>

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

**CITY OF BOCA RATON, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Pension Plans
ADDITIONS	
Contributions:	
City	\$ 18,054,875
State	2,843,696
Employee	5,996,289
Transfer from other pension plan	447,233
Total contributions	27,342,093
Investment income:	
Interest revenue, net	7,346,620
Dividends	5,748,929
Net appreciation in fair value of investments	47,229,519
Other investment income	7,448
Investment expense	(2,036,777)
Total investment income	58,295,739
Total additions	85,637,832
DEDUCTIONS	
Benefits paid:	
Retirement	18,230,681
Disability	1,038,230
Death	1,323,842
Deferred retirement option plan	5,321,995
Termination refunds	567,252
Administrative expenses	866,511
Transfer to other pension plan	447,233
Total deductions	27,795,744
Change in net position	57,842,088
Net position - beginning	442,350,717
Net position - ending	\$ 500,192,805

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

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2013

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CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

1. The City of Boca Raton

The City of Boca Raton, Florida (the City) was incorporated in 1925 and operates under a Charter granted by the Legislature of the State of Florida, Chapter 65-1264, Special Acts, Laws of Florida. The City is governed by an elected City Council (4 members) and an elected Mayor, and provides, under the administration of an appointed City Manager, the following services: public safety, recreation, sanitation, cemetery, streets and traffic engineering, planning and zoning, water and sewer services, animal control, and general administrative services.

2. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's governmental accounting policies are described below.

A. Reporting Entity

As required by various GASB Statements, the accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. The City is financially accountable if the City Council appoints a voting majority of an organization's governing body and the City is able to impose its will on that organization, or the City has a financial benefit/burden relationship with the organization. Blended component units are, in substance, part of the City's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the City.

Blended Component Unit. The City Council of Boca Raton, Florida created the Boca Raton Community Redevelopment Agency (CRA) in 1980 as an independent special district by City Resolution No. 162-80. The CRA was established to prepare or have prepared a community redevelopment plan for areas within the City of Boca Raton, which are, determined to be slum or blighted areas, and to carry out the community redevelopment purposes of Part III, Chapter 163, of the Florida Statutes. As a tax increment district, the CRA receives operating revenues from tax increment assessments from three taxing jurisdictions within Palm Beach County. Funds are also provided by private contributions, fees collected, interest income, and the unexpended fund balance from the previous year. The CRA is reported as a blended component unit since its Board of Directors is the same as the governing board of the City. The funds of the CRA included within the reporting entity are the Community Redevelopment Agency Mizner Park Revenue Fund (major special revenue fund), Community Redevelopment Agency Operating Fund (nonmajor special revenue fund) and the Community Redevelopment Agency Debt Service Fund (nonmajor debt service fund). During Fiscal Year 1989, the CRA entered into an interlocal agreement with the City. This agreement called for the City to make a secondary pledge of its excise tax revenues for the CRA's debt. On February 5, 1991, the City, by referendum, adopted a resolution declaring the City Council Members to constitute the Board of Directors of the CRA. Under Florida Statute 163.356, this made the CRA a dependent special district of the City.

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

Discretely Presented Component Units. There are no discretely presented component units for the City. The Greater Boca Raton Beach and Park District, the Boca Raton Housing Authority and the Boca Raton Airport Authority have not met the established criteria for inclusion as component units and, therefore, are excluded from this report.

B. Government-Wide And Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between the governmental and business-type activities of the City.

Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report on the government as a whole and provide a consolidated financial picture of the government. As part of the consolidation process, inter-fund activities are eliminated to avoid distorted financial results. The amounts reported as internal balances represent the residual amounts due between governmental and business-type activities. Fiduciary funds of the government are also excluded from this presentation since these resources are not available for general government funding purposes.

The Statement of Net Position reports all financial and capital resources of the City's governmental and business-type activities. Governmental activities are those supported by taxes and intergovernmental revenues. Business-type activities rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges for goods or services that are recovered directly from customers for services rendered and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Since the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided which briefly explains the adjustments necessary to reconcile the results of governmental fund accounting to the government-wide presentations.

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

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

C. Measurement Focus, Basis Of Accounting And Financial Statement Presentation

The government-wide financial statements, the proprietary fund financial statements and the fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses reported when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

All governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, public services taxes, franchise taxes and interest income associated with the current fiscal period are susceptible to accrual and are recorded as earned since they are measurable and available. In addition, revenue from Federal, State and local reimbursement type grants for which eligibility requirements have been met and which meet the availability criteria of twelve months has been accrued and recognized as revenues of the period. The City also considers funds due from the Greater Boca Raton Beach and Park District as available if received within a twelve month 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. Licenses and permits, charges for services and miscellaneous revenues are recorded as revenue when received in cash, because they are generally not measurable until actually received.

D. Major Funds and Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts, which comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund equities, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined), for the determination of major funds. The non-major funds are presented in one column in the fund financial statements.

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

The City reports the following major governmental funds:

The **General Fund** is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue is derived primarily from property taxes, utility taxes, state and Federal distributions and other intergovernmental revenue. The general operating expenditures, fixed charges and capital outlay costs that are not paid through other funds are paid from the General Fund.

The **Community Redevelopment Agency Mizner Park Revenue Fund** is used to account for tax increment revenues assessed on downtown properties and land lease revenues that are used to fund the Mizner Park bond debt service and capital improvements that encourage development in the downtown.

The **Five-Year Capital Improvement Program Fund** is used to account for various building, park and street construction projects. Financing is being provided by general tax revenue, bond proceeds, excise tax and interest income.

The **Beach and Park Operations Fund** is used to account for beach and park operations reimbursed through an interlocal agreement with the Greater Boca Raton Beach and Park Tax District. The Fund did not meet the minimum criteria for major fund determination during fiscal 2013. However, it will continue to be presented as a major fund for the purpose of consistency and to highlight the operations of the Fund.

The City reports the following major proprietary fund:

The **Water and Sewer Fund** accounts for the provision of water and sewer services to residents of the City and to some residents of Palm Beach County.

Additionally, the City reports the following fund types:

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. The City's Internal Service Fund operations include Fleet Management and Information Technology for direct services and Self-Insurance for the provision of employee health, workers' compensation and property and general liability insurance for the City.

Pension Trust Funds account for activities of the City's General Employees' Pension Plan, the Police and Firefighters' Retirement System and the Executive Employees' Retirement Plan that accumulate resources for pension benefits and disability benefit payments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

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Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. All revenues that are not program revenues are general revenues, and include *all* taxes, as well as grants, contributions and investment earnings that are not restricted to a particular program.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation and amortization on capital assets. All items not meeting this definition are reported as nonoperating revenues and expenses.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand and time deposits and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, commercial paper, corporate bonds, repurchase agreements, State Treasurer's Investment Pool and the Florida Municipal Investment Trust.

The City maintains a cash and investment pool that is available for use by all funds. This pool has deposits and other investments with maturities generally less than one year. In addition, longer-term investments are also held by the investment pool. Pooled cash is classified as "Cash and Cash Equivalents" in the Statement of Net Position and pooled investments are combined with other separate investments and classified as "Investments."

Long-term investments are stated at fair value as required by GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools.*" Investments that have a remaining maturity at the time of purchase, of one year or less, are reported at amortized cost. Interest income earned as a result of pooling is distributed to the appropriate funds based on the month end equity balance in each fund.

2. Receivables and Payables

During the course of its operations, the City has numerous transactions between funds to provide goods or render services. To the extent that certain transactions between funds were not paid for or received as of September 30, 2013, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year are recorded as advances to and advances from other funds. Balances of advances to and from other funds are considered non-spendable fund balances of the respective funds since these balances are not available for appropriation.

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All trade and other receivables are shown net of an allowance for uncollectibles. Long-term receivables are analyzed for their collectability based on the terms and conditions of the agreements. In addition to those receivables specifically identified as uncollectible, a general allowance is calculated based on the City's historical bad debt experience.

Water and wastewater charges to customers are based on actual water consumption. Consumption is determined on a bi-monthly cycle basis. The City recognizes revenue and a related receivable for the estimated unbilled consumption as of September 30th of each year.

3. Inventories

All inventories are valued at weighted average cost. Perpetual inventory records are maintained and adjusted annually to physical inventory amounts as of September 30th of each year. Inventory is reported using the consumption method whereby inventories are recorded as expenditures/expenses when used.

4. Restricted Assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside in accordance with bond covenants or local ordinances are classified as restricted assets on the fund level balance sheet. The "operations and maintenance reserve" is used to report resources set aside to subsidize potential deficiencies from the City's Water and Sewer Utility operations that could adversely affect debt service payments. The "renewal and replacement reserve" is used for the accumulation of resources to provide for replacement of existing system assets. The "debt service reserve" is used for the accumulation of resources needed to meet debt service requirements as they become due. Certain accounts receivable items in the Water and Sewer Fund are restricted to repay debt. Cash and investments of the City's Perpetual Care Fund are restricted to providing perpetual care for the City's cemetery and mausoleum. Additionally, cash and investments of the General Trust Fund are restricted as the funds are to be used only for specific purposes. All applicable assets in the enterprise funds and in the governmental funds have been restricted in amounts sufficient to meet restrictive purposes.

5. Capital Assets

Capital assets, which include property, plant, equipment, intangible and infrastructure assets (e.g., roads, bridges, lighting systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City's capitalization threshold for tangible capital assets is \$5,000 and for intangible assets, including software, is \$35,000. In addition, these assets must have an estimated life of greater than one year. A \$35,000 threshold is maintained for additions to infrastructure capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. All infrastructure assets acquired subsequent to June 30, 1980 are reported. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

CITY OF BOCA RATON, FLORIDA
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Property, plant, equipment, intangible and infrastructure assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Life</u>
Building	40
Building improvements	10-50
Roads	40
Bridges	50
Other Infrastructure	10-75
Equipment	3-40
Intangible	5-20

6. Deferred Outflows of Resources

The Statement of Net Position includes a separate section, listed below Total Assets, for Deferred Outflows of Resources. This represents the usage of net position applicable to future periods and will not be recognized as expenditures until the future period to which it applies. Currently, the only item in this category is Deferred Charge on Refunding reported on the Government-wide Statement of Net Position. A deferred charge is the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

7. Unearned Revenue

Unearned revenue is recorded for governmental fund receivables that are measureable and available, but have not met the criteria for revenue recognition, such as unredeemed gift certificates. These are recorded as unearned revenue in the government-wide and the fund statements.

8. Liabilities – Performance Bonds

Liabilities include amounts paid to the City by contractors as guarantees of performance. These amounts may be due back to the contractors.

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits and compensatory time. All vacation, sick pay and compensatory time is accrued when earned in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in governmental funds only if they have matured, as a result of employee resignations or retirements.

10. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable premium or discount. These

**CITY OF BOCA RATON, FLORIDA
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premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method of amortization. Issuance costs are expensed in the year they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Deferred Inflows of Resources

The Statement of Net Position includes a separate section, listed below Total Liabilities, for Deferred Inflows of Resources. This represents the acquisition of net position applicable to future periods and will not be recognized as revenue until the future period to which it applies. Currently, the only item in this category is Unavailable Revenue, which will be recognized as inflows of resources in the period that the amounts become available. The sources of the unavailable revenue are as follows:

<u>Description</u>	<u>Government-wide Balances</u>	<u>Governmental Balances</u>	<u>Fiduciary Fund</u>
Local Business Taxes, due Oct 1	\$ 761,334	\$ 761,334	
Lease Revenues		12,230,109	
Communications Service Taxes		83,766	
Advance Contribution			\$ 460,057
Total unavailable revenue	<u>\$ 761,334</u>	<u>\$ 13,075,209</u>	<u>\$ 460,057</u>

11. Net Position

Net position is the result of assets and deferred outflows of resources, less liabilities and deferred inflows of resources. The net position of the government-wide and proprietary funds are categorized as net investment in capital assets, reduced by accumulated depreciation and any outstanding debt and related deferred outflows incurred to acquire, construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted. The first category represents net position related to property, plant, equipment and infrastructure.

When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned net position are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions by either an ordinance or resolution.

The restricted category represents the balance of assets restricted by requirements of revenue bonds and other externally imposed constraints or by legislation in excess of the related liabilities payable

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from restricted assets. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

12. Fund Balance

The City classifies fund balance in accordance with GASB Statement No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions.*” This Statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The City reports the following fund classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that cannot be spent because they are either not in spendable form such as inventory or legally or contractually required to be maintained intact such as a perpetual trust.

Restricted fund balance. Restricted fund balances are amounts that are constrained by the imposition externally by creditors, grantors, contributors, or laws or regulations of other governmental agencies or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. Those amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution (which are equally binding as the highest decision-making authority) are classified as committed fund balances.

Assigned fund balance. Amounts that are constrained by the City’s intent to be used for specific purposes but are neither restricted nor committed are classified as assigned fund balances. Assignments are recommended by the City Manager, based on the City Council direction during the annual budget process, and the City Council authorizes assignments by the adoption of a resolution.

Unassigned fund balance. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The City’s policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn or natural disaster. The City Council adopted a Fund Balance Policy by Resolution No. 137-2009 which is a financial standard to maintain a General Fund minimum unassigned fund balance of 10 percent of budgeted expenditures. As part of the annual budget adoption process, which is accomplished through an ordinance, the City Council reviews the fund balance commitments. Any action to establish, modify or rescind fund balance classifications would be taken through the adoption of an ordinance approved by City Council.

CITY OF BOCA RATON, FLORIDA
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F. Other Policies

1. Property Taxes

Calendar of Property Tax Events

- January 1, 2012 Property taxes are based on assessed property value at this date as determined by the Palm Beach County Property Appraiser.
- May 31, 2012 - Property assessment roll and certificates of value by the Palm Beach County Property Appraiser are provided to the City.
- July 10, 2012 – Proposed tax millage rate approved by the City Council and provided to the Palm Beach County Property Appraiser, who mails notices to the taxpayers.
- September 24, 2012 – Property tax millage rate ordinance approved by the City Council.
- October 1, 2012 – Beginning of fiscal year for which taxes are levied.
- December 31, 2012 – The Palm Beach County Property Appraiser notifies the City of the taxable value on the final property tax assessment roll.
- April 1, 2013 – Unpaid property taxes become delinquent and become a lien.
- June 1, 2013 – Tax certificates are sold by the Palm Beach County Tax Collector.

Property Tax Collection

Property tax collections are governed by Chapter 197, Florida Statutes. The Palm Beach County Tax Collector (Tax Collector) bills and collects all property taxes levied within the County. Discounts are allowed for early payment of 4% in November, 3% in December, 2% in January and 1% in February. If property taxes are not paid by April 1, the County adds a 3% penalty on real estate and a 1 ½% penalty on personal property.

The Tax Collector advertises and sells tax certificates on all real property for delinquent taxes. Certificates not sold revert back to the County. The Tax Collector must receive payment before the certificates are issued. Any person owning land on which a tax certificate has been sold may redeem the land by paying the Tax Collector the face amount of the tax certificate plus interest and other costs. The owner of a tax certificate may at any time after taxes have been delinquent (April 1), for two years, file an application for a tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent. Tax deeds are issued to the highest bidder for the property which is sold at public auction.

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. The City has no control over the investment program of the Tax Collector as this program is governed by State statutes.

Property Tax Limitation

The City is permitted by state statutes to levy taxes up to 10 mills of assessed value. The millage rate levied by the City for the fiscal year ended September 30, 2013, was 3.7225. Current tax collections for the City were approximately 97% of the total tax levy.

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2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

3. Encumbrances

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 specifically provides for the re-appropriation of year-end encumbrances.

3. Deposits and Investments

General Authorization:

Cash and cash equivalents include cash on hand, amounts in demand and time deposits and short-term investments with original maturity dates within three months of the date acquired by the City. All of the City's deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 25% to 200% of the average monthly balance of public deposits depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any potential losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

The City's investment practices are governed by Chapter 280 and 218, Florida Statutes, City Code of Ordinances, Section 20, the adopted investment policy, and various legal covenants related to outstanding bond issues. For all investments authorized by statute and policy, the City applies the "Prudent Man Rule" when developing investment strategies.

Types of Investments:

The City is authorized to invest in a wide range of securities that include certificates of deposit, money market funds, U.S. Treasury obligations, State and U.S. Government Agencies and Enterprises, State and Local Government Series, the State Board of Administration investment pool, the Florida Municipal Investment Trust, mutual funds and repurchase agreements. The City uses only financial institutions qualified as public depositories by the State of Florida or "approved" security dealers to place its investments unless bond covenants specifically require other financial

CITY OF BOCA RATON, FLORIDA
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institutions to be used. In addition to the investments above, the Pension Plans are authorized to invest in corporate bonds; real estate; and domestic, international, convertible, commingled, common and preferred stock.

The State Board of Administration (SBA) administers the Florida PRIME and the Fund B Surplus Funds Trust Fund (Fund B), both of which are governed by Chapter 19-7 of the Florida Administrative Code and Chapters 218 and 215 of the Florida Statutes. These rules provide guidance and establish the policies and general operating procedures for the administration of the Florida PRIME and Fund B. The Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements for a 2a-7 fund, which permits money market funds to use amortized cost to maintain a constant net asset value (NAV) of \$1 per share. The fair value of the position in the Florida PRIME is equal to the value of the pool shares. The Fund B does not meet the requirements of an SEC 2a-7 like fund and therefore is accounted for as a fluctuating NAV pool. As of September 30, 2013, the fair value factor for Fund B was \$1.1326 per share. The Fund B is not subject to participant withdrawal requests. Distributions from Fund B, as determined by the SBA, are effected by transferring eligible cash or securities to the Florida PRIME, consistent with the pro rata allocation of pool shareholders of record at the creation of Fund B. One hundred percent of such distributions from Fund B are available as liquid balance within the Florida PRIME. The investments in the Florida PRIME and Fund B are not insured by FDIC or any other governmental agency.

The Florida Municipal Investment Trust (Municipal Trust) was created under the laws of the State of Florida to provide eligible units of local government with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Florida League of Cities serves as the administrator, investment manager and secretary-treasurer of the Trust. The Municipal Trust is not a registrant with the Securities and Exchange Commission (SEC); however the Board has adopted operating procedures consistent with the requirements for a “2a-7 like” pool.

Violations:

There were no violations of the legal or contractual provisions for deposits and investments.

CITY OF BOCA RATON, FLORIDA
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a. City of Boca Raton

At September 30, 2013, the City of Boca Raton had the following cash, cash equivalents and investments:

Portfolio/Investments	Fair Value	Weighted Average Maturity	Credit Rating	Percent Distribution
Cash Deposits	\$ 112,676,419			39.73%
State Board of Administration - Florida PRIME	299,693	44 days	AAAm S&P	0.11%
Total Cash & Cash Equivalents	<u>112,976,112</u>			
State Board of Administration-Fund B	2,490	4.04 years	Not rated	0.00%
FMIVT 0-2 Year High Quality Bond Fund	25,563,746	.63 years	AAA/V1	9.01%
FMIVT 1-3 Year High Quality Bond Fund	18,000,002	1.52 years	AAA/V2	6.35%
FMIVT Intermediate High Quality Bond Fund	17,980,734	3.71 years	AAA/V3	6.34%
U.S. Treasury Notes	1,088,123	1.62 years	AA+	0.38%
U.S. Government Sponsored Enterprises:				
Federal National Mortgage Association	70,846,531	2.89 years		24.98%
Federal Home Loan Bank	32,121,749	1.35 years		11.33%
Certificates of Deposit	<u>5,023,245</u>			1.77%
Total Investments	<u>170,626,620</u>			60.16%
Total Cash & Investments	<u>\$ 283,602,732</u>			<u>100.00%</u>

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. "The increase in the interest rate during fiscal year 2013 adversely affected the fair value of the City's U.S. Government Sponsored Enterprise and Treasury Note investments as well as the holdings in the Florida League of Cities Investment Pools (FMIVT). The total unrealized loss to the City's portfolio was \$1,094,418.03 at fiscal year end 2013. The investments were purchased with the intent to be held to maturity therefore the unrealized losses would not become realized losses."The City's investment policy limits investments to those having a maturity, at the time of purchase, of less than five years. There were no investments in the City's portfolio that exceeded this maximum maturity at September 30, 2013.

Credit Risk

Credit risk exists when there is a possibility the issuer or other counter-party to an investment may be unable to fulfill its obligations. The City's investment policy allows investments in U.S. Government sponsored agencies and enterprises, the State Board of Administration investment pool, and the Florida Municipal Investment Trust. The ratings of the investments held at year end are shown above. All are rated within the policy guidelines.

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Concentration of Credit Risk

In addition to describing the credit risk of investments in the portfolio, governmental entities need to disclose the concentration of any single investment type or holding per single issuer. The percentage allocation of each cash investment type in the portfolio is shown in the preceding table. The City’s investment policy allows investment concentrations in various percentages for different types of investments. The investments held at year end are all within the allowable percentages.

Custodial Risk

The City’s investment policy requires that all securities, with the exception of certificates of deposit, be held with a third party custodian. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities are made on a “delivery vs. 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, 2013, the City’s investment portfolio was held with a third-party custodian.

b. Executive Employees’ Retirement Plan

At September 30, 2013, the Executive Employee’s Retirement Plan (EERP) invested in securities and fixed income investments listed as follows:

Portfolio/Investments	Fair Value	Weighted Average Maturity	Credit Rating	Percent Distribution
Cash Deposits	\$ 306,645			1.10%
FMIvT Broad Market High Quality Bond Fund	8,084,270		AA/V4 Fitch	29.00%
FMIvT Market High Quality Growth Portfolio	2,620,419	5.54	Not rated	9.40%
FMIvT Large Cap Diversified Value Portfolio	2,592,542		Not rated	9.30%
FMIvT Russell 1000 Enhanced Index Portfolio	7,777,626		Not rated	27.90%
FMIvT Diversified Small Cap Equity Portfolio	3,596,106			12.90%
FMIvT International Portfolio	2,899,187			10.40%
Total Investments	27,570,150			
Total Cash & Investments	\$ 27,876,795			100.00%

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value. The EERP has a maximum maturity at purchase of 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days. Bankers’ Acceptances maximum maturity shall not exceed 270 days from the time of purchase. Nonnegotiable Certificates of Deposit shall not exceed 2 years. No investments held in the portfolio exceed these limits.

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Credit Risk

The EERP allows investments in rated investments in Commercial Paper with A1/P1 or a comparable rating as provided by two of the top nationally recognized statistical rating organizations; and that the corporation's long-term debt, if any, is rated at least A1/A+ by a nationally recognized statistical rating organization or, if backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated at least AA (or comparable rating) by at least two of the nationally recognized statistical rating agencies publishing ratings for financial institutions. Banker's Acceptances issued with the U.S. by institutions with a long-term debt rating of at least AA or short term debt rating of P1 (or comparable rating) as provided by one nationally recognized statistical rating organization. Nonnegotiable Certificates of Deposit must be rated at least A1/P1 (or comparable rating) and a long-term rating of at least A (or comparable rating) as provided by two of the top nationally recognized rating agencies. Guaranteed Investment Contracts must be rated in the highest category by AM Best Rating System or a comparable nationally recognized statistical rating organization. All investments held in the portfolio meet these requirements.

Concentration of Credit Risk

The EERP allows no more than \$5 million in certificates of deposit with any one depository at one time. Corporate fixed income securities are limited to no more than 5% of any one corporation at the time of purchase. No more than \$10 million in investment agreements with other financial institutions may be entered into with any one financial institution. No investments exceeded these limits.

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c. General Employees' Pension Plan

At September 30, 2013, the General Employees' Pension Plan's (the Plan) portfolio consisted of the following securities and fixed income investments:

Portfolio/Investments	Fair Value	Weighted Average Maturity	Credit Rating	Percent Distribution
Cash Deposits	\$ 896,395			0.48%
Short-term securities	4,677,087		Aaa Moody's	2.48%
Total Cash & Cash Equivalents	<u>5,573,482</u>			
U.S. Government Securities:				
U.S. Treasury Securities:				
U.S. Treasury Notes Index Linked	10,180,118	5.47 years	Aaa Moody's	5.40%
U.S. Treasury Bonds	572,911	8.88 years		0.30%
U.S. Government Sponsored Agencies:				
Government Mortgage Backed Securities:				
		22.84 years		
Federal National Mortgage Association	7,153,426		Aaa Moody's	3.79%
Government National Mortgage Association	680,783		Aaa Moody's	0.36%
Federal Home Loan Mortgage Corporation	10,013,233		Aaa Moody's	5.31%
Corporate Bonds & Debentures:				
Corporate Obligations:				
		5.13 years		
Bonds	2,521,895		Aa Moody's	1.34%
Bonds	9,795,661		A Moody's	5.19%
Bonds	6,213,486		Baa Moody's	3.29%
Bonds	38,977			
Commercial Mortgage Backed Securities (CMBS)				
		30.54 years		
CMBS	2,078,683		Aaa Moody's	1.10%
Government Issued CMBS	371,322	7.07 years	Aaa Moody's	0.20%
Preferred Stock	71,703			0.04%
Common Stock	80,685,083			42.78%
Corporate Convertible Bonds	9,206,085			4.88%
Convertible Equity	2,127,718			1.13%
Real Estate Direct Investment Partnership	10,373,497			5.50%
Real Estate Investment Trust	6,140,364			3.26%
International Equity Fund	8,513,644			4.51%
Domestic Equity Fund	16,314,071			8.65%
Total Investments	<u>183,052,660</u>			<u>97.03%</u>
Total Cash & Investments	<u>\$ 188,626,142</u>			<u>100.00%</u>

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied Aa+ rating from Standard & Poor's.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to provide sufficient liquidity to pay obligations as they become due. Treasury inflation indexed

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securities are limited to ten year maturities. At September 30, 2013, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to have a minimum rating by two of the three major credit rating agencies. The minimum rating for corporate bonds is by Moody's as Baa2 or by Standard & Poor's/Fitch as BBB or better. The policy requires short-term commercial paper/bankers acceptances to be rated, at a minimum, by Moody's as P-1, by Standard & Poor's as A-1 or by Fitch as F-1 with the issuer having a long-term debt rating of A. Commercial mortgage backed and asset backed securities are required to be rated by Moody's/Standard & Poor's or Fitch as Aaa/AAA. Further, the investment policy does not permit private mortgages or tax exempt bonds. At September 30, 2013, for those where ratings are available, the portfolio met the credit rating limitations of the investment policy.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. The investment policy requires that corporate bond issues cannot represent more than 1.50% of the total bond portfolio. The policy further requires that corporate bond issues rated below A3/A- by Moody's/Standard & Poor's cannot represent more than 15% of the total bond portfolio. At September 30, 2013, the investment portfolio met the corporate single issuer and quality limitations of the investment policy.

Custodial Credit Risk

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy does not permit general obligations issued by a foreign government and is therefore, not exposed to foreign currency risk.

CITY OF BOCA RATON, FLORIDA
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d. Police and Firefighter's Retirement System

At September 30, 2013, the Police and Firefighter's Retirement System invested in the following securities and fixed income investments:

Portfolio/Investments	Fair Value	Weighted Avg Maturity	Credit Rating	Percent Distribution
Cash Deposits	\$ 2,622,394			0.92%
Short-Term Securities	3,797,020		Aa2 Moody's	1.34%
Total Cash and Cash Equivalents	<u>6,419,414</u>			
U.S. Government Securities				
U.S. Treasury Securities:		11.18 years		
U.S. Treasury Notes	3,770,292		Aaa Moody's	1.33%
U.S. Treasury Bonds	924,262		Aaa Moody's	0.33%
U.S. Government Sponsored Agencies:				
Government Mortgage Backed Securities:		25.56 years		
Federal National Mortgage Association	8,805,242		Aaa Moody's	3.10%
Government National Mortgage Association	2,962,817		Aaa Moody's	1.04%
Federal Home Loan Mortgage Corporation	2,284,615		Aaa Moody's	0.80%
Corporate Bonds & Debentures:				
Corporate Obligations:		5.92 years		
Bonds	1,855,485		Aa Moody's	0.65%
Bonds	12,044,051		A Moody's	4.24%
Bonds	8,105,823		Baa Moody's	2.85%
Commercial Mortgage Backed Securities (CMBS):		28.47 years		
CMBS	346,147		Aaa Moody's	0.12%
CMBS	677,126		Not rated	0.24%
Asset Backed Securities:		3.49 years		
ABS	1,230,598		Aaa Moody's	0.43%
ABS	60,252		Not rated	0.02%
Common Stock	116,406,455			40.97%
Real Estate Direct Investment Partnership	19,859,834			6.99%
Commingled Funds:				
Mutual Funds	22,012,631			7.75%
Long/Short Equity Funds	40,396,302			14.22%
International Equity Funds	30,723,645			10.81%
High Yield Fixed Income Fund	5,207,259		Not rated	1.83%
Total Investments	<u>277,672,836</u>			
Total Cash & Investments	<u>\$ 284,092,250</u>			<u>100.00%</u>

Government agency and treasury securities are not rated but have an implied Aaa rating from Moody's Investor Service and Fitch and an implied Aa+ rating from Standard & Poor's.

CITY OF BOCA RATON, FLORIDA
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Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest-rate risk. The established performance objectives require investment maturities to match anticipated cash-flow requirements in order to pay obligations when due. At September 30, 2013, the weighted average maturity in years for each investment type is included in the preceding table.

Credit Risk

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan utilizes portfolio diversification in order to limit investments to the highest rated securities as rated by nationally recognized rating agencies. The investment policy limits credit risk by requiring fixed income securities to maintain a weighted average credit quality rating of A or better. The policy further limits high yield fixed income securities to 20% of the portfolio. The investment policy does not permit private placement bonds, except for Rule 144A securities of U.S. issuers which are limited to five percent of the portfolio. At September 30, 2013, for those where ratings are available, the portfolio met the credit rating limitations of the policy.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Plan utilizes limitations on securities of a single issuer to manage this risk. The investment policy requires that corporate bond issues cannot represent more than five percent of the fair value of the portfolio. At September 30, 2013, the portfolio met the corporate single issuer limitation of the policy.

Custodial Credit Risk

Custodial credit risk is defined as the risk that the plan may not recover cash and investments held by another party in the event of financial failure. Custodial credit risk is limited since investments are held in independent custodial safekeeping accounts or mutual funds.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy permits a maximum of 10% of the market value of the fixed income portfolio to be invested in Yankee securities (foreign issuers of U.S. dollar-denominated debt). At September 30, 2013, less than 7% of the market value of the fixed income portfolio was invested in Yankee securities, which met the limitations of the policy. The Plan is not subject to Foreign Currency Risk.

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

e. Risks and Uncertainties – Pension Plans

The Plans invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and, that such changes could materially affect the amounts reported in the statement of plan net position for each Plan. The Plans, through their investment advisors, monitor Plan investments and the risks associated therewith on a regular basis which each Plan believes minimizes these risks.

Contributions to the Plans are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

4. Receivables and Payables

Receivables as of year-end 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	Community Redevelopment Agency/Mizner Park Revenue	Five Year Capital Improvement	Other Governmental	Internal Services	Total
Receivables:						
Accounts	\$ 3,742,366			\$ 18,224	\$ 217,254	\$ 3,977,844
Assessments				199,820		199,820
Lease revenues		\$ 12,230,109				12,230,109
Interest	39,494	783	\$ 15,262	24,953	26,142	106,634
Governmental receivables	\$ 3,781,860	\$ 12,230,892	\$ 15,262	\$ 242,997	\$ 243,396	\$ 16,514,407

Receivables for the City’s business-type activities, including individual major funds and allowances for uncollectible accounts are as follows:

Business Type	Water & Sewer	Other Enterprise	Total
Receivables:			
Accounts	\$ 7,514,308	\$ 1,617,807	\$ 9,132,115
Interest on investments	72,484	8,279	80,763
Interest on assessments	48,760		48,760
Assessments	1,623,451		1,623,451
Allowance for uncollectibles	(457,000)	(72,431)	(529,431)
Net business-type receivables	\$ 8,802,003	\$ 1,553,655	\$ 10,355,658

CITY OF BOCA RATON, FLORIDA
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Accounts payable and accrued liabilities as of fiscal year-end for the City's individual major and non-major funds, and internal service funds in the aggregate, are as follows:

Governmental	General	Five Year Capital Improvement	Beach and Park Operations	Other Governmental	Internal Services	Total
Payables:						
Vendors	\$ 908,729	\$ 205,869	\$ 224,617	\$ 624,694	\$ 551,898	\$ 2,515,807
Salaries and benefits	4,762,656		473,911	89,640	329,426	5,655,633
Governmental payables	\$ 5,671,385	\$ 205,869	\$ 698,528	\$ 714,334	\$ 881,324	\$ 8,171,440

Accounts payable and accrued liabilities for the City's business-type activities, including individual major funds, are as follows:

Business Type	Water & Sewer	Other Enterprise	Total
Payables:			
Vendors	\$ 3,405,357	\$ 264,500	\$ 3,669,857
Salaries and benefits	621,589	264,704	886,293
Business-type payables	\$ 4,026,946	\$ 529,204	\$ 4,556,150

5. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances from FY 2013 that were re-appropriated on October 1, 2013 were:

Major funds:	
General Fund	\$ 524,110
Five Year Capital Improvement Fund	1,522,636
Total Major funds	2,046,746
Non-Major Governmental Funds	2,829,796
Total Encumbrances	\$ 4,876,542

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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6. Capital Assets

The following is a summary of capital asset activity for the fiscal year ended September 30, 2013:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated/amortized:				
Land	\$138,135,702			\$ 138,135,702
Construction in progress	13,417,998	\$ 9,063,173	\$ 20,279,957	2,201,214
Total capital assets not being depreciated/amortized	<u>151,553,700</u>	<u>9,063,173</u>	<u>20,279,957</u>	<u>140,336,916</u>
Capital assets being depreciated/amortized:				
Buildings	82,869,317	9,629,412		92,498,729
Improvements other than buildings	41,074,387	8,021,222		49,095,609
Equipment	49,572,898	4,213,400	3,016,821	50,769,477
Intangible	2,537,237	87,750		2,624,987
Infrastructure	375,049,717	306,319		375,356,036
Total capital assets being depreciated/amortized	<u>551,103,556</u>	<u>22,258,103</u>	<u>3,016,821</u>	<u>570,344,838</u>
Less accumulated depreciation/amortization for:				
Buildings	25,692,753	2,489,276		28,182,029
Improvements other than buildings	22,710,134	1,919,516		24,629,650
Equipment	31,676,364	4,305,183	2,934,461	33,047,086
Intangible	2,199,196	74,631		2,273,827
Infrastructure	175,051,256	9,489,458		184,540,714
Total accumulated depreciation/amortization	<u>257,329,703</u>	<u>18,278,064</u>	<u>2,934,461</u>	<u>272,673,306</u>
Total capital assets being depreciated/amortized, net	<u>293,773,853</u>	<u>3,980,039</u>	<u>82,360</u>	<u>297,671,532</u>
Governmental activities capital assets, net	<u>\$ 445,327,553</u>	<u>\$ 13,043,212</u>	<u>\$ 20,362,317</u>	<u>\$ 438,008,448</u>

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Water and sewer				
Capital assets not being depreciated/amortized:				
Land	\$ 245,873			\$ 245,873
Construction in progress	6,611,297	\$ 15,108,443	\$ 3,839,912	17,879,828
Total capital assets not being depreciated/amortized	<u>6,857,170</u>	<u>15,108,443</u>	<u>3,839,912</u>	<u>18,125,701</u>
Capital assets being depreciated/amortized:				
Utility plant in service	346,326,310	2,888,599		349,214,909
Equipment	43,897,439	2,837,700	545,540	46,189,599
Intangible	6,055,065	701,637	2,631,669	4,125,033
Total capital assets being depreciated/amortized	<u>396,278,814</u>	<u>6,427,936</u>	<u>3,177,209</u>	<u>399,529,541</u>
Less accumulated depreciation/amortization for:				
Utility plant in service	150,349,147	8,517,088		158,866,235
Equipment	20,416,054	1,779,320	535,759	21,659,615
Intangible	1,059,009	302,996		1,362,005
Total accumulated depreciation/amortization	<u>171,824,210</u>	<u>10,599,404</u>	<u>535,759</u>	<u>181,887,855</u>
Total capital assets being depreciated/amortized, net	<u>224,454,604</u>	<u>(4,171,468)</u>	<u>2,641,450</u>	<u>217,641,686</u>
Total water and sewer capital assets, net	<u>\$ 231,311,774</u>	<u>\$ 10,936,975</u>	<u>\$ 6,481,362</u>	<u>\$ 235,767,387</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Non-major funds, business-type activities				
Capital assets not being depreciated:				
Land	\$ 586,735			\$ 586,735
Construction in progress	873,520	\$ 57,744	\$ 615,643	315,621
Total capital assets not being depreciated	<u>1,460,255</u>	<u>57,744</u>	<u>615,643</u>	<u>902,356</u>
Capital assets being depreciated:				
Buildings	2,259,661			2,259,661
Improvements other than buildings	19,213,107	615,642		19,828,749
Equipment	8,146,676	536,304	224,624	8,458,356
Total capital assets being depreciated	<u>29,619,444</u>	<u>1,151,946</u>	<u>224,624</u>	<u>30,546,766</u>
Less accumulated depreciation for:				
Buildings	1,403,175	59,219		1,462,394
Improvements other than buildings	4,632,790	590,537		5,223,327
Equipment	4,117,148	850,383	224,172	4,743,359
Total accumulated depreciation	<u>10,153,113</u>	<u>1,500,139</u>	<u>224,172</u>	<u>11,429,080</u>
Total capital assets being depreciated, net	<u>19,466,331</u>	<u>(348,193)</u>	<u>452</u>	<u>19,117,686</u>
Total non-major funds, capital assets, net	<u>20,926,586</u>	<u>(290,449)</u>	<u>616,095</u>	<u>20,020,042</u>
Total business-type activities, capital assets, net	<u>\$ 252,238,360</u>	<u>\$ 10,646,526</u>	<u>\$ 7,097,457</u>	<u>\$ 255,787,429</u>

CITY OF BOCA RATON, FLORIDA
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Depreciation/amortization expense was charged to function / programs of the primary government as follows:

Governmental activities:	
General government	\$ 592,750
Law enforcement	1,044,521
Fire rescue	1,660,617
Physical environment	6,326
Transportation, including depreciation of general infrastructure assets	10,411,137
Community development	96,916
Parks and recreation	2,189,658
Sub Total	<u>16,001,925</u>
Depreciation and amortization of the capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>2,276,137</u>
Total depreciation/amortization expense, governmental activities	<u>\$ 18,278,062</u>
Business-type activities:	
Water and sewer depreciation	\$ 10,296,408
Water and sewer amortization	302,996
Total water and sewer	<u>10,599,404</u>
Cemetery	62,298
Golf course	146,407
Stormwater utility	688,693
Sanitation	602,745
Total depreciation and amortization expense, business-type activities	<u>12,099,547</u>
Total government wide depreciation and amortization expense	<u>\$ 30,377,609</u>

Construction and Purchase Commitments:

The City has active construction projects as of September 30, 2013. The projects include street and traffic projects and various water, wastewater and drainage projects. In addition, the City has outstanding purchase commitments for engineering and design services. At fiscal year-end, the City's significant commitments with contractors are as follows:

<u>Project</u>	<u>Spent to-date</u>	<u>Remaining Commitment</u>
Street and traffic projects	\$ 4,756,458	\$ 1,928,127
Water, Wastewater and Drainage Projects	<u>24,446,273</u>	<u>12,130,183</u>
Total	<u>\$29,202,731</u>	<u>\$14,058,310</u>

The water and sewer improvements are financed through revenue bonds from system revenues. All other commitments are financed from existing City resources.

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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7. System Development Charges (Impact Fees)

System Development Charges are fees designed to recover the cost of providing capacity for new customers. The fees represent a major source of financing for the Water and Sewer System (System) and will provide a significant portion of the debt service coverage for the 2001, 2008 and 2009 Revenue Bonds. A Florida State Supreme Court decision outlined the basic requirements of an equitable System Development Charge structure. These requirements are as follows:

- System Development Charges must reflect a pro rata share of the cost of new capacity.
- System Development Charges revenue may be applied only to capital projects expressly designed to expand System capacity.
- Anticipated System Development Charge revenues may not exceed the costs to be incurred by the municipality in expanding capacity to accommodate new users of the System.

The City's System Development Charge structure, implemented in 1980, was designed to comply with this decision. Compliance is achieved in the following manner:

- The Consulting Engineers have reviewed the proposed Capital Improvement Program and identified the expansion portions of the program directed as providing capacity for growth.
- The debt service associated with the cost of providing for this growth will be met through System Development Charges from new customers and the capital recovery portion of the rates paid by new customers.
- System Development Charge revenues will be utilized solely for meeting the construction costs or annual debt service or for early retirement of debt specifically designated for System expansion.

A computerized model has been developed to verify the validity of this approach. It is the City's intent to utilize this model to make necessary adjustments in the System Development Charge schedule from time to time to ensure that compliance with fee objectives is maintained.

The City has classified system development charges as capital contributions (non-operating revenue) as the fees are revenues which are incidental to the Water and Sewer Enterprise Fund's primary service activities which are provision of potable water and processing of wastewater.

8. Long Term Debt

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City as a whole and not its individual funds. In each year that debt is outstanding, an ad valorem tax is levied equal to principal and interest due. No reserves are maintained. These bonds generally are issued as 20-year serial bonds.

CITY OF BOCA RATON, FLORIDA
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B. Enterprise Funds Revenue Bonds

The City issues bonds where the City pledges income derived from the operations of the water and sewer system and a system development charge of the water and sewer system to pay debt service.

C. Governmental Activities Revenue Bonds

The City issues bonds where the City pledges revenues from non-ad valorem revenues.

D. Special Assessment Bonds

The City issues special assessment debt to finance capital improvements in the Downtown District where both principal and interest are payable from pledged funds, which consist of special assessment proceeds on the benefitted property owners in the Downtown District. In the event that the pledged funds are insufficient to make the debt service payments, the City has committed to make an annual appropriation of available non-ad valorem revenues to make up any deficiencies.

On September 13, 2012, the City Council adopted Resolution 094-2012, which equalized and adopted the special assessment roll for the Downtown Special Assessment and established the special assessment amounts due January 1, 2013. During the fiscal year, the City assessed \$1,464,398 and collected \$1,435,202 which was approximately 98.04% of the assessment levied.

E. Tax Increment Revenue Bonds

The Boca Raton Community Redevelopment Agency (CRA or Agency) issued tax increment revenue bonds to fund capital projects at Mizner Park. The Agency bonds are secured by a pledge of, and lien on, the Pledged Revenues as provided in the Agency resolution and on the Deficiency Payments received by the Agency pursuant to the Interlocal Agreement with the City. Pledged revenues consist of tax increment revenues and future land lease revenues of the Agency and the Public Service taxes (Deficiency Payments) of the City. In the event sufficient savings from the issuance of the Agency Bonds are realized, the Agency may use such savings to finance capital projects in Mizner Park, which would constitute public infrastructure or park improvements.

F. Loans payable

The City participates in the First Florida Governmental Financing Commission Loan Agreement Program. The Commission is a public body corporate and politically formed by seven local governments in Florida to benefit participants from the economies of scale associated with large financing. The City covenants and agrees to appropriate in its annual budget, by amendment if required, and to pay when due under its Loan Agreement as promptly as funds become available, amounts of non-ad valorem revenues and other legally available funds sufficient to satisfy the loan repayment requirements of the Loan Agreement.

CITY OF BOCA RATON, FLORIDA
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Governmental activities bonds and loans outstanding at September 30, 2013 consist of the following:

Governmental activities:	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
General Obligation Bonds:					
Series 2004, Refunding	Refunding	\$ 21,720,000	\$ 14,095,000	2.00 – 3.88%	\$ 2,322,705
Series 2010	Downtown Library	9,225,000	8,280,000	3.00 – 4.00%	670,700
Series 2011 Refunding	Fire Projects	9,525,000	8,690,000	3.00 – 5.00%	1,223,500
Series 2011, Refunding	Library Projects	6,060,000	5,425,000	2.00 – 3.00%	685,300
		<u>46,530,000</u>	<u>36,490,000</u>		
Special Assessment Bonds:					
Series 2009, Refunding	Refunding	11,205,000	8,380,000	2.00 – 4.25%	1,162,388
Series 2010	Improvement	3,705,000	3,545,000	2.00 – 4.125%	286,769
		<u>14,910,000</u>	<u>11,925,000</u>		
Loans Payable:					
First Florida, Series 2001	Refunding	5,635,000	655,000	3.00 – 5.50%	655,000
Tax Increment Revenue Bonds:					
Series 1998, Refunding	Refunding	72,560,168	34,489,628	* 3.60 – 5.00%	6,655,000
Total for Gov't Activities		<u>\$ 139,635,168</u>	<u>\$ 83,559,628</u>		

* Includes \$14,669,460 of accreted interest on Capital Appreciation Bonds

Business-type activities bonds and notes outstanding at September 30, 2013 consist of the following:

Business-type activities:	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rate	Maximum Annual Debt Service
Utility system revenue bonds:					
Series 2008	Refunding	\$ 40,040,000	\$ 34,650,000	4.00 – 4.375%	\$ 4,002,181
Series 2009	Refunding	8,485,000	5,610,000	2.50 – 4.00%	1,037,388
Total for Business-type Activities		<u>\$ 48,525,000</u>	<u>\$ 40,260,000</u>		

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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Long-term liability activity for the fiscal year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds	\$ 39,905,000		\$ 3,415,000	\$ 36,490,000	\$ 3,520,000
Tax increment revenue bonds	25,895,168		6,075,000	19,820,168	6,355,000
Special assessment bonds	12,830,000		905,000	11,925,000	930,000
Loans payable	1,275,000		620,000	655,000	655,000
Net premium on bonds	2,365,980		223,975	2,142,005	
Accretion	13,317,779	1,351,681		14,669,460	
Total bonds and loans payable, net	95,588,927	1,351,681	11,238,975	85,701,633	11,460,000
Compensated absences	14,439,561	4,714,686	4,711,308	14,442,939	1,444,294
Net OPEB obligation	1,255,248	205,849		1,461,097	
Estimated liability for self-insurance losses	9,299,225	9,266,684	9,079,108	9,486,801	3,602,801
Total gov't activities, long-term liabilities	\$ 120,582,961	\$ 15,538,900	\$ 25,029,391	\$ 111,092,470	\$ 16,507,095

	Beginning Balance	Additions	Reductions	Ending Balances	Due Within One Year
Business-type activities:					
<i>Water and Sewer:</i>					
Revenue bonds	\$ 43,640,000		\$ 3,380,000	\$ 40,260,000	\$ 3,480,000
Net premium on bonds	1,353,361		102,209	1,251,152	
Revenue bonds payable, net	44,993,361	-	3,482,209	41,511,152	3,480,000
Compensated absences	1,318,243	484,899	606,747	1,196,395	119,640
Net OPEB obligation	206,450	26,936		233,386	
<i>Total water and sewer</i>	46,518,054	511,835	4,088,956	42,940,933	3,599,640
<i>Other business-type activities:</i>					
Compensated absences	786,556	147,433	248,384	685,605	68,560
Net OPEB obligation	109,302	12,215		121,517	
<i>Total other business-types activities,</i>	895,858	159,648	248,384	807,122	68,560
Total business-type activities, long-term liabilities	\$ 47,413,912	\$ 671,483	\$ 4,337,340	\$ 43,748,055	\$ 3,668,200

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Summary of Annual Debt Service Requirements:

<u>Year Ended</u> <u>September 30,</u>	Governmental Activities					
	General Obligation Bonds		Special Assessment and Revenue Bonds		Tax Increment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,520,000	\$ 1,370,286	\$ 930,000	\$ 446,294	\$ 6,355,000	\$ 146,959
2015	3,640,000	1,249,636	975,000	419,994	2,987,363	3,667,637
2016	3,765,000	1,127,055	1,015,000	391,568	2,815,486	3,804,514
2017	3,900,000	989,105	1,050,000	353,519	2,670,707	3,949,293
2018	4,050,000	843,825	1,095,000	313,269	2,542,014	4,077,986
2019-2023	13,575,000	2,008,388	5,150,000	880,194	2,449,599	4,170,501
2024-2028	2,780,000	561,625	1,175,000	249,206		
2029-2030	1,260,000	76,000	535,000	33,088		
Total	<u>\$ 36,490,000</u>	<u>\$ 8,225,920</u>	<u>\$11,925,000</u>	<u>\$ 3,087,131</u>	<u>\$19,820,168</u>	<u>\$19,816,891</u>

<u>Year Ended</u> <u>September</u> <u>30,</u>	Governmental Activities		Business Type Activities	
	First Florida Loans		Enterprise Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 655,000	\$ 36,025	\$ 3,480,000	\$ 1,558,838
2015			3,585,000	1,439,988
2016			3,715,000	1,314,656
2017			3,835,000	1,167,234
2018			4,010,000	986,100
2019-2023			13,695,000	2,810,356
2024-2028			7,940,000	898,363
Total	<u>\$ 655,000</u>	<u>\$ 36,025</u>	<u>\$40,260,000</u>	<u>\$10,175,535</u>

G. Compensated Absences and Other Post Employment Benefit Obligations

For the governmental activities, compensated absences and other post employment benefit obligations are generally liquidated from the governmental funds to which they relate. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities.

J. Water and Sewer System Bond Covenants

The Water and Sewer System (the System) bond ordinances provide for two separate revenue flows to meet the needs of the System operations, reserves and debt service. System Development Charges (impact fees) are deposited into separate accounts. An annual calculation determines the portion of the charge to be transferred to the debt service fund. Impact fees are restricted to payment of debt service related to the construction of new plant capacity. Impact fees may not be used for operations (see Note 7).

First, operating revenue of the System is used to meet the operations and maintenance requirements. Next, revenue is used to pay any portion of the bond interest, principal and reserve requirements not paid from impact fees. Next, an amount not less than 5% of the prior year's revenue is transferred to

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the System's renewal and replacement fund until the balance in the fund totals 1% of gross book value of assets of the System. Revenue is then used to fund an operation and maintenance reserve fund, which is maintained at a level equal to 1/8 of the operating budget. Remaining monies can be used for any legal City purpose.

At September 30, 2013, all reserves including the bond reserve account were fully funded. The rate structure is calculated annually to assure adequate coverage of all requirements.

K. Tax Increment Revenue Bond Covenants

Mizner Park Project:

The Community Redevelopment Agency bonds are secured by a pledge of, and a lien on, the pledged revenues as provided in the resolution and on the deficiency payments received by the Agency pursuant to an interlocal agreement with the City. Pledged revenues consist of tax increment revenues and future land lease revenues of the Agency and the Public Service taxes of the City. In the event that the tax increment revenues and the future lease revenues are insufficient to pay the required obligations under the Agency bonds, then the City is required to pay the Agency from available Public Service taxes an amount equal to any deficit in the amounts required to be on deposit in the sinking fund established under the bond resolution.

During the 1991 Legislative Session, the State Legislature passed legislation exempting the Palm Beach County Health Care District (District) from tax increment payments to the Agency. Subsequently, this legislation has become law and has resulted in the loss of approximately \$6 million in tax increment revenues since 1991, and will continue to adversely affect the Agency in future years. At closing on the original financing, approximately 17.5% of annual tax increment revenues were expected from the District.

In the 1992 Legislative Session, the State Legislature passed legislation exempting the Palm Beach County Children's Services District from tax increment payments to the Agency in Fiscal Year 1993. This has resulted in the loss of approximately \$3.2 million in tax increment revenues since 1993. At closing, approximately 2.3% of all future tax increment revenues were expected from the Children's Services District.

The Agency has leased the Mizner Park Project to a developer who has constructed a cultural, commercial and residential facility. The lease is an operating lease with scheduled rent increases over the life of the lease. The lease has a term of 99 years and requires minimum fixed future rentals of \$1,180,000 in 2014, 2015, 2016, 2017 and 2018 and \$125,578,333 in total thereafter, plus contingent rentals. Contingent rentals are the greater of the minimum fixed amount or 15% of the tenant's net operating income as defined in each lease agreement. In fiscal year 2013, rental income amounted to \$1,240,859 and the contingent rental payment was \$60,859.

The ability of the tenant to pay the Agency the lease revenues is dependent upon their ability to sublease the commercial facilities constructed thereon and such other guarantees contracted by the Agency. The Agency has an unsubordinated claim on the buildings constructed under the lease prior to the mortgage holder. All portions of the project have been constructed.

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Management monitors the collection of pledged revenues to comply with the bond resolution. Tax increment and lease revenue payments of contingent rentals from the developer began in 2001 and are available for debt service. Management cannot presently make a reliable estimate of future contingent rentals. If lease rental and tax increment revenues are not sufficient for debt service, the City's pledge of public service tax would be required to be used for the repayment of the debt service.

Based on current information, management believes that there will be no future deficiencies in tax increment and lease revenues that will require the use of the City's public service tax revenues. The City's public service (excise) tax was increased from 8.5% to 10% effective January 1, 1997. The tax is levied on electric and water service and on the purchase of natural gas. The increase in revenues through September 30, 2004 was segregated into a special revenue lock box fund to cover future deficiencies in the pledged revenues for the debt service payments for the Mizner Park bonds. The City has restricted \$6,190,603 in the special revenue Mizner Park Lock Box Fund and committed \$1,633,000 of fund balance in the General Fund at September 30, 2013 to cover future deficiencies in the pledged revenues.

The City, in prior fiscal years, had advanced \$3,229,500 to the CRA from the Mizner Park Lock Box Fund to cover deficiencies in pledged revenues. During the 2013 fiscal year, the CRA repaid \$1.5 million to the City pursuant to the interlocal agreement between the City and the CRA.

L. Pledged Revenues

The City issues bonds that are served by a pledge of specific revenues. Total pledged revenues to repay the principal and interest of those bonds as of September 30, 2013 are as follows:

<u>Source of Revenue Pledged</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>
	<u>Special Assessment</u>	<u>Tax Increment Bonds</u>	<u>Water & Sewer Revenues</u>
Current revenue pledged	\$1,493,004	\$7,815,753	\$14,816,045
Current debt service	1,376,844	6,508,644	5,040,169
Total future revenues pledged	15,012,131	39,637,059	50,435,535
Description of debt	Special Assessment Refunding & Improvement Bonds, Series 2009-2010 (Visions 90 Projects)	Tax Increment Bonds, Series 1998 (Mizner Park Project)	Water and Sewer Utility Revenue Bonds, issued 1999- 2009
Purpose of debt	Series 2009, to refund Special Assessment Bonds, Series 2001; Series 2010, to finance certain improvements within the Downtown District	To refund Tax Increment Bonds, Series 1992	Construction and Refunding
Term of commitment	2010-2030	1998-2018	1999-2027
Percentage of debt service to pledged revenues (current year)	92%	83%	34%

9. Defeasance of Debt

The City defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the

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City's financial statements. At September 30, 2013, there were no bonds outstanding that were considered defeased.

10. Employee Retirement Systems

The City of Boca Raton sponsors three defined benefit plans – General Employees' Pension Plan, Police and Firefighters' Retirement System and the Executive Employees' Retirement Plan.

The City's pension plans are presented in accordance with GASB Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," No. 27, "Accounting for Pensions by State and Local Governmental Employers" and No. 50, "Pension Disclosures." The objective of these statements is to enhance the understandability and usefulness of pension information included in the financial statements of state and local governmental employers. The General Employees' Pension Plan and the Police and Firefighters' Retirement System each issue a publicly available audited GAAP financial report that includes financial statements and required supplementary information. Copies of the report are available in the Pension Office located at 2333 Glades Road, Boca Raton, FL 33431. The Executive Employees' Retirement Plan does not issue separate financial statements. Condensed financial statements are presented below.

Plan Descriptions, Contribution Information and Funding Policies

General Employees' Pension Plan:

Plan Description:

The General Employees' Pension Plan (GE Plan) is a single-employer defined benefit plan administered by an eight-member Board of Trustees (the Board) that covers all regular full-time City employees except police, fire, and executive management employees. The GE Plan was established by Ordinance 1806, adopted April 17, 1973, by City Council. The GE Plan is also governed by Chapter 112, Florida Statutes.

The GE Plan is divided into three levels of benefit- Plan A, Plan B and Plan C. Employees hired prior to October 1, 1987 are enrolled in GE Plan A. Employees hired from October 1, 1987 to October 31, 2007 or transferred from GE Plan A are enrolled in Plan B. Employees hired on or after November 1, 2007, or who elect to transfer from GE Plan A or B, may enroll in GE Plan C or the City's defined contribution plan. On an ongoing basis, all assets accumulated for the payment of benefits may legally be used to pay benefits to members or beneficiaries of GE Plan A, B and C.

Retirement benefits are calculated by multiplying the member's earnings averaged over five years times the member's years of continuous service times a multiplier determined by their plan level.

Members become eligible for unreduced benefits upon the attainment of age 65, without regard to service, age 55 with the completion of 20 years of continuous service, or age 53 with the completion of 30 years of continuous service. GE Plan A and B participants utilize a 3.00% multiplier and GE Plan C participants utilize a 1.75% multiplier.

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Members become eligible for a Rule 68 retirement benefit when age plus service equals 68 and requires a minimum age of 50 and minimum continuous service of 15 years. For the Rule of 68 retirement option, GE Plan A participants utilize a 2.5% multiplier. GE Plan B and C participants utilize a 1.50% multiplier.

Members qualify for alternate unreduced early retirement upon the attainment of age 55 and minimum continuous service of 15 years. GE Plan A and B participants utilize a 2% multiplier. GE Plan C participants utilize a 1.75% multiplier.

Members qualify for early retirement benefits upon attaining age 50 with 20 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year early retirement precedes the normal retirement age 55.

Active employees who become disabled receive 60% (50% of earnings for disabilities incurred away from work) of the monthly earnings in effect at the time of disability, reduced by workers' compensation or any public disability benefits to which the member is entitled. Disability benefits are paid until the earlier of death, recovery, or the end of the maximum benefit period. The maximum benefit period is until age 65 if the member became disabled prior to attainment of age 60 or for 60 months if the member became disabled after the attainment of age 60.

If an employee dies while an active member or on disability, the benefit is equal to 3.5 times the member's annual earnings as of the date of death or the date the member became disabled. The beneficiary receives an initial lump sum followed by monthly payments until the designated amount is paid in full. Interest, at a rate equal to the yield of the five-year U.S. Treasury Note on the first day of the fiscal year, is approved annually by the Board of trustees and is credited on the unpaid balance.

If a member meets the minimum service requirement of 10 years of continuous service at the time employment terminates, the benefit will be paid when the member turns 65 or later attains the age requirement for unreduced benefits provided the service requirement for unreduced benefits was met prior to termination. A member may elect to take an immediate reduced benefit, when eligible, calculated in the same manner as for early retirement.

If termination occurs after the completion of 10 years of continuous service, the full accrued retirement benefit is payable at the normal retirement date. If termination occurs prior to the completion of 10 years of continuous service, the member's contributions will be refunded with interest credited at 3% per year, compounded annually.

The Deferred Retirement Option Plan (DROP) is available to all GE Plan members who are still actively employed and have attained the age of 55 with at least 20 years of continuous service, age 53 with at least 30 years of continuous service, or a reduced benefit at age 50 with 20 years of continuous service. Upon electing to participate in the DROP, members are considered to have retired for pension purposes of the pension plan but continue to remain in active employment with

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the City. The member's pension benefit is calculated as if they actually retired on the date of DROP participation, using continuous service, average monthly earnings, and the current multiplier as of that date. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate interest during the remainder of the member's employment with the City. City and employee contributions cease when a member elects to participate in the DROP. Maximum duration of participation is five years. If a member continues to remain in employment more than the maximum period, no further deposits will be made to the member's account and investment earnings will cease to be posted. Upon termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum distribution or roll their account balance into a qualified instrument. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2013, there were 46 DROP participants with a total balance of \$4,450,106.

GE Plan Contributions and Funding Policy:

GE Plan A and B members are required to contribute 9.65% of their annual earnings while GE Plan C members are required to contribute 6% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings does not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2013 determined using the actuarial valuation dated October 1, 2011 were 14.22% of covered payroll for both GE Plan A and B members. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

Police and Firefighters' Retirement System:

Plan Description:

The Police and Firefighters' Retirement System (PF Plan) is a single-employer defined benefit plan administered by an eight-member Board of Trustees which covers all City of Boca Raton (the City) police officers and firefighters. The PF Plan was established by Ordinance 1806, adopted April 17, 1973, by City Council. The PF Plan is also governed by Chapters 112, 175, and 185, Florida Statutes. Pursuant to Chapters 175 and 185 of the Florida Statutes, premium taxes on certain property and casualty insurance contracts written on City properties is collected by the State and is remitted to the Plan. This amount totaled \$2,843,696 for the fiscal year ended September 30, 2013: \$1,708,380 for property insurance contracts for firefighters under Chapter 175 and \$1,135,316 for casualty insurance contracts for police officers under Chapter 185. This amount was recognized as an expenditure and revenue in the General Fund.

Police officers completing 20 or more continuous years of service, or age 55 with 10 years of continuous service, are eligible for normal retirement benefits. Normal retirement participants are entitled to receive monthly benefits payable at 3.5% of their average monthly earnings for the

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highest two consecutive years of compensation multiplied by the member's years of continuous service subject to a maximum of 87.5%. Normal retirement participants are eligible to receive a 2% annual cost of living increase after one year of retirement. Retirements before October 1, 2001 receive a 3% cost of living adjustment every two years.

Firefighters completing 20 or more continuous years of service, or age 55 with 10 years of service, are entitled to monthly benefits of 3.4% of their average monthly earnings for the highest two consecutive years of compensation multiplied by the member's years of continuous service. Firefighter participants eligible to receive normal retirement benefits and have 22 or more years of continuous service (or 20 years if retired prior to December 9, 2008), are eligible for an increased benefit of 3% each year once they have attained the age of 52 or have been retired one year, whichever comes later. Participants with 21 years of continuous service are eligible for the cost-of-living adjustment after two years and with 20 years of continuous service are eligible after three years. Benefits payable for service-related death and disability benefits are increased by 3% each year starting with the date they would have attained age 52. No increases apply to non-service related death or disability benefits unless they complete 20 years of continuous service prior to their death or disability.

Members separating from service receive a \$10.50 monthly supplement per year of service. Members retiring on or before October 26, 2010 received a \$10.50 monthly supplement per year of service.

A member of the PF Plan may be eligible for early retirement after attainment of age 50 with 10 years of continuous service. Members so qualifying may receive benefits under one of the following two options:

1. The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as discussed above under normal retirement, or
2. The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 3% for each year prior to the normal retirement date.

Active employees who become disabled while in service receive 75% of the average monthly earnings. Disability benefits are paid until the earlier of death or recovery from disability. The maximum pension including social security and workers compensation is 100% of salary at disability. If an active employee dies from in-service death, the beneficiary receives a \$5,000 lump sum benefit payment plus a maximum monthly benefit equal to 75% of the member's average monthly earnings until the beneficiary's death. If an active employee dies from non-service incurred cause and has less than one year of service, the beneficiary receives a \$2,500 lump sum benefit. If an active employee dies from non-service incurred cause and has more than one year of continuous service, the beneficiary receives a \$5,000 lump sum benefit payment. If the employee has five or more years of service, the surviving spouse will receive a monthly pension equal to 65% of the employee's accrued pension.

If an employee terminates his employment and is not eligible for any other benefits under the system, the member is entitled to the following:

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- With less than ten years of continuous service, a refund of the member contribution is made plus 3% interest, or
- With ten or more years of continuous service, the pension accrued to the date of termination, payable commencing at his or her normal retirement date, or at the member's option, a lump sum refund of the member contribution plus 3% interest.

Police officers and firefighters who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). Upon electing to participate in the DROP, members are considered to have retired for purposes of the pension plan, but continue to remain active employees of the City. The member's normal retirement benefit is calculated as if the member had actually retired on the date of DROP participation, using continuous service and average monthly earnings as of that date. Instead of paying the benefit to the member, a DROP account is established and the benefit is deposited in the account each month; these deposits continue to accumulate interest during the remainder of the member's employment with the City. Maximum duration of DROP participation is five years. If a member continues to remain in employment more than the maximum period, no further deposits will be made to the member's account and investment earnings will cease to be posted. Upon termination of employment, members shall receive their normal retirement benefits and may elect to receive their funds from the DROP account in a lump sum, annual installments or monthly annuity distributions. Benefit distributions must commence by age 70 ½. When participating in the DROP, participants are no longer eligible for disability or preretirement death benefits from the Plan. If a participant dies prior to the DROP balance being paid in full, the beneficiary shall have the same rights to which the participant was entitled. At September 30, 2013, there were 87 DROP participants with a total balance of \$17,763,710.

PF Plan Contributions and Funding Policy:

Police Officer members are required to contribute 10.2% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages, longevity pay and the first 300 hours of overtime but exclude any overtime earnings in excess of 300 hours, bonuses and any other extra compensation. The PF Plan receives funding from premium taxes on certain property and casualty insurance contracts written on City properties which is collected by the State and remitted directly to the PF Plan as a contribution to the PF Plan, which was 8.25%. Employer contributions for the fiscal year ended September 30, 2013 determined using the actuarial valuation dated October 1, 2011 were 42.67% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

Firefighter members are required to contribute 10.2% of their annual earnings. Member contributions are established in accordance with the applicable collective bargaining agreement. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. The PF Plan receives funding from premium taxes on property and casualty insurance contracts written on City properties which is collected by the State and remitted directly to the plan as a contribution to the PF Plan, which was 9.83%. Employer contributions for the fiscal year ended September 30, 2013 determined using the actuarial valuation dated October 1, 2011 were 42.67% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

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Executive Employees' Retirement Plan

Plan Description:

The Executive Employees' Retirement Plan (EE Plan) is a single-employer defined benefit plan administered by a five-member Board of Trustees that covers the executive employees of the City of Boca Raton. The EE Plan was established by Ordinance 4745, adopted November 12, 2003, by City Council. The EE Plan is also governed by Chapter 112, Florida Statutes.

EE Plan members are assigned to one of four divisions, each providing different levels of benefits depending on their division and entry into the plan. Division 1 includes D1, D2 and D3 pay classifications; Division 2 includes D4 and higher D pay classifications; Division 3 includes DD pay classifications and Division 4 includes the City Manager and City Attorney, if they elect to participate in the EE Plan.

Retirement benefits are calculated by multiplying the member's earnings averaged over five years (for Division 1 through Division 3) or two years (for Division 4) times the member's years of continuous service times a multiplier determined by their plan level subject to a maximum of 90%.

For members on or before September 30, 2010 Division 1, Division 2, and Division 3 utilize multipliers of 3.05, 3.15 and 3.25 respectively. Division 4 utilizes a multiplier of 4.45 for the first 10 years and 3.35 thereafter. After September 30, 2010 new members assigned to Division 1, Division 2, Division 3 and Division 4 utilize multipliers of 2.35, 2.45, 2.55 and 2.65 respectively.

Members are eligible to retire the earlier of reaching age 65 with at least 6 years of vesting service or reaching age 55 with at least 10 years of vesting service or for new members after September 30, 2010 age 58 with at least 10 years of vesting service. Monthly benefits are calculated as a percentage of average final compensation. A cost of living increase of 2% per year for Divisions 1, 2 and 3 and 3% per year for Division 4 in current monthly benefits commence on October 1st following 5 years after retirement. Members who terminate with 10 years or more of benefit service and are eligible for immediate early or normal retirement receive a \$10 monthly supplement per year of service. The EE Plan also permits early retirement for all participants at the age of 50 and the completion of 10 years of vesting service or for new members after September 30, 2010 age 53 and the completion of 10 years of vesting service.

Members qualify for early retirement benefits upon attaining age 50 with 10 years of continuous service or for new members after September 30, 2010 age 53 with 10 years of continuous service. If a participant terminates employment after having attained the early retirement date, they have the following two available options: 1) The benefits can be deferred until the member's normal retirement date, in which case the benefit will be calculated the same as normal retirement, or 2) The member may take a reduced benefit, which may start any time prior to the normal retirement date. The reduction factor is 5% for each year the early retirement precedes the normal retirement age 55 or 58 for new members who join the plan after September 30, 2010.

Members who have reached normal retirement age may elect to participate in the Deferred Retirement Option Plan (DROP). They will remain active employees of the City, but will no longer contribute to the EE Plan. Their benefits will remain frozen and continue to accrue interest until

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they retire from the City, at which time DROP benefits will be paid. Maximum duration of participation is sixty months. At September 30, 2013, there were 6 DROP participants with a total balance of \$559,852.

Active employees who become disabled receive 60% of the average final compensation as of the date of disability payable starting at age 65. Disability benefits are paid until the earlier of death or recovery from disability. If an active employee dies, a member's beneficiary is entitled to an accrued benefit that varies with age, length of service and employee division. If an employee terminates his employment with the City and is not eligible for any other benefits under the EE Plan, the member is entitled to the following:

- with less than six years of continuous service, a refund of member contribution plus 5% interest.
- with six or more years of continuous service, the pension accrued to the date of termination, payable commencing at the member's normal retirement date.

The City by Ordinance No. 4749 established a Preservation of Benefits Plan to pay benefit obligations. In the event that the accrued benefit for a member under the EE Plan is reduced pursuant to Section 401(a)(17) or Section 415(b) of the Internal Revenue Code, the City will pay a supplemental benefit amount equal to the amount reduced under the Internal Revenue Code limits.

EE Plan Contributions and Funding Policy:

Members are required to contribute 11% of their annual earnings. Annual earnings include basic wages and longevity pay but exclude overtime, bonuses and any other extra compensation. Annual earnings do not include payments made to a member for any portion of a cost of living adjustment and/or merit increase, which exceeds the maximum of the employee's respective salary range. Employer contributions for the fiscal year ended September 30, 2013 determined using the actuarial valuation dated October 1, 2011 were 27.62% of covered payroll. The City is required to contribute the remaining amounts necessary to finance the benefits through periodic contributions of actuarially determined amounts.

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Condensed financial statements for the Executive Employees' Retirement Plan are show as follows:

Fiduciary Funds
Statement of Net Position

Assets:	
Cash and equivalents	\$ 306,645
Investments:	
Florida Municipal Pension Trust Fund	27,570,150
Total assets	27,876,795
Liabilities:	
Total liabilities	-
Net position	\$ 27,876,795

Fiduciary Funds
Statement of Changes in Net Position

Additions	
Contributions:	
City	\$ 1,367,748
Employee	507,394
Transfer from other pension plan	441,640
Total contributions	2,316,782
Investment income:	
Interest revenue, net	3,559,550
Investment expense	(25,021)
Total investment income	3,534,529
Total additions	5,851,311
Deductions	
Retirement benefits paid	1,059,359
Deferred retirement option plan benefits paid	192,096
Administrative expenses	35,505
Total deductions	1,286,960
Change in net position	4,564,351
Net position held in trust for pension benefits	
Net position – beginning	23,312,444
Net position – ending	\$ 27,876,795

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Current Membership:

Current membership, at September 30, 2013 in the General Employees' Pension Plan, Police and Firefighters' Retirement System and Executive Employees' Retirement Plan, is comprised of the following:

	<u>General Employees' Pension Plan</u>	<u>Police and Firefighters' Retirement System</u>	<u>Executive Employees' Retirement Plan</u>
Retirees and beneficiaries currently receiving benefits	465	290	17
Vested terminated employees	32	2	9
Active employees:			
Fully-vested	333	146	33
Non-vested	228	187	8
Total	1,058	625	67

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension plans' financial statements are prepared using the accrual basis of accounting. Contributions from members are recognized in the period the City makes payroll deductions from participants. City contributions to each plan are recognized when due as determined actuarially and are remitted on a monthly basis along with the members' contributions. The City has made a formal commitment to provide the contributions to the pension plans. Benefit payments and refunds to members are recognized when due and payable in accordance with the terms of each plan.

Investments and Investment Income:

Investments are carried at fair value, which is determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year; securities for which no sale was reported on that date are valued at the last reported bid price; and short-term investments are valued at cost, which approximates fair value. The fair value of real estate investments have been estimated based upon latest appraisal information. Commingled funds that do not have an established market are reported at the net asset value of shares owned at the end of the year. Purchases and sales of securities are reflected on a trade-date basis. Gains or losses on sales of securities are based on average cost. Dividends and interest income are recorded as earned.

The City has contracted with the Florida Municipal Pension Trust Fund (FMPTF) to administer the Executive Employees' Retirement Plan. The FMPTF invests pension assets in the Florida Municipal Investment Trust (the Trust), an interlocal government entity created under the laws of the State of Florida as an investment vehicle for those participating governments. The Trust invests funds into one or more investment portfolios under the supervision of investment managers. The portfolio does not distribute income or capital gains to its members. All income earned and capital gains realized are retained by the portfolio and reinvested.

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Administrative Expenses:

Administrative costs paid by the these Plans include services of administrative personnel, bank charges, investment counsel charges, actuarial costs, insurance expense, any approved medical expenses and miscellaneous office expenses.

Plan Termination:

In the event the Plan is terminated or contributions under the Plan are discontinued, each employee will have a non-forfeitable right to the benefits accrued and/or funded to the date of Plan termination or contribution discontinuance.

Pension Information:

City contributions for 2013 were determined by annual actuarial valuations as of October 1, 2011 and adopted by the Board of Trustees for the respective plans. Significant actuarial assumptions used in the latest actuarial valuation are as follows:

	<u>General Employees'</u>	<u>Police and Firefighters'</u>	<u>Executive Employees'</u>
Actuarial valuation date	10/1/2013	10/1/2012	10/1/2013
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percent Closed	Level percent Closed	Level percent Open Group
Remaining amortization period	3 – 30 years	3 – 30 years	30 years
Asset valuation method	4 year smoothed average – with 80%/120% corridor	4 year smoothed average – with 80%/115% corridor	Market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	7.75 %
Projected salary increases	3.9% to 7.3%	4.5% to 7.5%	3.50%
Includes inflation of:	3.00%	4.50%	3.50%
Cost of living adjustment	None		
Police		2.0% annually	
Fire		3.0% annually	
EERP			2-3% per year

Annual Pension Cost and Net Pension Asset:

Annual Pension Cost (APC) is a measure of the periodic cost of an employer's participation in a defined benefit pension plan.

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

The annual pension cost and net pension asset for each retirement system and for the fiscal year ended September 30, 2013, is presented as follows:

	<u>General Employees'</u>	<u>Police and Firefighters'</u>	<u>Executive Employees'</u>	<u>Total</u>
Annual required contribution (ARC)	\$ 4,268,084	\$ 15,099,422	\$ 1,405,697	\$20,773,203
Interest on net pension asset (NPA)	(13,136)	(579,288)	(85,771)	(678,195)
Adjustments to ARC	10,481	398,524	41,012	450,017
Annual Pension Cost (APC)	4,265,429	14,918,658	1,360,938	20,545,025
Contributions made	(4,268,084)	(15,262,739)	(1,367,748)	(20,898,571)
Interest on APC & contributions at year end	(212)	301,027	-	300,815
Increase (decrease) in NPA	(2,867)	(43,054)	(6,810)	(52,731)
NPA – Beginning of year	(164,203)	(7,241,098)	(1,106,725)	(8,512,026)
NPA – End of year	\$ (167,070)	\$ (7,284,152)	\$ (1,113,535)	\$ (8,564,757)

Three Year Trend Information

General Employees'				Police and Firefighters'			
Fiscal year ended in:	Annual Pension Cost	Percentage of APC Contributed	Net Pension Asset	Fiscal year ended in:	Annual Pension Cost	Percentage of APC Contributed	Net Pension Asset
2011	\$3,336,240	100%	(\$168,435)	2011	\$11,603,498	97%	(\$7,468,914)
2012	\$3,431,482	100%	(\$164,203)	2012	\$13,010,174	98%	(\$7,241,098)
2013	\$4,265,429	100%	(\$167,070)	2013	\$14,918,658	102%	(\$7,284,152)

Executive Employees'			
Fiscal year ended in:	Annual Pension Cost	Percentage of APC Contributed	Net Pension Asset
2011	\$1,038,607	104%	(\$1,130,664)
2012	\$1,122,346	98%	\$(1,106,725)
2013	\$1,360,938	101%	\$(1,113,535)

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Funded Status and Funding Progress

The funded status of the Plans as of the most recent actuarial valuation date, is as follows (dollar amounts in thousands):

Plan	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as % Of Annual Covered Payroll Obligation
		<u>(a)</u>	<u>(b)</u>	<u>(b – a)</u>	<u>(a/b)</u>	<u>(c)</u>	
General Employees'	10/01/13	\$165,621	\$195,695	\$30,074	84.63%	\$27,598	108.97%
Police and Firefighters'	10/01/12	\$217,637	\$346,647	\$129,010	62.78%	\$29,458	437.95%
Executive Employees'	10/01/13	\$25,403	\$36,962	\$11,559	68.73%	\$4,463	259.00%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

11. Other Post Employment Benefits (OPEB)

Plan Description

The City provides a single employer defined benefit health care plan to all of its employees except for the firefighter members covered by the collective bargaining agreement between the City and the International Association of Firefighters. The plan allows its employees and their beneficiaries, at their own cost and until the attainment of age 65, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Funding Policy and Annual OPEB Cost

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

The annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The annual OPEB cost for the City for the current year and the related information is as follows:

Required contribution rates:

Employer	Pay-as-you-go
Plan members	N/A
FY 2013 Annual Required Contribution (ARC)	\$ 577,000
Interest on Net OPEB Obligation	71,000
Adjustment to ARC	(60,000)
Annual OPEB cost	588,000
Employer Contributions	(343,000)
Increase in net OPEB obligation	245,000
Net OPEB obligation – October 1, 2012	1,571,000
Net OPEB obligation – September 30, 2013	\$ 1,816,000

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of OPEB cost contributed	Net OPEB obligation
9/30/2011	\$480,000	39.00%	\$1,231,000
9/30/2012	\$606,000	43.89%	\$1,571,000
9/30/2013	\$588,000	58.33%	\$1,816,000

Funded Status and Funding Progress

The funded status of the plan as the most recent valuation date, October 1, 2012, is as follows:

Actuarial accrued liability	\$7,108,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$7,108,000
Funded Ratio	-
Covered payroll	\$49,552,638
UAAL as a percentage of covered payroll	14.34%

The actuarial valuation for the calculation of OPEB involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information is designed to provide multi-year trend information to show whether

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, the City has not contributed assets to the plan at this time.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	10/1/2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent, closed
Remaining amortization period	30 years
Asset valuation method	Unfunded

Actuarial assumptions:

Investment rate of return	4.50%
Projected salary increases	3.50%
Post-retirement benefit increases	0%
Inflation rate	3.00%
Healthcare inflation rate, ultimate	5.00%

12. Interfund Receivables, Payables and Transfers

A. Due To/From Other Funds (Balances Expected To Be Repaid Within One Year)

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

The following is a summary of interfund receivable and payable balances at September 30, 2013:

	Interfund Receivables (Due From)	Interfund Payables (Due To)
Major funds:		
General Fund	\$ 2,223,981	
Beach and Park Operations Fund		\$ 2,133,827
Non-Major Governmental Funds		90,154
Total interfund receivables/payables	\$ 2,223,981	\$ 2,223,981

The inter-fund balances above represent short-term loans to cover temporary negative balances in each fund's equity in pooled cash at year end.

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

B. Interfund Transfer Reconciliation

<u>Transfers from:</u>	<u>Transfers to:</u>				<u>Total</u>
	<u>General</u>	<u>Non-major Governmental</u>	<u>Internal Service</u>	<u>Non-Major Enterprise</u>	
General		\$ 1,475,000	\$ 939,000		\$ 2,414,000
CRA Mizner Park Revenue		6,895,400			6,895,400
5 Year Capital Improvements		690,200	1,204,400		1,894,600
Beach and Park Operations			12,200		12,200
Water and Sewer			71,500		71,500
Non-major governmental	\$ 20,000	1,376,900	4,000	\$ 523,700	1,924,600
Non-major enterprise			6,800		6,800
Total	\$ 20,000	\$10,437,500	\$2,237,900	\$ 523,700	\$13,219,100

The transfer to the General Fund is transfer from the Downtown Infrastructure Fund for the reimbursement of administrative costs relating to the downtown special assessment program. Funds transferred into the Five Year Capital Improvement Program are for funding capital projects. Non-major governmental fund transfers in are for payment of debt service, beautification projects, and CRA operations. The transfers into the Internal Service Fund are for the purchase of capital assets, which are not recovered through normal user fees and to partially offset operating costs in Information Technology Fund. The transfer into the non-major Enterprise funds is for capital projects and maintenance of the Cemetery Fund.

13. Self-Insurance Programs

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has established a Self-Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss. Under this program the City has established three programs, Workers Compensation, Employees' Health and General and Automobile Liability.

The City is fully self-insured for workers' compensation, general liability, automobile liability, employment liability, police professional liability and errors and omissions. In addition, the City purchases an excess policy at a self-insured retention of \$500,000 for workers' compensation and \$250,000 for general liability losses. On October 1, 2013 the City changed its excess policy insurance provider with self-insured retention of \$750,000 for workers' compensation and \$300,000 for general liability losses. The City purchases commercial insurance for property damage up to \$150,000,000 after deductibles ranging from \$5,000 to \$1,000,000. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed the insurance coverage for each of the past three years. The City has entered into a contract with CIGNA to provide for employee health insurance utilizing a minimum premium policy that provides certain limits on health insurance claim amounts that the City is ultimately responsible for and establishes certain reserve amounts.

**CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

All funds of the City participate in the program and make payments to the Self-Insurance Fund, based on actuarial estimates of amounts needed to pay prior and current year claims. The claims liability of \$9,486,801 reported in the Fund at September 30, 2013 is based on the requirements of GASB No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues," which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A discount rate of 3% is assumed.

The City's estimated liability for self-insured losses for general liability and workers' compensation was determined by an independent actuarial valuation performed as of September 30, 2013. Liabilities include an amount for claims incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for self-insured losses are based on estimates and the ultimate settlement of the claims may differ from the amounts recorded. The estimated liability at September 30, 2012 and 2013 is as follows:

<u>Type</u>	<u>Liability as of</u>		<u>Due Within</u>
	<u>9/30/12</u>	<u>9/30/13</u>	<u>One Year</u>
Workers Compensation	\$4,387,000	\$4,334,000	\$1,537,000
General and Automobile Liability	3,458,000	3,573,000	486,000
Health Insurance	1,454,225	1,579,801	1,579,801
Total	<u>\$9,299,225</u>	<u>\$9,486,801</u>	<u>\$3,602,801</u>

Changes in the estimated liability for the fiscal years ended September 30, 2012 and 2013 are as follows:

	<u>Liability</u>	<u>Claims and</u>	<u>Claim</u>	<u>Liability</u>
	<u>October 1</u>	<u>Changes in</u>	<u>Payments</u>	<u>September 30</u>
		<u>Estimates</u>		
2012	\$ 8,755,674	\$ 10,558,252	\$ 10,014,701	\$ 9,299,225
2013	\$ 9,299,225	\$ 9,266,684	\$ 9,079,108	\$ 9,486,801

14. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is Management's opinion that there are not any significant contingent liabilities relating to these grants.

The City is a defendant in various lawsuits at September 30, 2013. The estimated liability for probable losses, as a result of the lawsuits, was determined based on advice from legal counsel after giving consideration for insurance coverage and, in certain instances, the Florida statutory limitations of governmental liability, and is included in the estimated liability for self-insured claims

CITY OF BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

in the internal service fund (see Note 13). Although the ultimate outcome of these lawsuits is not presently determinable, it is the opinion of management, based on advice from legal counsel, that the amount of losses resulting from the above litigation in excess of the amount accrued as of September 30, 2013, would not have a material adverse effect on the financial position of the City.

15. Boca Raton Community Redevelopment Agency

Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2013:

	<u>Deposits</u>	<u>Withdrawals</u>
Source of deposits:		
Tax increment revenues	\$ 6,574,895	
Lease revenues	1,240,859	
Investment income	19,668	
Other	1,484,193	
Purpose of withdrawals:		
Debt service – principal		\$ 6,075,000
Debt service – interest		434,644
Salaries and benefits		353,928
Professional services		148,942
Advertising		1,442
Reimbursement for debt service		1,500,000
Other contractual services		119
Insurance premiums		3,400
IT technology		6,800
Supplies		22,620
Dues and subscriptions		1,101
Miscellaneous		46,801
	<u>\$ 9,319,615</u>	<u>\$ 8,594,797</u>

CITY OF BOCA RATON, FLORIDA
PENSION FUNDS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(dollar amount in thousands)
(Unaudited)

Actuarial Valuation Date October 1	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	(b-a)/c UAAL as a % of Covered Payroll
General Employees' Pension Plan						
2008	\$ 156,186	\$ 150,363	\$ (5,823)	103.87%	\$ 32,119	-18.13%
2009	155,671	162,631	6,960	95.72%	32,811	21.21%
2010	155,042	169,663	14,621	91.38%	32,166	45.45%
2011	150,589	177,691	27,102	84.75%	29,915	90.60%
2012	155,928	183,856	27,928	84.81%	28,584	97.71%
2013	165,621	195,695	30,074	84.63%	27,598	108.97%
Police and Firefighters' Retirement System						
2007	197,932	231,789	33,857	85.39%	24,891	136.02%
2008	203,745	252,988	49,243	80.54%	28,637	171.96%
2009	204,965	274,735	69,770	74.60%	29,767	234.39%
2010	208,497	296,742	88,245	70.26%	29,499	299.15%
2011	205,429	327,580	122,151	62.71%	28,591	427.24%
2012	217,637	346,647	129,010	62.78%	29,458	437.95%
Executive Employees' Retirement Plan						
2008	15,850	21,482	5,632	73.78%	4,822	116.80%
2009	17,480	25,146	7,666	69.51%	5,060	151.50%
2010	19,059	26,918	7,859	70.80%	4,897	160.49%
2011	20,538	30,797	10,259	66.69%	4,745	216.21%
2012	22,790	34,624	11,834	65.82%	4,376	270.43%
2013	25,403	36,962	11,559	68.73%	4,463	259.00%

**CITY OF BOCA RATON, FLORIDA
OTHER POST EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(dollar amount in thousands)
(Unaudited)**

Actuarial Valuation Date October 1	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Entry Age	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	(b-a)/c UAAL as a % of Covered Payroll
10/1/07	-	\$ 6,204	\$ (6,204)	0.00%	\$ 51,009	12.16%
10/1/08	-	6,620	(6,620)	0.00%	52,379	12.64%
10/1/09	-	4,779	(4,779)	0.00%	51,801	9.23%
10/1/10	-	5,078	(5,078)	0.00%	48,839	10.40%
10/1/11	-	7,340	(7,340)	0.00%	49,957	14.69%
10/1/12	-	7,108	(7,108)	0.00%	49,553	14.34%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
(dollar amount in thousands)**

Executive Employees' Retirement Plan*

Fiscal Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2008	\$694	122%
2009	680	132%
2010	910	99%
2011	1,039	104%
2012	1,112	98%
2013	1,350	101%

* The Schedule of Employer Contributions is listed only for the Executive Employees' Retirement Plan as separate financial statements are issued for the General Employees' Pension Plan and the Police and Firefighters' Retirement System.

**CITY OF BOCA RATON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
PROPERTY TAXES	\$ 50,258,700	\$ 50,258,700	\$ 50,821,748	\$ 563,048
EXCISE TAXES				
Utility	16,826,000	16,826,000	17,146,253	320,253
Total excise taxes	16,826,000	16,826,000	17,146,253	320,253
FRANCHISE TAXES				
Electrical	10,645,000	10,645,000	9,655,545	(989,455)
Television	1,121,000	1,121,000	1,209,069	88,069
Natural gas	144,000	144,000	140,662	(3,338)
Solid waste	875,000	875,000	971,563	96,563
Total franchise taxes	12,785,000	12,785,000	11,976,839	(808,161)
INSURANCE PREMIUM TAXES		2,843,800	2,843,695	(105)
Total taxes	79,869,700	82,713,500	82,788,535	75,035
LICENSES AND PERMITS				
Local business taxes	1,435,000	1,435,000	1,584,612	149,612
Beverage licenses	120,000	120,000	129,744	9,744
Building permits	5,750,000	5,750,000	9,462,236	3,712,236
Other	761,300	761,300	1,484,888	723,588
Total licenses and permits	8,066,300	8,066,300	12,661,480	4,595,180
INTERGOVERNMENTAL				
State revenue sharing	8,710,400	8,710,400	8,815,565	105,165
Palm Beach County	2,020,000	2,020,000	1,894,480	(125,520)
Beach tax district	1,625,000	1,625,000	1,459,439	(165,561)
Other Municipality	119,000	119,000	118,720	(280)
Total intergovernmental	12,474,400	12,474,400	12,288,204	(186,196)
CHARGES FOR SERVICES				
Physical environment	163,000	163,000	244,742	81,742
Planning and zoning fees	494,700	494,700	1,280,446	785,746
Fire services	9,459,400	9,459,400	10,048,384	588,984
Police services	345,000	345,000	292,144	(52,856)
Library	298,100	298,100	215,324	(82,776)
Recreation services	2,528,400	2,528,400	2,464,168	(64,232)
Amphitheater services	212,500	212,500	152,131	(60,369)
Parking	167,500	167,500	382,291	214,791
Administrative service charge	7,980,200	7,980,200	7,961,698	(18,502)
Other	165,000	174,700	283,140	108,440
Total charges for services	21,813,800	21,823,500	23,324,468	1,500,968
FINES AND FORFEITURES	3,296,100	3,347,500	2,741,222	(606,278)
INVESTMENT EARNINGS (LOSS)	500,000	500,000	(92,475)	(592,475)
MISCELLANEOUS	50,000	74,400	172,543	98,143
Total revenues	126,070,300	128,999,600	133,883,977	4,884,377
EXPENDITURES				
Current:				
GENERAL GOVERNMENT				
City council	281,800	281,800	274,705	7,095
City manager				
Administration	1,039,200	1,254,200	1,255,299	(1,099)
City clerk	747,400	692,800	584,225	108,575
Board and committees	73,400	73,400	64,387	9,013
Human resources	1,105,900	1,068,900	1,055,043	13,857
Cultural arts	1,487,600	1,445,400	1,156,335	289,065
Total city manager	4,453,500	4,534,700	4,115,289	419,411

See accompanying note to required supplementary information

(Continued)

**CITY OF BOCA RATON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
Financial services				
Administration	\$ 650,500	\$ 698,500	\$ 589,374	\$ 109,126
Accounting	414,000	330,000	309,157	20,843
Treasury	230,400	230,900	220,652	10,248
Accounts payable	239,900	250,900	250,095	805
Purchasing	749,700	751,700	719,988	31,712
Risk management	63,000	63,000	61,102	1,898
Office of management and budget	370,700	403,700	403,925	(225)
Parking	317,000	355,600	356,146	(546)
Total financial services	<u>3,035,200</u>	<u>3,084,300</u>	<u>2,910,439</u>	<u>173,861</u>
City attorney	1,116,300	1,216,300	1,179,690	36,610
Development services				
Administration	561,100	561,100	540,281	20,819
Code compliance/ licensing	4,363,500	4,365,700	4,194,512	171,188
Planning and zoning	988,100	1,003,100	875,362	127,738
Total development services	<u>5,912,700</u>	<u>5,929,900</u>	<u>5,610,155</u>	<u>319,745</u>
Other non-departmental services	6,084,700	10,560,500	6,827,011	3,733,489
Total general government	<u>20,884,200</u>	<u>25,607,500</u>	<u>20,917,289</u>	<u>4,690,211</u>
PUBLIC SAFETY				
Law enforcement				
Communications/dispatch	2,203,900	2,433,900	2,295,294	138,606
Community services	11,627,500	11,792,300	11,721,334	70,966
Bureau of field services	24,359,700	25,059,700	24,976,993	82,707
Biological Processing Lab	169,300	169,300	155,276	14,024
Total law enforcement	<u>38,360,400</u>	<u>39,455,200</u>	<u>39,148,897</u>	<u>306,303</u>
Fire rescue services				
Administration	2,854,500	2,897,800	2,874,024	23,776
Logistics and support	3,048,200	3,063,500	3,029,372	34,128
Fire operations	32,032,300	32,130,200	31,995,578	134,622
Fire and life safety	1,722,300	1,904,100	1,910,333	(6,233)
Total fire rescue services	<u>39,657,300</u>	<u>39,995,600</u>	<u>39,809,307</u>	<u>186,293</u>
Total public safety	<u>78,017,700</u>	<u>79,450,800</u>	<u>78,958,204</u>	<u>492,596</u>
PHYSICAL ENVIRONMENT				
Administration	906,700	910,300	910,292	8
Dredge	701,000	701,000	568,665	132,335
Facilities management	3,106,600	3,189,300	2,802,722	386,578
Total physical environment	<u>4,714,300</u>	<u>4,800,600</u>	<u>4,281,679</u>	<u>518,921</u>
TRANSPORTATION				
Streets	860,500	859,000	759,509	99,491
Traffic/ special projects	3,636,500	3,662,500	3,322,408	340,092
Engineering-survey	369,500	369,500	313,974	55,526
Engineering-design	469,100	469,100	445,321	23,779
Expenditure				
Total transportation	<u>5,335,600</u>	<u>5,360,100</u>	<u>4,841,212</u>	<u>518,888</u>

See accompanying note to required supplementary information

(Continued)

**CITY OF BOCA RATON, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
PARKS AND RECREATION				
Administration	\$ 1,549,500	\$ 1,575,000	\$ 1,575,755	\$ (755)
Library	3,762,100	3,869,000	3,850,362	18,638
Community center	620,600	625,900	584,165	41,735
Train depot	46,900	46,900	38,023	8,877
Camp programs	726,000	666,000	642,565	23,435
Athletics	461,000	474,800	384,102	90,698
Skateboard park	56,200	56,200	50,165	6,035
Special programs	146,900	146,900	141,862	5,038
Aquatics	253,900	253,900	245,743	8,157
Tennis center	267,000	267,000	239,847	27,153
Special interest activity	513,300	466,900	371,077	95,823
Ocean rescue	1,851,600	1,801,500	1,770,190	31,310
Parks District I	1,729,400	1,770,800	1,683,894	86,906
Parks District II	2,634,200	2,643,200	2,504,447	138,753
Mizner Park	776,200	776,200	550,795	225,405
Park rangers	256,900	277,900	264,841	13,059
Irrigation	830,900	831,400	787,303	44,097
Total parks and recreation	<u>16,482,600</u>	<u>16,549,500</u>	<u>15,685,136</u>	<u>864,364</u>
Total expenditures	<u>125,434,400</u>	<u>131,768,500</u>	<u>124,683,520</u>	<u>7,084,980</u>
Excess (deficiency) of revenues over expenditures	<u>635,900</u>	<u>(2,768,900)</u>	<u>9,200,457</u>	<u>11,969,357</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Downtown infrastructure fund	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Total transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	
Transfers out:				
Right of Way Beautification Fund	<u>(1,475,000)</u>	<u>(1,475,000)</u>	<u>(1,475,000)</u>	
Fleet Management Fund	<u>(939,000)</u>	<u>(939,000)</u>	<u>(939,000)</u>	
Total transfers out	<u>(2,414,000)</u>	<u>(2,414,000)</u>	<u>(2,414,000)</u>	
Total other financing uses	<u>(2,394,000)</u>	<u>(2,394,000)</u>	<u>(2,394,000)</u>	
Net change in fund balance	<u>\$ (1,758,100)</u>	<u>\$ (5,162,900)</u>	<u>6,806,457</u>	<u>\$ 11,969,357</u>
Fund balance - beginning			<u>51,839,405</u>	
Fund balance - ending			<u>\$ 58,645,862</u>	

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA
COMMUNITY DEVELOPMENT AGENCY- MIZNER PARK REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Taxes	\$ 6,177,300	\$ 6,177,300	\$ 6,574,895	\$ 397,595
Charges for services	1,180,000	1,180,000	1,240,859	60,859
Investment earnings (loss)	10,000	10,000	8,320	(1,680)
Total revenues	7,367,300	7,367,300	7,824,074	456,774
EXPENDITURES				
Current:				
Community development	1,500,000	1,500,000	1,500,000	
Total expenditures	1,500,000	1,500,000	1,500,000	
Excess (deficiency) of revenues over expenditures	5,867,300	5,867,300	6,324,074	456,774
OTHER FINANCING USES				
Transfers in	250,000	250,000	250,000	
Transfers out	(6,645,400)	(6,645,400)	(6,645,400)	
Total other financing uses	(6,395,400)	(6,395,400)	(6,395,400)	
Net change in fund balance	\$ (528,100)	\$ (528,100)	(71,326)	\$ 456,774
Fund balance - beginning			1,144,751	
Fund balance - ending			\$ 1,073,425	

See accompanying note to required supplementary information

**CITY OF BOCA RATON, FLORIDA
 BEACH AND PARK OPERATIONS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Intergovernmental	\$ 17,818,400	\$ 18,333,400	\$ 12,568,640	\$ (5,764,760)
Charges for services	<u>2,543,300</u>	<u>2,619,300</u>	<u>2,327,713</u>	<u>(291,587)</u>
Total revenues	<u>20,361,700</u>	<u>20,952,700</u>	<u>14,896,353</u>	<u>(6,056,347)</u>
EXPENDITURES				
Current:				
Parks and recreation	<u>20,349,500</u>	<u>20,940,500</u>	<u>14,884,153</u>	<u>6,056,347</u>
Total expenditures	<u>20,349,500</u>	<u>20,940,500</u>	<u>14,884,153</u>	<u>6,056,347</u>
Excess (deficiency) of revenues over expenditures	<u>12,200</u>	<u>12,200</u>	<u>12,200</u>	
OTHER FINANCING USES				
Transfers out	<u>(12,200)</u>	<u>(12,200)</u>	<u>(12,200)</u>	
Total other financing uses	<u>(12,200)</u>	<u>(12,200)</u>	<u>(12,200)</u>	
Net change in fund balance	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Fund balance - ending			\$ <u> </u>	

See accompanying note to required supplementary information

CITY OF BOCA RATON, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2013

Stewardship, Compliance and Accountability

A. Budgetary Information

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements, which govern the City's operations. Annual budgets have been legally adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for the General Fund, Special Revenue Funds (except the General Trust Fund), Debt Service Funds and Capital Projects 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 specifically provides for the re-appropriation of year end encumbrances.

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 City Council. The level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department (by fund) level. All necessary supplemental appropriations are adopted by the City Council as part of a quarterly budget review process and are included in the "Final Budget" columns on the schedule of revenues, expenditures and changes in fund balance – budget and actual.

Major Governmental Fund

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Five-Year Capital Improvement Program Fund -- To account for various building, park and street construction projects. Financing is provided by general tax revenue, bond proceeds, excise tax and interest income.

CITY OF BOCA RATON, FLORIDA
FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 5,252,200	\$ 5,252,200	\$ 5,191,636	\$ (60,564)
Intergovernmental	849,800	1,049,800	639,961	(409,839)
Donations in lieu of land	157,100	157,100	342,361	185,261
Investment earnings (loss)	<u>225,000</u>	<u>225,000</u>	<u>(34,764)</u>	<u>(259,764)</u>
Total revenues	<u>6,484,100</u>	<u>6,684,100</u>	<u>6,139,194</u>	<u>(544,906)</u>
EXPENDITURES				
Capital outlay:				
General	177,200	177,200	170,773	6,427
Public safety	10,875,600	11,076,600	584,540	10,492,060
Transportation	5,148,400	8,504,400	3,898,303	4,606,097
Parks	<u>1,103,000</u>	<u>1,429,700</u>	<u>817,330</u>	<u>612,370</u>
Total expenditures	<u>17,304,200</u>	<u>21,187,900</u>	<u>5,470,946</u>	<u>15,716,954</u>
Excess (deficiency) of revenues over expenditures	<u>(10,820,100)</u>	<u>(14,503,800)</u>	<u>668,248</u>	<u>15,172,048</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,894,600)</u>	<u>(1,894,600)</u>	<u>(1,894,600)</u>	
Total other financing uses	<u>(1,894,600)</u>	<u>(1,894,600)</u>	<u>(1,894,600)</u>	
Net change in fund balance	\$ <u><u>(12,714,700)</u></u>	\$ <u><u>(16,398,400)</u></u>	(1,226,352)	\$ <u><u>15,172,048</u></u>
Fund balance - beginning			<u>24,247,761</u>	
Fund balance - ending			\$ <u><u>23,021,409</u></u>	



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Non-Major Governmental Funds

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Block Grant Program Fund -- To account for revenue from a grant agreement between the City and the U.S. Department of Housing and Urban Development (HUD) and expenditures for qualified neighborhood revitalization. The program includes expenditures for housing rehabilitation, clearance of housing and relocation of families, the construction of new, low and moderate income housing units, and public improvements to the neighborhood.

Housing Assistance Trust Fund -- To account for funds received from the State Housing Initiatives Partnership for the purpose of providing affordable housing in the City.

Law Enforcement Trust Fund -- To account for funds received from State and Federal forfeitures.

Transportation Fund -- To account for local option gas tax restricted for roadway program expenditures.

Right of Way Beautification Fund -- To account for excise tax levied specifically for the comprehensive median beautification program established in 1984.

Mizner Park Lock Box Fund -- To account for the 1.5% increase in excise tax specifically for the repayment of the Mizner Park Tax Increment Revenue Bonds in the event that pledged revenues are insufficient to meet the debt service requirements.

Community Redevelopment Agency Operating Fund -- To account for the general operations of the Community Redevelopment Agency, which encourages development in the downtown area.

General Trust Fund -- To account for moneys received as donations, which have been restricted to expenditures for specified purposes.

Grant Funds -- To account for revenues and expenditures of specific state and federally funded grants.

PERMANENT FUND

Perpetual Care Fund -- To account for moneys received for the purpose of providing perpetual care for the City's cemetery and mausoleum.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

City Debt Service Fund -- To account for the payment of principal and interest, and fiscal charges on the City's general obligation bonds which are payable from ad valorem taxes; and the City's revenue bonds and notes payable which are payable from non ad valorem revenues.

Community Redevelopment Agency Debt Service Fund -- To account for the payment of principal and interest and fiscal charges of the Community Redevelopment Agency's tax increment revenue bonds (Mizner Park) which are payable from tax increment revenues and land lease revenues.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Right of Way Acquisition Fund -- To account for the cost of acquiring right of way property. Revenue is provided from land sales proceeds and interest income.

Park Land Dedication Fund -- To account for the cost of buying and constructing park developments. Financing is being provided by donations from developers as required by City ordinance.

Downtown Land Dedication Fund -- To account for the cost of buying and constructing park developments in the downtown area. Financing is being provided by donations from developers in the downtown as required by City ordinance.

Downtown Infrastructure Fund -- To account for the financing and implementation of the downtown infrastructure program.

Environmentally Sensitive Lands Fund -- To account for the acquisition, preservation, protection and maintenance of environmentally sensitive lands in the City. Financing is being provided by general obligation bonds.

Library Improvements Fund -- To account for the construction, renovation and furnishing of the City of Boca Raton's Libraries.



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**CITY OF BOCA RATON, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2013**

	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 8,757,240		\$ 2,271,014	\$ 3,912,768	\$ 14,941,022
Investments	8,796,092		2,746,529	5,820,410	17,363,031
Receivables, net:					
Accounts receivable	6,648				6,648
Assessments				199,820	199,820
Interest	12,074		3,276	6,375	21,725
Due from other governmental units	476,993				476,993
Restricted:					
Cash and cash equivalents	125,885	\$ 1,854,061			1,979,946
Investments	187,164	2,760,368			2,947,532
Interest receivable on investments	205	3,023			3,228
Accounts receivable		11,576			11,576
Total assets	<u>18,362,301</u>	<u>4,629,028</u>	<u>5,020,819</u>	<u>9,939,373</u>	<u>37,951,521</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources					
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	351,161	1,232	\$ 4,170	20,588	377,151
Retainage payable	2,077			335,106	337,183
Performance bonds and escrow funds	352,852	4,000			356,852
Due to other funds	90,154				90,154
Total liabilities	<u>796,244</u>	<u>5,232</u>	<u>4,170</u>	<u>355,694</u>	<u>1,161,340</u>
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources					
Fund balances:					
Non-spendable:					
Perpetual care, cemetery		1,629,501			1,629,501
Perpetual care, mausoleum		2,994,295			2,994,295
Restricted for:					
Debt service	6,190,603		5,016,649		11,207,252
Housing	201,899				201,899
Law enforcement	1,084,202				1,084,202
Transportation	8,346,612				8,346,612
Right of way beautification	270,550				270,550
Downtown	1,469,124			460,787	1,929,911
Land dedication				5,243,307	5,243,307
Library				550,156	550,156
Committed to:					
Parking	3,067				3,067
Right of way acquisition				2,297,001	2,297,001
Assigned to:					
Environmentally sensitive lands				1,032,428	1,032,428
Total fund balances	<u>17,566,057</u>	<u>4,623,796</u>	<u>5,016,649</u>	<u>9,583,679</u>	<u>36,790,181</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,362,301</u>	<u>\$ 4,629,028</u>	<u>\$ 5,020,819</u>	<u>\$ 9,939,373</u>	<u>\$ 37,951,521</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES					
Taxes	\$ 4,346,832		\$ 4,938,779		\$ 9,285,611
Intergovernmental	1,735,946				1,735,946
Charges for services	1,484,193	\$ 124,015			1,608,208
Fines and forfeitures	232,334				232,334
Special assessments				\$ 1,493,004	1,493,004
Donations in lieu of land	108,070			1,991,990	2,100,060
Investment earnings (loss)	(2,194)	(6,125)	23,475	2,426	17,582
Miscellaneous	32,539				32,539
Total revenues	<u>7,937,720</u>	<u>117,890</u>	<u>4,962,254</u>	<u>3,487,420</u>	<u>16,505,284</u>
EXPENDITURES					
Current:					
Law enforcement	366,285				366,285
Transportation	1,884,537				1,884,537
Community development	1,525,793				1,525,793
Parks and recreation	4,423,730				4,423,730
Capital outlay				7,816,911	7,816,911
Debt service:					
Principal			11,015,000		11,015,000
Interest			2,460,400		2,460,400
Total expenditures	<u>8,200,345</u>		<u>13,475,400</u>	<u>7,816,911</u>	<u>29,492,656</u>
Excess (deficiency) of revenues over expenditures	<u>(262,625)</u>	<u>117,890</u>	<u>(8,513,146)</u>	<u>(4,329,491)</u>	<u>(12,987,372)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,475,000		8,712,500		10,187,500
Transfers out	<u>(254,000)</u>	<u>(523,700)</u>		<u>(1,396,900)</u>	<u>(2,174,600)</u>
Total other financing sources (uses)	<u>1,221,000</u>	<u>(523,700)</u>	<u>8,712,500</u>	<u>(1,396,900)</u>	<u>8,012,900</u>
Net change in fund balances	958,375	(405,810)	199,354	(5,726,391)	(4,974,472)
Fund balances - beginning	<u>16,607,682</u>	<u>5,029,606</u>	<u>4,817,295</u>	<u>15,310,070</u>	<u>41,764,653</u>
Fund balances - ending	<u>\$ 17,566,057</u>	<u>\$ 4,623,796</u>	<u>\$ 5,016,649</u>	<u>\$ 9,583,679</u>	<u>\$ 36,790,181</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2013**

	Community Development Block Grant Program	SHIP Housing Assistance Trust Fund	Law Enforcement Trust Fund	Transportation Fund
ASSETS				
Cash and cash equivalents		\$ 201,570	\$ 698,999	\$ 3,271,792
Investments			402,820	4,849,303
Receivables, net:				
Accounts receivable				
Interest		329	1,123	5,311
Due from other governmental units	\$ 121,589			331,659
Restricted:				
Cash and cash equivalents				
Investments				
Interest receivable on investments				
Total assets	121,589	201,899	1,102,942	8,458,065
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	55,180		18,740	111,453
Retainage payable				
Performance bonds and escrow funds				
Due to other funds	66,409			
Total liabilities	121,589		18,740	111,453
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources				
Fund balances:				
Restricted for:				
Debt service				
Housing		201,899		
Law enforcement			1,084,202	
Transportation				8,346,612
Right of way beautification				
Downtown				
Committed to:				
Parking				
Total fund balances		201,899	1,084,202	8,346,612
Total liabilities, deferred inflows of resources and fund balances	\$ 121,589	\$ 201,899	\$ 1,102,942	\$ 8,458,065

<u>Right of Way Beautification Fund</u>	<u>Mizner Park Lock Box Fund</u>	<u>Community Redevelopment Agency Operating Fund</u>	<u>General Trust Fund</u>	<u>Grant Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 159,694	\$ 3,805,938	\$ 619,247			\$ 8,757,240
239,128	2,380,627	924,214			8,796,092
		6,648			6,648
261	4,038	1,012			12,074
				\$ 23,745	476,993
			\$ 125,885		125,885
			187,164		187,164
			205		205
<u>399,083</u>	<u>6,190,603</u>	<u>1,551,121</u>	<u>313,254</u>	<u>23,745</u>	<u>18,362,301</u>
128,533		37,255			351,161
		2,077			2,077
		39,598	313,254		352,852
				23,745	90,154
<u>128,533</u>		<u>78,930</u>	<u>313,254</u>	<u>23,745</u>	<u>796,244</u>
	6,190,603				6,190,603
					201,899
					1,084,202
					8,346,612
270,550		1,469,124			270,550
					1,469,124
		3,067			3,067
<u>270,550</u>	<u>6,190,603</u>	<u>1,472,191</u>			<u>17,566,057</u>
\$ <u>399,083</u>	\$ <u>6,190,603</u>	\$ <u>1,551,121</u>	\$ <u>313,254</u>	\$ <u>23,745</u>	\$ <u>18,362,301</u>

CITY OF BOCA RATON, FLORIDA
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Community Development Block Grant Program</u>	<u>SHIP Housing Assistance Trust Fund</u>	<u>Law Enforcement Trust Fund</u>	<u>Transportation Fund</u>
REVENUES				
Taxes				\$ 1,958,559
Intergovernmental	\$ 921,781	\$ 33,103		
Charges for services				
Fines and forfeitures			\$ 232,334	
Donations in lieu of land				
Investments earnings (loss)		111	1,251	(15,674)
Miscellaneous		12,187		
Total revenues	<u>921,781</u>	<u>45,401</u>	<u>233,585</u>	<u>1,942,885</u>
EXPENDITURES				
Current:				
Law enforcement			289,348	
Transportation				1,566,869
Community development	921,781	18,859		
Parks and recreation				
Total expenditures	<u>921,781</u>	<u>18,859</u>	<u>289,348</u>	<u>1,566,869</u>
Excess (deficiency) of revenues over expenditures		<u>26,542</u>	<u>(55,763)</u>	<u>376,016</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Net change in fund balances		26,542	(55,763)	376,016
Fund balances - beginning		<u>175,357</u>	<u>1,139,965</u>	<u>7,970,596</u>
Fund balances - ending	<u>\$</u>	<u>\$ 201,899</u>	<u>\$ 1,084,202</u>	<u>\$ 8,346,612</u>

<u>Right of Way Beautification Fund</u>	<u>Mizner Park Lock Box Fund</u>	<u>Community Redevelopment Agency Operating Fund</u>	<u>General Trust Fund</u>	<u>Grant Funds</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 2,388,273				\$ 781,062	\$ 4,346,832
		\$ 1,484,193			1,735,946
108,070					1,484,193
1,830	\$ 12,955	(2,667)			232,334
20,352					108,070
<u>2,518,525</u>	<u>12,955</u>	<u>1,481,526</u>		<u>781,062</u>	<u>32,539</u>
					<u>7,937,720</u>
				76,937	366,285
				317,668	1,884,537
		585,153			1,525,793
<u>4,037,273</u>				<u>386,457</u>	<u>4,423,730</u>
<u>4,037,273</u>		<u>585,153</u>		<u>781,062</u>	<u>8,200,345</u>
<u>(1,518,748)</u>	<u>12,955</u>	<u>896,373</u>			<u>(262,625)</u>
1,475,000					1,475,000
(4,000)		(250,000)			(254,000)
<u>1,471,000</u>		<u>(250,000)</u>			<u>1,221,000</u>
(47,748)	12,955	646,373			958,375
<u>318,298</u>	<u>6,177,648</u>	<u>825,818</u>			<u>16,607,682</u>
<u>\$ 270,550</u>	<u>\$ 6,190,603</u>	<u>\$ 1,472,191</u>	<u>\$</u>	<u>\$</u>	<u>\$ 17,566,057</u>

**CITY OF BOCA RATON, FLORIDA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Intergovernmental	\$ 1,400,700	\$ 1,400,700	\$ 921,781	\$ (478,919)
Total revenues	<u>1,400,700</u>	<u>1,400,700</u>	<u>921,781</u>	<u>(478,919)</u>
EXPENDITURES				
Current:				
CDBG Entitlement	<u>1,400,700</u>	<u>1,400,700</u>	<u>921,781</u>	<u>478,919</u>
Total expenditures	<u>1,400,700</u>	<u>1,400,700</u>	<u>921,781</u>	<u>478,919</u>
Excess (deficiency) of revenues over expenditures	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Fund balance - beginning			<u> </u>	
Fund balance - ending			\$ <u> </u>	

**CITY OF BOCA RATON, FLORIDA
HOUSING ASSISTANCE TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Intergovernmental		\$ 33,200	\$ 33,103	\$ (97)
Investment earnings (loss)			111	111
Miscellaneous			12,187	12,187
Total revenues		33,200	45,401	12,201
EXPENDITURES				
Current:				
Community development	\$ 353,800	387,000	18,859	368,141
Total expenditures	353,800	387,000	18,859	368,141
Excess (deficiency) of revenues over expenditures	\$ (353,800)	\$ (353,800)	26,542	\$ 380,342
Fund balance - beginning			175,357	
Fund balance - ending			\$ 201,899	

**CITY OF BOCA RATON, FLORIDA
LAW ENFORCEMENT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Fines and forfeitures	\$ 300,000	\$ 300,000	\$ 232,334	\$ (67,666)
Investment earnings (loss)	10,000	10,000	1,251	(8,749)
Total revenues	310,000	310,000	233,585	(76,415)
EXPENDITURES				
Current:				
Law enforcement	552,500	552,500	289,348	263,152
Total expenditures	552,500	552,500	289,348	263,152
Excess (deficiency) of revenues over expenditures	\$ (242,500)	\$ (242,500)	(55,763)	\$ 186,737
Fund balance - beginning			1,139,965	
Fund balance - ending			\$ 1,084,202	

**CITY OF BOCA RATON, FLORIDA
TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
REVENUES				
Taxes	\$ 1,978,000	\$ 1,978,000	\$ 1,958,559	\$ (19,441)
Investments earnings (loss)	75,000	75,000	(15,674)	(90,674)
Total revenues	2,053,000	2,053,000	1,942,885	(110,115)
EXPENDITURES				
Current:				
Transportation	3,219,400	5,301,900	1,566,869	3,735,031
Total expenditures	3,219,400	5,301,900	1,566,869	3,735,031
Excess (deficiency) of revenues over expenditures	\$ (1,166,400)	\$ (3,248,900)	376,016	\$ 3,624,916
Fund balance - beginning			7,970,596	
Fund balance - ending			\$ 8,346,612	

**CITY OF BOCA RATON, FLORIDA
RIGHT-OF-WAY BEAUTIFICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 2,390,200	\$ 2,390,200	\$ 2,388,273	\$ (1,927)
Donations in lieu of land	6,000	6,000	108,070	102,070
Investments earnings (loss)	5,000	5,000	1,830	(3,170)
Miscellaneous			20,352	20,352
Total revenues	<u>2,401,200</u>	<u>2,401,200</u>	<u>2,518,525</u>	<u>117,325</u>
EXPENDITURES				
Current:				
Parks and recreation	<u>4,257,200</u>	<u>4,258,700</u>	<u>4,037,273</u>	<u>221,427</u>
Total expenditures	<u>4,257,200</u>	<u>4,258,700</u>	<u>4,037,273</u>	<u>221,427</u>
Excess (deficiency) of revenues over expenditures	<u>(1,856,000)</u>	<u>(1,857,500)</u>	<u>(1,518,748)</u>	<u>338,752</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,475,000	1,475,000	1,475,000	
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	
Total other financing sources (uses)	<u>1,471,000</u>	<u>1,471,000</u>	<u>1,471,000</u>	
Net change in fund balance	\$ <u>(385,000)</u>	\$ <u>(386,500)</u>	(47,748)	\$ <u>338,752</u>
Fund balance - beginning			<u>318,298</u>	
Fund balance - ending			\$ <u>270,550</u>	

**CITY OF BOCA RATON, FLORIDA
MIZNER PARK LOCK BOX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Investment earnings (loss)	\$ 30,000	\$ 30,000	\$ 12,955	\$ (17,045)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>12,955</u>	<u>(17,045)</u>
EXPENDITURES				
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	\$ <u>30,000</u>	\$ <u>30,000</u>	12,955	\$ <u>(17,045)</u>
Fund balance - beginning			<u>6,177,648</u>	
Fund balance - ending			\$ <u>6,190,603</u>	

**CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Charges for services	\$ 961,200	\$ 961,200	\$ 1,484,193	\$ 522,993
Investment earnings (loss)	<u>10,000</u>	<u>10,000</u>	<u>(2,667)</u>	<u>(12,667)</u>
Total revenues	<u>971,200</u>	<u>971,200</u>	<u>1,481,526</u>	<u>510,326</u>
EXPENDITURES				
Current:				
Community development	<u>783,900</u>	<u>1,216,500</u>	<u>585,153</u>	<u>631,347</u>
Total expenditures	<u>783,900</u>	<u>1,216,500</u>	<u>585,153</u>	<u>631,347</u>
Excess (deficiency) of revenues over expenditures	<u>187,300</u>	<u>(245,300)</u>	<u>896,373</u>	<u>1,141,673</u>
OTHER FINANCING SOURCES				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	
Total other financing sources	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	
Net change in fund balance	\$ <u><u>(62,700)</u></u>	\$ <u><u>(495,300)</u></u>	646,373	\$ <u><u>1,141,673</u></u>
Fund balance - beginning			<u>825,818</u>	
Fund balance - ending			\$ <u><u>1,472,191</u></u>	

**CITY OF BOCA RATON, FLORIDA
GRANT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Intergovernmental	\$ 727,700	\$ 1,243,600	\$ 781,062	\$ (462,538)
Total revenues	<u>727,700</u>	<u>1,243,600</u>	<u>781,062</u>	<u>(462,538)</u>
EXPENDITURES				
Current:				
Law enforcement	54,700	78,300	76,937	1,363
Transportation	673,000	701,500	317,668	383,832
Parks and recreation	<u>463,800</u>	<u>463,800</u>	<u>386,457</u>	<u>77,343</u>
Total expenditures	<u>727,700</u>	<u>1,243,600</u>	<u>781,062</u>	<u>462,538</u>
Excess (deficiency) of revenues over expenditures	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>
Fund balance - beginning			<u> </u>	
Fund balance - ending			\$ <u><u> </u></u>	

**CITY OF BOCA RATON, FLORIDA
PERPETUAL CARE PERMANENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Charges for services	\$ 92,400	\$ 92,400	\$ 124,015	\$ 31,615
Investments earnings (loss)	<u>26,200</u>	<u>26,200</u>	<u>(6,125)</u>	<u>(32,325)</u>
Total revenues	<u>118,600</u>	<u>118,600</u>	<u>117,890</u>	<u>(710)</u>
EXPENDITURES				
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	<u>118,600</u>	<u>118,600</u>	<u>117,890</u>	<u>(710)</u>
OTHER FINANCING USES				
Transfers out	<u>(523,700)</u>	<u>(523,700)</u>	<u>(523,700)</u>	<u> </u>
Total other financing uses	<u>(523,700)</u>	<u>(523,700)</u>	<u>(523,700)</u>	<u> </u>
Net change in fund balance	<u>\$ (405,100)</u>	<u>\$ (405,100)</u>	<u>(405,810)</u>	<u>\$ (710)</u>
Fund balance - beginning			<u>5,029,606</u>	
Fund balance - ending			<u>\$ 4,623,796</u>	



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**CITY OF BOCA RATON, FLORIDA
NON-MAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2013**

	<u>City Debt Service Fund</u>	<u>Community Redevelopment Agency Debt Service Fund</u>	<u>Total Non-major Debt Service Funds</u>
ASSETS			
Cash and cash equivalents	\$ 753,800	\$ 1,517,214	\$ 2,271,014
Investments	472,195	2,274,334	2,746,529
Receivables, net:			
Interest	801	2,475	3,276
Total assets	<u>1,226,796</u>	<u>3,794,023</u>	<u>5,020,819</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	<u> </u>	<u> </u>	<u> </u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	4,170	<u> </u>	4,170
Total liabilities	<u>4,170</u>	<u> </u>	<u>4,170</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	<u> </u>	<u> </u>	<u> </u>
Fund balances:			
Restricted for:			
Debt service	1,222,626	\$ 3,794,023	5,016,649
Total fund balances	<u>1,222,626</u>	<u>3,794,023</u>	<u>5,016,649</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,226,796</u>	 <u>\$ 3,794,023</u>	 <u>\$ 5,020,819</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR DEBT SERVICE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>City Debt Service Fund</u>	<u>Community Redevelopment Agency Debt Service Fund</u>	<u>Total Non-major Debt Service Funds</u>
REVENUES			
Taxes	\$ 4,938,779		\$ 4,938,779
Investment earnings (loss)	9,460	\$ 14,015	23,475
Total revenues	<u>4,948,239</u>	<u>14,015</u>	<u>4,962,254</u>
EXPENDITURES			
Debt service:			
Principal	4,940,000	6,075,000	11,015,000
Interest	<u>2,025,756</u>	<u>434,644</u>	<u>2,460,400</u>
Total expenditures	<u>6,965,756</u>	<u>6,509,644</u>	<u>13,475,400</u>
Excess (deficiency) of revenues over expenditures	<u>(2,017,517)</u>	<u>(6,495,629)</u>	<u>(8,513,146)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>2,067,100</u>	<u>6,645,400</u>	<u>8,712,500</u>
Total other financing sources	<u>2,067,100</u>	<u>6,645,400</u>	<u>8,712,500</u>
Net change in fund balances	49,583	149,771	199,354
Fund balances - beginning	<u>1,173,043</u>	<u>3,644,252</u>	<u>4,817,295</u>
Fund balances - ending	\$ <u><u>1,222,626</u></u>	\$ <u><u>3,794,023</u></u>	\$ <u><u>5,016,649</u></u>

**CITY OF BOCA RATON, FLORIDA
CITY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Taxes	\$ 4,938,900	\$ 4,938,900	\$ 4,938,779	\$ (121)
Investment earnings (loss)	5,000	5,000	9,460	4,460
Total revenues	<u>4,943,900</u>	<u>4,943,900</u>	<u>4,948,239</u>	<u>4,339</u>
EXPENDITURES				
Debt service:				
Principal	4,940,000	4,940,000	4,940,000	
Interest	<u>2,115,000</u>	<u>2,115,000</u>	<u>2,025,756</u>	89,244
Total expenditures	<u>7,055,000</u>	<u>7,055,000</u>	<u>6,965,756</u>	<u>89,244</u>
Excess (deficiency) of revenues over expenditures	<u>(2,111,100)</u>	<u>(2,111,100)</u>	<u>(2,017,517)</u>	<u>93,583</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,067,100</u>	<u>2,067,100</u>	<u>2,067,100</u>	
Total other financing sources	<u>2,067,100</u>	<u>2,067,100</u>	<u>2,067,100</u>	
Net change in fund balance	\$ <u>(44,000)</u>	\$ <u>(44,000)</u>	49,583	\$ <u>93,583</u>
Fund balance - beginning			<u>1,173,043</u>	
Fund balance - ending			\$ <u><u>1,222,626</u></u>	

**CITY OF BOCA RATON, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Investment earnings (loss)	\$ 20,000	\$ 20,000	\$ 14,015	\$ (5,985)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>14,015</u>	<u>(5,985)</u>
EXPENDITURES				
Debt service:				
Principal	6,075,000	6,075,000	6,075,000	
Interest	<u>439,000</u>	<u>439,000</u>	<u>434,644</u>	<u>4,356</u>
Total expenditures	<u>6,514,000</u>	<u>6,514,000</u>	<u>6,509,644</u>	<u>4,356</u>
Excess (deficiency) of revenues over expenditures	<u>(6,494,000)</u>	<u>(6,494,000)</u>	<u>(6,495,629)</u>	<u>(1,629)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>6,645,400</u>	<u>6,645,400</u>	<u>6,645,400</u>	
Total other financing sources	<u>6,645,400</u>	<u>6,645,400</u>	<u>6,645,400</u>	
Net change in fund balance	\$ <u>151,400</u>	\$ <u>151,400</u>	149,771	\$ <u>(1,629)</u>
Fund balance - beginning			<u>3,644,252</u>	
Fund balance - ending			\$ <u>3,794,023</u>	

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2013**

	Right of Way Acquisition Program Fund	Park Land Dedication Fund	Downtown Land Dedication Fund	Downtown Infrastructure Fund
ASSETS				
Cash and cash equivalents	\$ 922,268	\$ 1,223,461	\$ 883,750	\$ 111,032
Investments	1,373,229	1,821,795	1,317,063	165,839
Assessments				199,820
Interest	1,504	1,995	1,443	182
Total assets	2,297,001	3,047,251	2,202,256	476,873
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources				
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities		3,500	2,700	14,038
Retainage payable				2,048
Total liabilities		3,500	2,700	16,086
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources				
Fund balances:				
Restricted for:				
Downtown				460,787
Land dedication		3,043,751	2,199,556	
Library				
Committed to:				
Right of way acquisition	2,297,001			
Assigned to:				
Environmentally sensitive lands				
Total fund balances	2,297,001	3,043,751	2,199,556	460,787
Total liabilities, deferred inflows of resources and fund balances	\$ 2,297,001	\$ 3,047,251	\$ 2,202,256	\$ 476,873

<u>Environmentally Sensitive Lands Fund</u>	<u>Library Improvements Fund</u>	<u>Total Non-Major Capital Projects Funds</u>
\$ 414,524	\$ 357,733	\$ 3,912,768
617,228	525,256	5,820,410
		199,820
676	575	6,375
<u>1,032,428</u>	<u>883,564</u>	<u>9,939,373</u>
	350	20,588
	<u>333,058</u>	<u>335,106</u>
	<u>333,408</u>	<u>355,694</u>
		460,787
		5,243,307
	550,156	550,156
		2,297,001
1,032,428		1,032,428
<u>1,032,428</u>	<u>550,156</u>	<u>9,583,679</u>
\$ <u>1,032,428</u>	\$ <u>883,564</u>	\$ <u>9,939,373</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Right of Way Acquisition Program Fund</u>	<u>Park Land Dedication Fund</u>	<u>Downtown Land Dedication Fund</u>	<u>Downtown Infrastructure Fund</u>
REVENUES				
Special assessments				\$ 1,493,004
Donations in lieu of land		\$ 660,920	\$ 1,146,070	
Investment earnings (loss)	\$ (3,982)	(10,694)	(6,175)	2,398
Total revenues	<u>(3,982)</u>	<u>650,226</u>	<u>1,139,895</u>	<u>1,495,402</u>
EXPENDITURES				
Capital outlay				56,288
Total expenditures				<u>56,288</u>
Excess (deficiency) of revenues over expenditures	<u>(3,982)</u>	<u>650,226</u>	<u>1,139,895</u>	<u>1,439,114</u>
OTHER FINANCING SOURCES (USES)				
Transfers out				(1,396,900)
Total other financing sources (uses)				<u>(1,396,900)</u>
Net change in fund balances	(3,982)	650,226	1,139,895	42,214
Fund balances - beginning	<u>2,300,983</u>	<u>2,393,525</u>	<u>1,059,661</u>	<u>418,573</u>
Fund balances - ending	<u>\$ 2,297,001</u>	<u>\$ 3,043,751</u>	<u>\$ 2,199,556</u>	<u>\$ 460,787</u>

<u>Environmentally Sensitive Lands Fund</u>	<u>Library Improvements Fund</u>	<u>Total Nonmajor Capital Project Funds</u>
		\$ 1,493,004
	\$ 185,000	1,991,990
\$ (1,671)	22,550	2,426
<u>(1,671)</u>	<u>207,550</u>	<u>3,487,420</u>
	7,760,623	7,816,911
	<u>7,760,623</u>	<u>7,816,911</u>
(1,671)	(7,553,073)	(4,329,491)
		(1,396,900)
		<u>(1,396,900)</u>
(1,671)	(7,553,073)	(5,726,391)
<u>1,034,099</u>	<u>8,103,229</u>	<u>15,310,070</u>
\$ <u>1,032,428</u>	\$ <u>550,156</u>	\$ <u>9,583,679</u>

**CITY OF BOCA RATON, FLORIDA
RIGHT-OF-WAY ACQUISITION PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Investment earnings (loss)	\$ 15,000	\$ 15,000	\$ (3,982)	\$ (18,982)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>(3,982)</u>	<u>(18,982)</u>
EXPENDITURES				
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	\$ <u>15,000</u>	\$ <u>15,000</u>	(3,982)	\$ <u>(18,982)</u>
Fund balance - beginning			<u>2,300,983</u>	
Fund balance - ending			\$ <u>2,297,001</u>	

**CITY OF BOCA RATON, FLORIDA
 PARK LAND DEDICATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Donations in lieu of land	\$ 250,000	\$ 250,000	\$ 660,920	\$ 410,920
Investment earnings (loss)	5,000	5,000	(10,694)	(15,694)
Total revenues	<u>255,000</u>	<u>255,000</u>	<u>650,226</u>	<u>395,226</u>
EXPENDITURES				
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	\$ <u>255,000</u>	\$ <u>255,000</u>	650,226	\$ <u>395,226</u>
Fund balance - beginning			<u>2,393,525</u>	
Fund balance - ending			\$ <u>3,043,751</u>	

**CITY OF BOCA RATON, FLORIDA
DOWNTOWN LAND DEDICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Donations in lieu of land			\$ 1,146,070	\$ 1,146,070
Investment earnings (loss)	\$ 16,000	\$ 16,000	(6,175)	(22,175)
Total revenues	<u>16,000</u>	<u>16,000</u>	<u>1,139,895</u>	<u>1,123,895</u>
EXPENDITURES				
Total expenditures	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess (deficiency) of revenues over expenditures	\$ <u>16,000</u>	\$ <u>16,000</u>	1,139,895	\$ <u>1,123,895</u>
Fund balance - beginning			<u>1,059,661</u>	
Fund balance - ending			\$ <u>2,199,556</u>	

**CITY OF BOCA RATON, FLORIDA
DOWNTOWN INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Special assessments	\$ 1,484,400	\$ 1,484,400	\$ 1,493,004	\$ 8,604
Investment earnings (loss)	12,000	12,000	2,398	(9,602)
Total revenues	<u>1,496,400</u>	<u>1,496,400</u>	<u>1,495,402</u>	<u>(998)</u>
EXPENDITURES				
Capital outlay	2,000	180,700	56,288	124,412
Total expenditures	<u>2,000</u>	<u>180,700</u>	<u>56,288</u>	<u>124,412</u>
Excess (deficiency) of revenues over expenditures	<u>1,494,400</u>	<u>1,315,700</u>	<u>1,439,114</u>	<u>123,414</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,396,900)	(1,396,900)	(1,396,900)	
Total other financing sources (uses)	<u>(1,396,900)</u>	<u>(1,396,900)</u>	<u>(1,396,900)</u>	
Net change in fund balance	\$ <u>97,500</u>	\$ <u>(81,200)</u>	\$ 42,214	\$ <u>123,414</u>
Fund balance - beginning			<u>418,573</u>	
Fund balance - ending			\$ <u>460,787</u>	

**CITY OF BOCA RATON, FLORIDA
ENVIRONMENTALLY SENSITIVE LANDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive / (Negative)
REVENUES				
Investment earnings (loss)	\$ 20,000	\$ 20,000	\$ (1,671)	\$ (21,671)
Total revenues	20,000	20,000	(1,671)	(21,671)
EXPENDITURES				
Current:				
Capital outlay	109,300	109,300		109,300
Total expenditures	109,300	109,300		109,300
Excess (deficiency) of revenues over expenditures	\$ (89,300)	\$ (89,300)	(1,671)	\$ 87,629
Fund balance - beginning			1,034,099	
Fund balance - ending			\$ 1,032,428	

**CITY OF BOCA RATON, FLORIDA
LIBRARY IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive / (Negative)</u>
REVENUES				
Donations in lieu of land		\$ 185,900	\$ 185,000	\$ (900)
Investment earnings (loss)			22,550	22,550
Total revenues		<u>185,900</u>	<u>207,550</u>	<u>21,650</u>
EXPENDITURES				
Current:				
Capital outlay	\$ 484,300	8,265,900	7,760,623	505,277
Total expenditures	<u>484,300</u>	<u>8,265,900</u>	<u>7,760,623</u>	<u>505,277</u>
Excess (deficiency) of revenues over expenditures	<u>(484,300)</u>	<u>(8,080,000)</u>	(7,553,073)	<u>526,927</u>
Fund balance - beginning			<u>8,103,229</u>	
Fund balance - ending			\$ <u>550,156</u>	



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Non-Major 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 or services to the general public are financed or recovered primarily through user charges.

Cemetery Fund -- To account for the operation of the City's cemetery and mausoleum.

Golf Course Fund -- To account for the operation of the City's golf courses.

Stormwater Utility Fund -- To account for the provision of stormwater maintenance and capital improvements to the residents of the City.

Sanitation Fund -- To account for the provision of solid waste services and capital assets used to provide the services to the residents of the City.

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	<u>Cemetery Mausoleum</u>	<u>Golf Course</u>	<u>Stormwater Utility</u>	<u>Sanitation</u>	<u>Total</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 314,248	\$ 109,776	\$ 2,859,216	\$ 1,786,067	\$ 5,069,307
Investments	468,270	310,167	4,259,307	2,662,491	7,700,235
Interest receivable on investments	513	189	4,664	2,913	8,279
Accounts receivable (net of allowance for uncollectibles)	5,788		212,603	1,326,985	1,545,376
Due from other governmental units		124,602			124,602
Inventories	57,281				57,281
Other assets		827			827
Total current assets	<u>846,100</u>	<u>545,561</u>	<u>7,335,790</u>	<u>5,778,456</u>	<u>14,505,907</u>
Noncurrent assets					
Capital assets:					
Land	118,000	468,735			586,735
Buildings	1,488,761	770,900			2,259,661
Golf course improvements		3,660,473			3,660,473
Cemetery lot improvements	477,867				477,867
Stormwater utility improvements			15,690,409		15,690,409
Equipment	171,355	1,329,783	1,367,650	5,589,568	8,458,356
Construction in progress			315,621		315,621
Less accumulated depreciation	<u>(1,382,360)</u>	<u>(2,938,710)</u>	<u>(4,671,653)</u>	<u>(2,436,357)</u>	<u>(11,429,080)</u>
Total capital assets (net of accumulated depreciation)	<u>873,623</u>	<u>3,291,181</u>	<u>12,702,027</u>	<u>3,153,211</u>	<u>20,020,042</u>
Total noncurrent assets	<u>873,623</u>	<u>3,291,181</u>	<u>12,702,027</u>	<u>3,153,211</u>	<u>20,020,042</u>
Total assets	<u>1,719,723</u>	<u>3,836,742</u>	<u>20,037,817</u>	<u>8,931,667</u>	<u>34,525,949</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources					
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	24,587	166,737	53,656	283,732	528,712
Compensated absences	2,774	19,343	11,077	35,366	68,560
Retainage payable			492		492
Performance bonds and escrow funds		1,000			1,000
Unearned revenue		10,825			10,825
Total current liabilities	<u>27,361</u>	<u>197,905</u>	<u>65,225</u>	<u>319,098</u>	<u>609,589</u>
Non-current liabilities:					
Compensated absences	24,970	174,090	99,695	318,290	617,045
Net OPEB obligation	7,093	32,632	16,529	65,263	121,517
Total noncurrent liabilities	<u>32,063</u>	<u>206,722</u>	<u>116,224</u>	<u>383,553</u>	<u>738,562</u>
Total liabilities	<u>59,424</u>	<u>404,627</u>	<u>181,449</u>	<u>702,651</u>	<u>1,348,151</u>
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources					
NET POSITION					
Net investment in capital assets	873,623	3,291,181	12,701,535	3,153,211	20,019,550
Unrestricted	786,676	140,934	7,154,833	5,075,805	13,158,248
Total net position	<u>\$ 1,660,299</u>	<u>\$ 3,432,115</u>	<u>\$ 19,856,368</u>	<u>\$ 8,229,016</u>	<u>\$ 33,177,798</u>

CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Cemetery Mausoleum</u>	<u>Golf Course</u>	<u>Stormwater Utility</u>	<u>Sanitation</u>	<u>Total</u>
OPERATING REVENUES					
Charges for sales and services	\$ 209,573	\$ 2,387,475	\$ 2,236,448	\$ 7,375,683	\$ 12,209,179
Other		97,262			97,262
Total operating revenues	<u>209,573</u>	<u>2,484,737</u>	<u>2,236,448</u>	<u>7,375,683</u>	<u>12,306,441</u>
OPERATING EXPENSES					
Personal services	340,136	1,690,801	803,684	2,629,442	5,464,063
Materials and supplies	17,466	293,577	121,387	273,873	706,303
Other services and charges	149,109	645,679	555,172	3,220,670	4,570,630
Depreciation of capital assets	62,298	146,411	688,689	602,745	1,500,143
Total operating expenses	<u>569,009</u>	<u>2,776,468</u>	<u>2,168,932</u>	<u>6,726,730</u>	<u>12,241,139</u>
Operating income (loss)	<u>(359,436)</u>	<u>(291,731)</u>	<u>67,516</u>	<u>648,953</u>	<u>65,302</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings (loss)	(2,207)	(1,589)	(12,937)	(11,975)	(28,708)
Gain on disposal of capital assets	1,487	1,396	6,650	74,000	83,533
Total nonoperating revenues (expenses)	<u>(720)</u>	<u>(193)</u>	<u>(6,287)</u>	<u>62,025</u>	<u>54,825</u>
Income (loss) before transfers and contributions	(360,156)	(291,924)	61,229	710,978	120,127
Transfers in	523,700				523,700
Transfers out		(2,000)		(4,800)	(6,800)
Capital contributions		209,220			209,220
Change in net position	163,544	(84,704)	61,229	706,178	846,247
Net position - beginning	<u>1,496,755</u>	<u>3,516,819</u>	<u>19,795,139</u>	<u>7,522,838</u>	<u>32,331,551</u>
Net position - ending	<u>\$ 1,660,299</u>	<u>\$ 3,432,115</u>	<u>\$ 19,856,368</u>	<u>\$ 8,229,016</u>	<u>\$ 33,177,798</u>

**CITY OF BOCA RATON, FLORIDA
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Cemetery Mausoleum</u>	<u>Golf Course</u>	<u>Stormwater Utility</u>	<u>Sanitation</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 211,501	\$ 2,446,897	\$ 2,300,881	\$ 7,377,054	\$ 12,336,333
Payments to suppliers	(163,601)	(920,441)	(677,595)	(3,414,724)	(5,176,361)
Payments to employees	(334,365)	(1,676,609)	(825,462)	(2,670,291)	(5,506,727)
Net cash provided by (used in) operating activities	<u>(286,465)</u>	<u>(150,153)</u>	<u>797,824</u>	<u>1,292,039</u>	<u>1,653,245</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	523,700				523,700
Transfers out		(2,000)		(4,800)	(6,800)
Net cash provided by (used in) noncapital financing activities	<u>523,700</u>	<u>(2,000)</u>		<u>(4,800)</u>	<u>516,900</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development charges		209,220			209,220
Acquisition of capital assets	(24,999)	(12,980)	(88,647)	(544,863)	(671,489)
Proceeds from sale of capital assets	1,487	1,396	6,650	151,890	161,423
Net cash provided by (used in) capital and related financing activities	<u>(23,512)</u>	<u>197,636</u>	<u>(81,997)</u>	<u>(392,973)</u>	<u>(300,846)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	(2,169)	(1,417)	(11,405)	(11,447)	(26,438)
Sale of investments	277,370	181,508	3,119,378	1,732,407	5,310,663
Purchase of investments	(468,270)	(310,167)	(4,259,307)	(2,662,491)	(7,700,235)
Net cash provided by (used in) investing activities	<u>(193,069)</u>	<u>(130,076)</u>	<u>(1,151,334)</u>	<u>(941,531)</u>	<u>(2,416,010)</u>
Net increase (decrease) in cash and cash equivalents	20,654	(84,593)	(435,507)	(47,265)	(546,711)
Cash and cash equivalents Beginning of year	<u>293,594</u>	<u>194,369</u>	<u>3,294,723</u>	<u>1,833,332</u>	<u>5,616,018</u>
End of year, including restricted cash and cash equivalents	<u>\$ 314,248</u>	<u>\$ 109,776</u>	<u>\$ 2,859,216</u>	<u>\$ 1,786,067</u>	<u>\$ 5,069,307</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (359,436)	\$ (291,731)	\$ 67,516	\$ 648,953	\$ 65,302
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	62,298	146,411	688,689	602,745	1,500,143
Change in assets and liabilities					
(Increase) decrease in accounts receivable	1,928		64,433	1,371	67,732
(Increase) decrease in due from other governmental units		(39,618)			(39,618)
(Increase) decrease in inventories	3,585				3,585
(Increase) decrease in other assets		1,583			1,583
Increase (decrease) in accounts payable and accrued liabilities	1,291	45,215	10,201	84,770	141,477
Increase (decrease) in compensated absences	2,976	(17,904)	(35,718)	(50,306)	(100,952)
Increase (decrease) in OPEB obligations	893	4,113	2,703	4,506	12,215
Increase (decrease) in unavailable revenue		1,778			1,778
Total adjustments	<u>72,971</u>	<u>141,578</u>	<u>730,308</u>	<u>643,086</u>	<u>1,587,943</u>
Net cash provided by (used in) operating activities	<u>\$ (286,465)</u>	<u>\$ (150,153)</u>	<u>\$ 797,824</u>	<u>\$ 1,292,039</u>	<u>\$ 1,653,245</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Unrealized losses on investments	\$ (3,441)	\$ (2,276)	\$ (32,243)	\$ (19,812)	\$ (57,772)
Contributions of capital assets		209,220			209,220



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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost reimbursement basis.

Fleet Management -- To account for the cost of operating a maintenance facility for automotive equipment used by other City departments, and administering the City fleet.

Information Technology -- To account for the cost of operating a computer facility used by other City departments.

Self-Insurance Programs -- To account for the cost of providing health and workers' compensation insurance coverage to all City employees, and the City's general liability self-insurance program.

**CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	<u>Fleet Management Fund</u>	<u>Information Technology Fund</u>	<u>Self- Insurance Programs Fund</u>	<u>Total Internal Service Funds</u>
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 5,647,770	\$ 1,913,026	\$ 8,770,168	\$ 16,330,964
Investments	8,406,348	2,850,617	13,162,949	24,419,914
Interest receivable on investments	9,204	3,120	13,818	26,142
Accounts receivable (net of allowance for uncollectibles)		2,390	214,864	217,254
Inventories	<u>540,912</u>			<u>540,912</u>
Total current assets	<u>14,604,234</u>	<u>4,769,153</u>	<u>22,161,799</u>	<u>41,535,186</u>
Capital Assets:				
Buildings	1,313,785			1,313,785
Equipment	<u>17,310,888</u>	<u>2,614,596</u>		<u>19,925,484</u>
	18,624,673	2,614,596		21,239,269
Less accumulated depreciation	(10,927,950)	(1,239,024)		(12,166,974)
Intangible assets	63,869	1,174,868		1,238,737
Less accumulated amortization	<u>(63,869)</u>	<u>(1,034,996)</u>		<u>(1,098,865)</u>
Total capital assets (net of accumulated depreciation/amortization)	<u>7,696,723</u>	<u>1,515,444</u>		<u>9,212,167</u>
Total assets	<u>22,300,957</u>	<u>6,284,597</u>	<u>22,161,799</u>	<u>50,747,353</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources				
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	157,948	488,940	234,436	881,324
Compensated absences	7,941	31,308	4,635	43,884
Estimated liability for self-insurance losses			3,602,801	3,602,801
Total current liabilities	<u>165,889</u>	<u>520,248</u>	<u>3,841,872</u>	<u>4,528,009</u>
Noncurrent liabilities:				
Compensated absences	71,471	281,769	41,715	394,955
Net OPEB obligation	17,025	38,306	6,101	61,432
Estimated liability for self-insurance losses			5,884,000	5,884,000
Total noncurrent liabilities	<u>88,496</u>	<u>320,075</u>	<u>5,931,816</u>	<u>6,340,387</u>
Total liabilities	<u>254,385</u>	<u>840,323</u>	<u>9,773,688</u>	<u>10,868,396</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources				
NET POSITION				
Net investment in capital assets	7,696,723	1,515,444		9,212,167
Unrestricted	<u>14,349,849</u>	<u>3,928,830</u>	<u>12,388,111</u>	<u>30,666,790</u>
Total net position	<u>\$ 22,046,572</u>	<u>\$ 5,444,274</u>	<u>\$ 12,388,111</u>	<u>\$ 39,878,957</u>

**CITY OF BOCA RATON, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Fleet Management Fund</u>	<u>Information Technology Fund</u>	<u>Self- Insurance Programs Fund</u>	<u>Total Internal Service Funds</u>
OPERATING REVENUES				
Charges for services:				
Fleet management	\$ 3,227,056			\$ 3,227,056
Management information processing		\$ 4,175,276		4,175,276
Insurance premiums			\$ 14,734,027	14,734,027
Total operating revenues	<u>3,227,056</u>	<u>4,175,276</u>	<u>14,734,027</u>	<u>22,136,359</u>
OPERATING EXPENSES				
Personal services	782,819	2,772,066	310,960	3,865,845
Materials and supplies	98,919	1,225,629	5,431	1,329,979
Other services and charges	265,987	1,489,148	3,999,821	5,754,956
Insurance claims			9,266,684	9,266,684
Depreciation of capital assets	<u>1,966,790</u>	<u>309,347</u>		<u>2,276,137</u>
Total operating expenses	<u>3,114,515</u>	<u>5,796,190</u>	<u>13,582,896</u>	<u>22,493,601</u>
Operating income (loss)	<u>112,541</u>	<u>(1,620,914)</u>	<u>1,151,131</u>	<u>(357,242)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	(29,557)	(9,234)	(46,021)	(84,812)
Gain/(loss) on disposal of capital assets	<u>105,580</u>	<u>(53,100)</u>		<u>52,480</u>
Total nonoperating revenues (expenses)	<u>76,023</u>	<u>(62,334)</u>	<u>(46,021)</u>	<u>(32,332)</u>
Net income (loss) before transfers and contributions	188,564	(1,683,248)	1,105,110	(389,574)
Transfers in	939,000	1,298,900		2,237,900
Capital contributions		<u>163,000</u>		<u>163,000</u>
Change in net position	<u>1,127,564</u>	<u>(221,348)</u>	<u>1,105,110</u>	<u>2,011,326</u>
Net position - beginning	<u>20,919,008</u>	<u>5,665,622</u>	<u>11,283,001</u>	<u>37,867,631</u>
Net position - ending	<u>\$ 22,046,572</u>	<u>\$ 5,444,274</u>	<u>\$ 12,388,111</u>	<u>\$ 39,878,957</u>

CITY OF BOCA RATON, FLORIDA
Combining Statement of Cash Flows
Internal Service Funds
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Fleet Management Fund	Information Technology Fund	Self- Insurance Programs Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,227,056	\$ 4,173,186	\$ 14,625,141	\$ 22,025,383
Payments to suppliers	(342,928)	(2,658,984)	(3,889,362)	(6,891,274)
Payments to employees	(777,729)	(2,688,140)	(303,926)	(3,769,795)
Claims paid			(9,079,108)	(9,079,108)
Net cash provided by (used in) operating activities	2,106,399	(1,173,938)	1,352,745	2,285,206
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	939,000	1,298,900		2,237,900
Net cash provided by (used in) noncapital financing activities	939,000	1,298,900		2,237,900
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development charges				
Capital donations		163,000		163,000
Acquisition of capital assets	(1,117,857)	(235,598)		(1,353,455)
Proceeds from sale of capital assets	105,580	(53,100)		52,480
Net cash provided by (used in) capital and related financing activities	(1,012,277)	(125,698)		(1,137,975)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	(27,141)	(7,748)	(40,247)	(75,136)
Sale of investments	5,851,574	2,317,909	9,863,957	18,033,440
Purchase of investments	(8,406,348)	(2,850,617)	(13,162,949)	(24,419,914)
Net cash provided by (used in) investing activities	(2,581,915)	(540,456)	(3,339,239)	(6,461,610)
Net increase (decrease) in cash and cash equivalents	(548,793)	(541,192)	(1,986,494)	(3,076,479)
Cash and cash equivalents				
Beginning of year	6,196,563	2,454,218	10,756,662	19,407,443
End of year, including restricted cash and cash equivalents	\$ 5,647,770	\$ 1,913,026	\$ 8,770,168	\$ 16,330,964
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 112,541	\$ (1,620,914)	\$ 1,151,131	\$ (357,242)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,966,790	309,347		2,276,137
Change in assets and liabilities:				
(Increase) decrease in accounts receivable		(2,090)	(108,886)	(110,976)
(Increase) decrease in inventories	45,691			45,691
(Increase) decrease in other assets		25,856		25,856
Increase (decrease) in accounts payable and accrued liabilities	(24,620)	87,061	122,662	185,103
Increase (decrease) in compensated absences	3,851	19,494	(507)	22,838
Increase (decrease) in OPEB obligations	2,146	7,308	769	10,223
Increase (decrease) in self-insured liabilities			187,576	187,576
Total adjustments	1,993,858	446,976	201,614	2,642,448
Net cash provided by (used in) operating activities	\$ 2,106,399	\$ (1,173,938)	\$ 1,352,745	\$ 2,285,206
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Unrealized losses on investments	\$ (63,155)	\$ (21,943)	\$ (99,997)	\$ (185,095)



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Fiduciary Funds

Fiduciary Funds account for financial operations and condition of the City's three pension plans.

General Employees' Pension Plan, Police and Firefighters' Retirement System and Executive Employees' Retirement Plan -- To account for the accumulation of resources to be used for the retirement benefit payments to the City's employees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.

CITY OF BOCA RATON, FLORIDA
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	Police and Firefighters' Retirement System	General Employees' Pension Plan	Executive Employees' Retirement Plan	Total
ASSETS				
Cash and cash equivalents	\$ 6,419,414	\$ 5,573,482	\$ 306,645	\$ 12,299,541
Investments:				
Corporate bonds and debentures	24,319,482	21,020,025		45,339,507
U.S. government securities	18,747,228	28,600,470		47,347,698
Common and preferred stock	116,406,455	80,685,083		197,091,538
Preferred stock		71,703		71,703
Corporate convertible bonds		9,206,085		9,206,085
Convertible equity		2,127,718		2,127,718
Real estate	19,859,834	16,513,861		36,373,695
Mutual funds	98,339,837	24,827,715		123,167,552
Florida Municipal Pension Trust Fund			27,570,150	27,570,150
Total investments	<u>277,672,836</u>	<u>183,052,660</u>	<u>27,570,150</u>	<u>488,295,646</u>
Receivables:				
Interest and dividends	405,918	499,715		905,633
Unsettled trades	1,650,775	1,199,029		2,849,804
Total receivables	<u>2,056,693</u>	<u>1,698,744</u>		<u>3,755,437</u>
Prepaid assets				
Other assets	42,241	23,487		65,728
Total assets	<u>286,191,184</u>	<u>190,348,373</u>	<u>27,876,795</u>	<u>504,416,352</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources				
LIABILITIES				
Accounts payable	314,523	250,065		564,588
Unsettled trades	2,111,229	1,087,673		3,198,902
Total liabilities	<u>2,425,752</u>	<u>1,337,738</u>		<u>3,763,490</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Advance Contribution	460,057			460,057
Total deferred inflows of resources	<u>460,057</u>			<u>460,057</u>
NET POSITION				
Restricted for pension benefits	\$ <u>283,305,375</u>	\$ <u>189,010,635</u>	\$ <u>27,876,795</u>	\$ <u>500,192,805</u>

CITY OF BOCA RATON, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<u>Police and Firefighters' Retirement System</u>	<u>General Employees' Pension Plan</u>	<u>Executive Employees' Retirement Plan</u>	<u>Total</u>
ADDITIONS				
Contributions:				
City	\$ 12,419,043	\$ 4,268,084	\$ 1,367,748	\$ 18,054,875
State	2,843,696			2,843,696
Employee	2,981,727	2,507,168	507,394	5,996,289
Transfer from Other Pension Plan	5,593		441,640	447,233
Total contributions	<u>18,250,059</u>	<u>6,775,252</u>	<u>2,316,782</u>	<u>27,342,093</u>
Investment income:				
Interest earnings, net	1,624,335	2,162,735	3,559,550	7,346,620
Dividends	3,560,080	2,188,849		5,748,929
Net appreciation in fair value of investments	30,417,256	16,812,263		47,229,519
Other investment income	3,923	3,525		7,448
Investment expense	<u>(1,198,347)</u>	<u>(813,409)</u>	<u>(25,021)</u>	<u>(2,036,777)</u>
Total investment income	<u>34,407,247</u>	<u>20,353,963</u>	<u>3,534,529</u>	<u>58,295,739</u>
Total additions	<u>52,657,306</u>	<u>27,129,215</u>	<u>5,851,311</u>	<u>85,637,832</u>
DEDUCTIONS				
Benefits paid:				
Retirement	9,914,942	7,256,380	1,059,359	18,230,681
Disability	947,762	90,468		1,038,230
Death	594,815	729,027		1,323,842
Deferred retirement option plan	1,851,579	3,278,320	192,096	5,321,995
Termination refunds	202,441	364,811		567,252
Administrative expenses	444,233	386,773	35,505	866,511
Transfer to other pension plan		447,233		447,233
Total deductions	<u>13,955,772</u>	<u>12,553,012</u>	<u>1,286,960</u>	<u>27,795,744</u>
Change in net position	38,701,534	14,576,203	4,564,351	57,842,088
NET POSITION RESTRICTED FOR PENSION BENEFITS				
Net position - beginning	<u>244,603,841</u>	<u>174,434,432</u>	<u>23,312,444</u>	<u>442,350,717</u>
Net position - ending	<u>\$ 283,305,375</u>	<u>\$ 189,010,635</u>	<u>\$ 27,876,795</u>	<u>\$ 500,192,805</u>

STATISTICAL SECTION

This part of the City of Boca Raton comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial position.

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Financial Trends	130
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The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

Revenue Capacity	138
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This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

Debt Capacity	143
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The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

Demographic and Economic Information	150
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This section is intended (1) to assist users in understanding the socio-economic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

Operating Information	153
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This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.



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FINANCIAL TREND INFORMATION

The information presented in this section is intended to assist users in understanding and assessing how a government's financial position has changed over time.

**CITY OF BOCA RATON, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

*(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)*

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities				
Net investment in capital assets	\$307,120	\$309,601	\$326,164	\$338,203
Restricted	80,382	72,449	63,453	61,593
Unrestricted	12,357	37,510	57,236	71,151
Total governmental activities net position	<u>\$399,859</u>	<u>\$419,560</u>	<u>\$446,853</u>	<u>\$470,947</u>
Business-type activities				
Net investment in capital assets	\$193,867	\$206,169	\$213,390	\$215,571
Restricted	18,582	36,407	42,145	42,792
Unrestricted	39,466	20,698	16,510	19,123
Total business-type activities net position	<u>\$251,915</u>	<u>\$263,274</u>	<u>\$272,045</u>	<u>\$277,486</u>
Primary government				
Net investment in capital assets	\$500,987	\$515,770	\$539,554	\$553,774
Restricted	98,964	108,856	105,598	104,385
Unrestricted (1)	51,823	58,208	73,746	90,274
Total primary government net position	<u>\$651,774</u>	<u>\$682,834</u>	<u>\$718,898</u>	<u>\$748,433</u>

(1) Fiscal year 2011 unrestricted balances have been restated due to the implementation of GASB 63 and 65.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$346,985	\$352,077	\$361,158	\$369,052	\$ 370,985	\$ 368,548
67,502	53,133	46,129	43,754	45,031	45,621
74,446	87,842	85,292	85,239	87,241	94,762
<u>\$488,933</u>	<u>\$493,052</u>	<u>\$492,579</u>	<u>\$498,045</u>	<u>\$503,257</u>	<u>\$508,931</u>

\$208,208	\$210,989	\$208,818	\$210,890	\$ 207,936	\$ 214,698
48,930	49,295	53,378	48,500	51,835	60,744
22,775	35,935	45,058	53,501	65,329	61,970
<u>\$279,913</u>	<u>\$296,219</u>	<u>\$307,254</u>	<u>\$312,891</u>	<u>\$325,100</u>	<u>\$337,412</u>

\$555,193	\$563,066	\$569,976	\$579,942	\$578,921	\$583,246
116,432	102,428	99,507	92,254	96,866	106,365
97,221	123,777	130,350	138,740	152,570	156,732
<u>\$768,846</u>	<u>\$789,271</u>	<u>\$799,833</u>	<u>\$810,936</u>	<u>\$828,357</u>	<u>\$846,343</u>

CITY OF BOCA RATON, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	(1)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 21,086	\$ 11,881	\$ 41,508	\$ 18,484	\$ 18,999	\$ 19,099	\$ 23,023	\$ 17,696	\$ 18,808	\$ 18,891
Law enforcement	28,073	26,012	29,487	32,122	36,406	37,225	37,585	39,979	40,865	42,044
Fire rescue	25,204	22,776	28,390	32,792	34,955	36,104	37,856	39,140	42,227	43,626
Physical environment	13,672	5,339	3,728	9,052	10,238	4,252	7,851	4,237	4,105	4,255
Transportation	14,439	19,698	24,905	18,441	18,817	18,650	22,196	18,536	17,925	20,185
Community development	2,240	960	1,363	1,499	2,408	2,115	4,168	6,040	3,106	2,889
Parks and recreation	29,359	31,449	35,652	35,818	36,203	37,772	34,928	28,979	39,039	37,542
Interest and fiscal charges	6,531	5,520	5,389	5,921	5,554	5,148	4,834	4,793	2,971	3,807
Total governmental activities expenses	140,604	123,635	170,422	154,129	163,580	160,365	172,441	159,400	169,046	173,239
Business-type activities:										
Water and sewer	35,212	37,586	41,167	43,495	45,537	46,630	42,970	44,132	43,662	45,617
Cemetery	538	554	730	655	593	653	635	659	589	569
Golf course	2,468	2,598	2,745	2,798	2,992	3,098	3,075	3,073	2,690	2,776
Stormwater utility	1,219	1,148	1,113	1,216	1,428	1,736	1,646	2,023	2,545	2,169
Sanitation						5,923	5,851	6,511	6,593	6,727
Total business-type activities expenses	39,437	41,886	45,755	48,164	50,550	58,040	54,177	56,398	56,079	57,858
Total primary government expenses	\$ 180,041	\$ 165,521	\$ 216,177	\$ 202,293	\$ 214,130	\$ 218,405	\$ 226,618	\$ 215,798	\$ 225,125	\$ 231,097
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 14,431	\$ 17,580	\$ 19,745	\$ 21,543	\$ 19,796	\$ 17,046	\$ 16,455	\$ 17,565	\$ 21,615	\$ 25,301
Law enforcement	2,948	1,475	3,055	2,699	3,269	2,973	2,669	2,647	3,251	3,286
Fire rescue	1,582	1,824	3,093	5,229	5,821	6,782	7,251	8,876	11,738	12,968
Physical environment	157	222	240	219	209	149	198	214	214	245
Community development	397	397	397	1,577	1,605	1,697	1,585	1,695	1,898	2,020
Parks and recreation	16,392	17,015	18,058	16,503	16,216	17,231	20,027	19,631	20,662	19,313
Operating grants and contributions	12,938	317	26,626	3,296	8,386	4,777	13,916	5,317	5,238	4,482
Capital grants and contributions	3,531	4,854	2,205	5,406	2,169	2,980	3,326	2,720	3,503	2,971
Total governmental activities program revenues	52,376	43,684	73,419	56,472	57,471	53,635	65,427	58,665	68,119	70,586
Business-type activities:										
Charges for services:										
Water and sewer	37,202	37,482	39,847	39,063	41,098	49,967	47,278	48,288	\$ 49,239	\$ 48,452
Cemetery	231	281	205	181	238	159	188	179	144	210
Golf course	2,348	2,410	2,670	2,872	2,824	2,687	2,120	2,272	2,444	2,485
Stormwater utility	2,040	2,091	2,105	2,070	2,118	2,137	2,155	2,175	2,239	2,236
Sanitation						1,722	3,932	6,423	7,179	7,376
Capital grants and contribution	2,408	10,181	7,716	5,016	3,491	3,080	5,401	1,260	9,272	9,025
Total business-type activities program revenues	44,229	52,445	52,543	49,202	49,769	59,752	61,074	60,597	70,517	69,784
Total primary government program revenues	\$ 96,605	\$ 96,129	\$ 125,962	\$ 105,674	\$ 107,240	\$ 113,387	\$ 126,501	\$ 119,262	\$ 138,636	\$ 140,370

(1) Fiscal year 2011 expenses have been restated due to the implementation of GASB 63 and 65.

CITY OF BOCA RATON, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	(1)									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expenses) Revenue										
Governmental activities	\$ (88,228)	\$ (79,951)	\$ (97,003)	\$ (97,657)	\$ (106,109)	\$ (106,730)	\$ (107,014)	\$ (100,735)	\$ (100,927)	\$ (102,653)
Business-type activities	4,792	10,559	6,788	1,038	(781)	1,711	6,897	4,199	10,936	11,926
Total primary government net expense	\$ (83,436)	\$ (69,392)	\$ (90,215)	\$ (96,619)	\$ (106,890)	\$ (105,019)	\$ (100,117)	\$ (96,536)	\$ (89,991)	\$ (90,727)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property tax	\$ 43,713	\$ 49,639	\$ 59,460	\$ 68,744	\$ 65,155	\$ 61,764	\$ 57,635	\$ 54,246	\$ 55,914	\$ 59,568
Utility tax	19,717	20,276	20,504	20,247	22,151	20,615	20,639	20,171	20,714	20,502
Franchise tax	8,183	9,829	13,136	13,295	13,804	13,881	12,406	12,482	12,137	11,977
Sales tax	5,763	6,180	6,695	6,284	5,906	5,224	5,262	5,430	5,533	5,854
Gas tax	2,811	2,979	2,897	2,808	2,074	1,977	1,959	1,908	1,966	1,958
Incremental property tax	3,320	4,911	6,147	6,771	6,309	6,751	6,659	8,948	6,484	6,575
State shared revenues unrestricted	1,261	1,721	1,849	1,830	2,317	2,094	2,067	2,185	2,242	2,280
Investment earnings unrestricted	2,178	3,010	6,620	8,840	6,707	4,924	2,686	1,378	1,396	(186)
Gain (loss) on disposal of capital assets	174	91	6,771	-	18	73		131	120	156
Miscellaneous	664	741	110	419	15	188	12	42	43	88
Transfers	337	275	107	(1,016)	(361)	(10,158)	(2,784)	(720)	(410)	(445)
Total governmental activities	88,121	99,652	124,296	128,222	124,095	107,333	106,541	106,201	106,139	108,327
Business-type activities										
Investment earnings	1,003	1,081	2,076	3,361	2,808	2,495	1,702	624	765	(288)
Gain (loss) on disposal of capital assets	45	(5)	14	26	39	25	(348)	94	98	229
Transfers	(337)	(275)	(107)	1,016	361	10,158	2,784	720	410	445
Total business-type activities	711	801	1,983	4,403	3,208	12,678	4,138	1,438	1,273	386
Total primary government	\$ 88,832	\$ 100,453	\$ 126,279	\$ 132,625	\$ 127,303	\$ 120,011	\$ 110,679	\$ 107,639	\$ 107,412	\$ 108,715
Changes in net position										
Governmental activities	\$ (107)	\$ 19,701	\$ 27,293	\$ 30,565	\$ 17,986	\$ 603	\$ (473)	\$ 5,466	\$ 5,212	\$ 5,674
Business-type activities	5,503	11,360	8,771	5,441	2,427	14,389	11,035	5,637	12,209	12,312
Total primary government	\$ 5,396	\$ 31,061	\$ 36,064	\$ 36,006	\$ 20,413	\$ 14,992	\$ 10,562	\$ 11,103	\$ 17,421	\$ 17,986

(1) Fiscal year 2011 expenses have been restated due to the implementation of GASB 63 and 65.

CITY OF BOCA RATON, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(amounts expressed in thousands)
(Unaudited)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund:				
Non-spendable:				
Inventories	\$ 18	\$ 6	\$ 36	\$ 29
Restricted for:				
Army Corp of Engineers				
Committed to:				
Hurricane/ disaster emergency	1,200	1,200	5,200	5,200
Mizner Park debt service	1,633	1,633	1,633	1,633
Retirement system reserve				
Assigned to:				
Subsequent year's budget	1,712	1,213	3,936	11,768
Unassigned	<u>15,742</u>	<u>24,416</u>	<u>27,117</u>	<u>32,010</u>
Total general fund	<u>\$ 20,305</u>	<u>\$ 28,468</u>	<u>\$ 37,922</u>	<u>\$ 50,640</u>
All Other Governmental Funds:				
Non-spendable:				
Perpetual care, cemetery	\$ 2,132	\$ 2,154	\$ 2,212	\$ 2,230
Perpetual care, masoleum	3,890	3,976	3,965	3,858
Restricted for:				
Debt service	10,456	9,698	8,930	9,409
Housing	1,099	2,161	2,707	2,085
Law enforcement	6,060	5,469	1,604	1,567
Transportation	6,192	6,550	5,535	6,046
Right of way beautification	4,181	4,223	3,795	4,297
Downtown	1,529	2,276	3,395	4,910
Land dedication	2,355	2,028	3,315	4,141
Library	8,175	3,612	5,457	5,581
Committed to:				
Parking	3	3	3	3
Right of way acquisition	922	1,672	1,854	1,913
Assigned to:				
Special revenue funds	335	403	501	501
Capital projects	24,276	23,390	19,457	17,607
Environmentally sensitive lands	<u>1,383</u>	<u>1,407</u>	<u>1,452</u>	<u>1,262</u>
Total all other governmental funds	<u>\$ 72,988</u>	<u>\$ 69,022</u>	<u>\$ 64,182</u>	<u>\$ 65,410</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2009. Fiscal years 2004-2008 amounts have been restated to conform to the new statement requirements.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 15	\$ 28	\$ 19	\$ 13	\$ 25	\$ 23
		170	170	170	170
10,600	10,600	10,600	10,600	10,600	10,600
1,633	1,633	1,633	1,633	1,633	1,633
	7,500	8,500	10,500	12,000	12,000
3,954	3,241	1,286	1,316	1,758	12,920
34,462	26,032	24,717	22,340	25,653	21,300
<u>\$ 50,664</u>	<u>\$ 49,034</u>	<u>\$ 46,925</u>	<u>\$ 46,572</u>	<u>\$ 51,839</u>	<u>\$ 58,646</u>
\$ 2,249	\$ 2,199	\$ 2,123	\$ 1,950	\$ 1,777	\$ 1,630
3,791	3,618	3,614	3,487	3,253	2,994
9,752	9,984	10,229	10,532	10,995	6,191
1,015	770	326	158	175	202
1,703	1,405	1,331	1,292	1,140	1,084
6,229	6,458	7,152	7,486	7,971	13,363
3,741	3,137	2,456	1,293	318	271
5,067	7,367	8,354	3,644	2,386	2,181
4,859	4,685	1,148	1,646	3,453	5,243
8,262	1,107	10,633	10,437	8,103	550
3	3	3	3	3	826
1,989	2,228	2,265	2,284	2,301	2,297
24,165	28,728	25,223	24,603	24,248	23,021
1,225	1,040	1,056	1,067	1,034	1,032
<u>\$ 74,050</u>	<u>\$ 72,729</u>	<u>\$ 75,913</u>	<u>\$ 69,882</u>	<u>\$ 67,157</u>	<u>\$ 60,885</u>

CITY OF BOCA RATON, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(Unaudited)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues:				
Taxes	\$ 77,716,656	\$ 86,953,399	\$ 103,838,860	\$ 114,446,690
Licenses and permits	6,362,311	8,995,777	10,872,277	14,159,352
Intergovernmental	26,417,675	35,967,697	50,222,463	24,443,570
Charges of services	12,994,162	14,165,909	13,960,886	15,142,687
Fines and forfeitures	2,927,390	1,582,956	1,893,415	1,392,731
Special assessments	1,140,183	1,136,213	1,177,372	1,296,839
Donations in lieu of land	1,308,641	492,831	1,511,961	5,085,724
Investment earnings	1,919,718	2,507,933	5,655,785	7,411,536
Miscellaneous	617,283	675,287	416,326	567,831
Total revenues	<u>131,404,019</u>	<u>152,478,002</u>	<u>189,549,345</u>	<u>183,946,960</u>
Expenditures:				
Current:				
General government	16,113,338	16,362,303	40,773,094	18,156,740
Law enforcement	24,318,777	26,729,038	31,491,852	30,693,003
Fire rescue	21,142,844	23,506,708	27,453,323	31,811,220
Physical environment	7,364,592	7,713,662	8,419,532	9,060,845
Transportation	5,530,363	6,493,289	7,915,676	6,876,907
Community development	1,765,734	1,183,006	1,767,880	1,680,177
Parks and recreation	27,314,571	28,557,931	32,386,018	32,871,842
Capital outlay	17,905,126	19,152,244	19,590,262	21,759,723
Debt service:				
Principal	10,205,000	11,420,000	12,005,000	10,685,000
Interest	6,532,648	5,441,400	5,219,097	4,766,913
Bond issuance costs		241,525		
Total expenditures	<u>138,192,993</u>	<u>146,801,106</u>	<u>187,021,734</u>	<u>168,362,370</u>
Excess (deficiency) of revenues Over expenditures	<u>(6,788,974)</u>	<u>5,676,896</u>	<u>2,527,611</u>	<u>15,584,590</u>
Other financing sources (uses):				
Transfers in	17,377,104	16,349,961	15,691,643	19,214,060
Transfers out	(18,995,404)	(17,651,461)	(16,173,743)	(22,463,860)
Refunding and new bonds issued		21,720,000		
Discount on bonds issued				
Payment to refunded bond escrow agent		(21,898,126)		
Proceeds from sale of land			2,568,638	
Premium on bonds issued				
Total other financing sources (uses)	<u>(1,618,300)</u>	<u>(1,479,626)</u>	<u>2,086,538</u>	<u>(3,249,800)</u>
Net change in fund balances	<u>\$ (8,407,274)</u>	<u>\$ 4,197,270</u>	<u>\$ 4,614,149</u>	<u>\$ 12,334,790</u>
Debt service as a percentage of Noncapital expenditures	13.29%	13.06%	10.65%	10.40%

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	111,293,350	\$ 109,395,926	\$ 102,372,638	\$ 100,712,574	\$ 99,484,015	\$ 103,840,677
	12,655,903	9,330,151	9,014,360	8,697,459	11,199,032	12,661,480
	29,335,294	24,916,278	38,094,892	29,622,567	30,209,165	27,232,751
	15,394,414	17,534,451	18,155,376	21,624,838	25,385,962	28,501,248
	1,732,861	1,650,942	1,257,433	1,360,028	2,642,876	2,973,556
	1,179,630	1,194,209	1,170,054	1,199,953	1,172,570	1,493,004
	1,357,337	1,123,280	1,906,044	686,867	2,182,150	2,442,421
	5,608,957	4,090,555	2,238,874	1,078,045	1,125,971	(101,337)
	76,883	262,809	120,427	89,006	108,915	205,082
	<u>178,634,629</u>	<u>169,498,601</u>	<u>174,330,098</u>	<u>165,071,337</u>	<u>173,510,656</u>	<u>179,248,882</u>
	20,805,598	21,062,541	20,337,965	19,647,100	20,073,899	20,917,289
	32,981,888	34,031,382	36,031,487	36,508,850	37,824,269	39,515,182
	31,021,882	32,911,346	33,982,309	34,849,430	37,539,229	39,809,307
	9,908,431	4,578,883	7,828,961	4,203,550	4,185,053	4,281,679
	7,210,515	8,146,766	6,324,672	7,554,534	7,098,294	6,725,749
	2,794,881	1,633,645	5,262,747	5,907,758	2,983,234	3,025,793
	32,051,636	34,553,264	34,951,245	35,635,867	36,019,775	34,993,019
	16,121,088	9,785,389	22,157,964	8,835,059	8,903,781	13,287,857
	10,890,000	10,305,000	10,790,000	11,075,000	11,150,000	11,015,000
	4,351,174	3,906,558	3,370,058	3,405,937	2,731,354	2,460,400
		190,104	331,167		313,238	
	<u>168,137,093</u>	<u>161,104,878</u>	<u>181,368,575</u>	<u>167,623,085</u>	<u>168,822,126</u>	<u>176,031,275</u>
	10,497,536	8,393,723	(7,038,477)	(2,551,748)	4,688,530	3,217,607
	26,797,253	22,680,306	14,550,700	9,738,400	9,568,100	10,457,500
	(27,630,753)	(35,223,718)	(19,919,800)	(13,571,100)	(12,052,300)	(13,140,800)
		11,205,000	12,930,000		15,585,000	
		(11,011,294)	(21,074)		(17,259,729)	
		6,460	572,248		2,013,311	
	<u>(833,500)</u>	<u>(12,343,246)</u>	<u>8,112,074</u>	<u>(3,832,700)</u>	<u>(2,145,618)</u>	<u>(2,683,300)</u>
\$	<u>9,664,036</u>	\$ <u>(3,949,523)</u>	\$ <u>1,073,597</u>	\$ <u>(6,384,448)</u>	\$ <u>2,542,912</u>	\$ <u>534,307</u>
	9.95%	9.34%	8.55%	9.53%	8.57%	7.96%



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REVENUE CAPACITY INFORMATION

This section is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenue.

CITY OF BOCA RATON, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

(Unaudited)

<u>Fiscal Year</u> ⁽²⁾	<u>Real Property</u> ⁽¹⁾	<u>Personal Property</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2004	\$ 16,485,379,502	\$ 1,028,175,976	\$ 17,513,555,478	\$ 3,075,650,269	\$ 14,437,905,209	3.55
2005	19,845,631,860	1,046,702,459	20,892,334,319	4,268,084,374	16,624,249,945	3.71
2006	25,094,995,870	1,089,287,667	26,184,283,537	6,252,941,946	19,931,341,591	3.59
2007	24,749,123,742	1,054,962,177	25,804,085,919	5,395,626,750	20,408,459,169	3.31
2008	23,342,934,476	1,082,067,364	24,425,001,840	4,800,459,251	19,624,542,589	3.31
2009	20,454,930,292	1,097,843,577	21,552,773,869	3,560,747,621	17,992,026,248	3.34
2010	18,401,045,182	1,076,333,765	19,477,378,947	2,868,254,851	16,609,124,096	3.41
2011	18,387,146,075	946,365,118	19,333,511,193	2,912,409,267	16,421,101,926	3.51
2012	18,551,617,089	908,950,096	19,460,567,185	2,833,483,666	16,627,083,519	3.72
2013	19,490,849,519	931,461,073	20,422,310,592	3,150,099,060	17,272,211,532	3.72

Notes: (1) Except for the Save Our Homes cap noted below, Florida State Law requires all property to be assessed at current fair market value. The Save Our Homes cap, provides that property qualifying for, and receiving, homestead exemption is assessed at the lower of the annual percentage change in the Consumer Price Index or 3% of the previous year's assessment.

(2) As of December 31st of each year listed.

Estimated Actual Value (Just Value) obtained from the Palm Beach County Appraiser

Source: Palm Beach County Property Appraiser

<u>Estimated Actual Value</u>	<u>Taxable Assessed Value as a % of Actual Taxable Value</u>
18,267,720,384	79.04%
21,856,509,208	76.06%
27,332,061,657	72.92%
26,952,069,988	75.72%
25,653,162,088	76.50%
22,731,156,856	79.15%
20,702,285,682	80.23%
20,550,742,753	79.91%
20,738,752,412	80.17%
21,736,576,513	79.46%

**CITY OF BOCA RATON, FLORIDA
PROPERTY TAX RATES
ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (1)
(Unaudited)**

Tax Year	Boca Raton			Palm Beach County			Schools			Other	Total
	Operating Millage	Debt Service	Total City Millage	Operating Millage	Debt Service	Total County Tax	Operating Millage	Debt Service	Total Schools		
2004	3.150	0.405	3.555	4.500	0.268	4.768	8.158	0.274	8.432	3.496	20.250
2005	3.360	0.346	3.706	4.450	0.269	4.719	7.884	0.222	8.106	3.434	19.966
2006	3.300	0.289	3.589	4.280	0.198	4.478	7.704	0.160	7.864	3.219	19.149
2007	3.020	0.286	3.306	3.781	0.200	3.981	7.356	0.000	7.356	4.095	18.738
2008	3.020	0.286	3.306	3.781	0.185	3.966	7.251	0.000	7.251	3.071	17.593
2009	3.020	0.321	3.341	4.344	0.217	4.561	7.983	0.000	7.983	3.395	19.280
2010	3.020	0.386	3.406	4.750	0.246	4.996	8.154	0.000	8.154	3.544	20.100
2011	3.150	0.360	3.510	4.782	0.211	4.993	8.18	0.000	8.180	2.343	19.026
2012	3.410	0.313	3.723	4.782	0.209	4.991	7.778	0.000	7.778	3.314	19.806
2013	3.422	0.301	3.723	4.782	0.204	4.986	7.586	0.000	7.586	3.196	19.491

Source: Palm Beach County Tax Collector
(1) Millage rates are per \$1,000 of assessed valuation.

CITY OF BOCA RATON, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
FOR THE CURRENT CALENDAR YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2013*			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Town Center at Boca Raton	\$ 351,800,511	1	2.04%	\$ 208,022,487	1	1.44%
Panthers BRHC Ltd. Partnership	154,693,268	2	0.90%	192,323,000	2	1.33%
HUB Properties Trust	143,165,914	3	0.83%			
BRE Boca Raton CRA Lessor	104,665,619	4	0.61%			
Boca Raton CRA Lessor	96,472,130	5	0.56%	113,000,000	5	0.78%
Florida Power & Light Co	106,046,392	6	0.61%			
Royal Palm Place Investment L.L.C.	62,759,114	7	0.36%			
WRC Properties Inc	57,347,775	8	0.33%	50,090,185	8	0.35%
PR Heritage LLC	62,413,379	9	0.36%			
Panthers BRHC LLC	55,377,684	10	0.32%			
Total	\$ 1,194,741,786		6.92%	\$ 563,435,672		3.90%

Source: City of Boca Raton , FL
Palm Beach County Tax Collector System

CITY OF BOCA RATON, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in subsequent Years	Total Collections To Date	
		Amount (1)	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 45,472,059	\$ 43,632,191	96.0%	\$ 60,454	\$ 43,692,645	96.1%
2005	51,520,961	49,514,617	96.1%	84,047	49,598,664	96.3%
2006	61,751,848	59,306,133	96.0%	57,197	59,363,330	96.1%
2007	71,525,618	68,496,748	95.8%	75,208	68,571,956	95.9%
2008	67,464,124	64,951,993	96.3%	81,267	65,033,260	96.4%
2009	64,471,993	61,600,887	95.5%	127,751	61,728,638	95.7%
2010	59,403,108	56,434,548	96.8%	1,067,309	57,501,857	96.8%
2011	56,200,768	53,689,454	95.5%	513,040	54,202,493	96.4%
2012	57,438,380	55,175,170	96.1%	546,801	55,721,971	97.3%
2013	61,894,344	59,327,683	95.9%	187,826	59,515,509	96.2%

(1) Includes discount taken for early payment of property taxes and current year refunds

Source: Palm Beach County Tax Collector System

DEBT CAPACITY INFORMATION

The information presented in this section is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

CITY OF BOCA RATON, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities

Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Tax Increment Bonds	Revenue Bonds	Loans Payable	Capital Leases
2004	\$ 58,805,000	\$ 13,400,000	\$ 66,858,087	\$ 4,310,000	\$ 11,535,000	
2005	57,670,000	12,945,000	62,696,724	2,320,000	9,830,000	
2006	54,390,000	12,460,000	63,877,329	220,000	8,065,000	\$ 538,214
2007	50,990,000	11,955,000	60,153,275		6,235,000	424,172
2008	47,455,000	11,420,000	56,285,041		4,340,000	304,271
2009	43,785,000	11,205,000	52,265,146		3,400,000	178,211
2010	49,195,000	14,240,000	48,091,241		2,435,000	45,675
2011	44,960,000	13,545,000	43,741,269		1,865,000	
2012	39,905,000	12,830,000	39,212,947		1,275,000	
2013	36,490,000	11,925,000	34,489,628		655,000	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See Demographic and Economic Statistics table for personal income and population data. These ratios are calculated using personal income and population for the prior year.

Business-Type Activities

	Water & Sewer Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income¹	Per Capita¹
\$	48,765,000	\$ -	\$ 203,673,087	0.0273%	2,551
	42,645,000		188,106,724	0.0303%	2,205
	36,335,000		175,885,543	0.0319%	2,057
	34,455,000		164,212,447	0.0309%	1,925
	55,920,000		175,724,312	0.0308%	2,060
	52,700,000		163,533,357	0.0347%	1,928
	50,045,000		164,051,916	0.0330%	1,946
	46,900,000		151,011,269	0.0358%	1,789
	43,640,000		136,862,947	0.0396%	1,604
	40,260,000		123,819,628	0.0437%	1,410

CITY OF BOCA RATON, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(dollars in thousands, except per capita)
(Unaudited)

Fiscal Year	General Obligation Bonds	Assessed Value of Taxable Property	Percentage of Estimated Actual Taxable Value of Property	Population	Per Capita
2004	\$ 58,805	\$ 12,537,612	0.47%	79,838	0.74
2005	57,670	14,437,905	0.40%	85,311	0.68
2006	54,390	16,624,250	0.33%	85,488	0.64
2007	50,990	19,931,342	0.26%	85,296	0.60
2008	47,455	20,408,459	0.23%	85,293	0.56
2009	43,785	19,624,543	0.22%	84,823	0.52
2010	49,195	17,992,026	0.27%	84,313	0.58
2011	44,960	16,609,124	0.27%	84,392	0.53
2012	39,905	16,421,102	0.24%	85,413	0.47
2013	36,490	16,627,084	0.22%	86,041	0.42

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements
The current ordinances of the City of Boca Raton do not specify a Legal Debt Margin.

CITY OF BOCA RATON, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2013
(Amounts Expressed in Thousands)
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
OVERLAPPING:			
Palm Beach County	\$ 187,210 ¹	13.27% ²	\$ 24,835
Palm Beach School District	<u>26,370</u>	13.27% ²	<u>3,498</u>
SUBTOTAL	<u>\$ 213,580</u>		<u>\$ 28,333</u>
DIRECT DEBT:			
General obligation bonds	\$ 36,490 ³	100.00%	\$ 36,490
Special assessment bonds	11,925 ³	100.00%	11,925
Tax increment bonds	34,490 ³	100.00%	34,490
Loans payable	<u>655 ³</u>	100.00%	<u>655</u>
SUBTOTAL	<u>\$ 83,560</u>		<u>\$ 83,560</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 111,893</u></u>

¹ Source: Palm Beach County

² Determined by dividing:
taxable assessed valuation of the City of Boca Raton
by the total taxable valuation of Palm Beach County.

³ Source: City of Boca Raton, Financial Service Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Boca Raton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF BOCA RATON, FLORIDA
PLEGGED-REVENUE COVERAGE FOR WATER AND SEWER REVENUE BONDS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Utility Service Charges</u>	<u>Less: Operating Expenses (1)</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		<u>Coverage by Net Revenue Available for Debt Service (2)</u>
				<u>Principal</u>	<u>Interest</u>	
2004	\$ 38,071,653	\$ 26,419,641	\$ 11,652,012	\$ 5,960,000	\$ 2,038,905	1.46
2005	39,710,808	28,664,421	11,046,387	6,120,000	1,870,245	1.38
2006	41,600,339	30,573,825	11,026,514	6,310,000	1,682,493	1.38
2007	42,034,313	32,919,327	9,114,986	1,880,000	1,608,703	2.61
2008	43,604,523	33,606,413	9,998,110	1,955,000	2,010,842	2.52
2009	52,149,868	33,586,572	18,563,296	2,030,000	2,146,016	4.45
2010	48,766,835	30,780,072	17,986,763	2,655,000	1,942,669	3.91
2011	48,819,198	31,623,922	17,195,276	3,145,000	1,883,550	3.42
2012	49,926,107	31,677,197	18,248,910	3,260,000	1,766,594	3.63
2013	48,193,038	33,403,929	14,789,109	3,380,000	1,660,169	2.93

- (1) Total expense exclusive of depreciation, amortization and debt service on revenue bonds.
(2) 1.10 net revenues test required by the rate covenants applies to the 1999, 2001, 2008 and 2009 bonds.

CITY OF BOCA RATON, FLORIDA
PLEDGED-REVENUE COVERAGE FOR SPECIAL ASSESSMENT BONDS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Special Assessment Collections</u>	<u>Debt Service</u>		<u>Coverage by Net Revenue Available for Debt Service</u>
		<u>Principal</u>	<u>Interest</u>	
2004	\$ 1,139,139	\$ 440,000	\$ 631,393	1.06
2005	1,360,212	455,000	613,793	1.27
2006	1,518,115	485,000	596,730	1.40
2007	1,156,977	505,000	577,330	1.07
2008	1,179,630	535,000	557,130	1.08
2009	1,194,209	565,000	535,730	1.08
2010	1,170,054	670,000	400,453	1.09
2011	1,199,953	695,000	524,292	0.98
2012	1,172,570	715,000	493,294	0.97
2013	1,493,004	905,000	471,844	1.08

CITY OF BOCA RATON, FLORIDA
PLEDGED-REVENUE COVERAGE FOR TAX INCREMENT REVENUE REFUNDING BONDS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Lease Revenue</u>	<u>Tax Increment Revenue</u>	<u>City Contribution</u>	<u>Collections</u>	<u>Debt Service</u>		<u>Coverage by Net Revenue Available for Debt Service</u>
					<u>Principal (1)</u>	<u>Interest</u>	
2004	\$ 1,180,000	\$ 3,320,212	\$ 1,837,900	\$ 6,338,112	\$ 3,380,000	\$ 2,324,265	1.11
2005	1,180,000	4,910,628	961,100	7,051,728	4,205,000	2,174,255	1.11
2006	1,180,000	6,146,820		7,326,820	4,375,000	2,002,655	1.15
2007	1,180,000	6,771,200		7,951,200	4,730,000	1,820,555	1.21
2008	1,208,198	6,308,900		7,517,098	4,925,000	1,624,993	1.15
2009	1,300,511	6,750,600		8,051,111	5,130,000	1,416,300	1.23
2010	1,188,119	6,658,892		7,847,011	5,340,000	1,193,760	1.20
2011	1,236,280	8,948,102		10,184,382	5,575,000	956,997	1.56
2012	1,300,374	6,484,150		7,784,524	5,815,000	704,206	1.19
2013	1,240,859	6,574,894		7,815,753	6,075,000	433,644	1.20

(1) In October, 1998, the Boca Raton Community Redevelopment Agency Tax Increment Revenue Refunding Bonds, Series 1998 (Mizner Park Project) was used to refinance the CRA's Tax Increment Revenue Bond, Series 1992.

DEMOGRAPHIC AND ECONOMIC INFORMATION

This section is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments.

CITY OF BOCA RATON, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Population³	Personal Income (amounts expressed in thousands)⁴	Per Capita Personal Income⁴	Median Age²	Education Level in Years of Schooling²	School Enrollment¹	Unemployment Rate¹
2004	79,838	\$ 4,445,300	55,679	43	13	8,838	5.0%
2005	85,311	4,862,130	56,993	43	13	8,592	4.0%
2006	85,488	4,800,835	56,158	43	13	8,532	3.7%
2007	85,296	4,334,487	50,817	44	13	11,574	4.8%
2008	85,293	4,617,507	54,137	44	13	11,574	6.3%
2009	84,823	4,811,500	56,724	45	13	12,132	7.9%
2010	84,313	4,809,129	57,039	45	13	12,529	9.1%
2011	84,392	6,026,770	71,414	45	13	13,188	9.7%
2012	85,413	6,133,166	71,806	45	13	12,998	9.0%
2013	86,041	6,028,635	70,067	45	13	13,235	7.6%

Source¹: Bureau of Labor Statistics for West Palm Beach-Boca Raton-Boynton Beach, FL Metropolitan Division
2013 School Enrollment Information - www.Palmbeachschools.org

Source²: Business Development Board of Palm Beach County

Source³: Office of Economic and Demographic Research

***Source⁴** US Census Bureau (2011, 2012, 2013 reflect median income)

CITY OF BOCA RATON, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Employer	2013*			2004		
	Number of Employees	Rank	Percentage of Total City Employment (1)	Number of Employees	Rank	Percentage of Total City Employment
Florida Atlantic University	2,706	1	2.73%	1,400	3	N/A
Office Depot (Hdqtrs)	2,250	2	2.27%			
Boca Raton Regional Hospital	2,250	3	2.27%	1,700	2	N/A
Boca Raton Resort and Club	1,800	4	1.81%	2,380	1	N/A
City of Boca Raton	1,279	5	1.29%	1,100	5	N/A
National Council of Comp Ins (NCCI)	800	6	0.81%	900	6	N/A
Prime Management Group Inc	750	7	0.76%			
SimplexGrinnell (Hdqtrs)	700	8	0.71%			
International Bus. Machines (IBM)	600	9	0.60%			
Applied Card Systems	550	10	0.55%	750	8	N/A
Siemens (and local subsidiaries)				650	10	N/A
Rexall Sundown, Inc.				670	9	N/A
ADT / Sensormatic				1,300	4	N/A
MBNA				800	7	N/A
TOTAL	<u>13,685</u>		<u>13.79%</u>	<u>11,650</u>		

Source of 2004 data: 2004 City of Boca Raton CAFR

Source of 2013 data: Business Development Board

* 2013 data indicates the most recent information available at the time of statement issuance

CITY OF BOCA RATON, FLORIDA
FULL-TIME EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	187	176	204	191	168	167	155	155	159	159
Public safety										
Police (a)										
Officers	169	191	198	198	198	198	199	198	198	198
Civilians	91	101	106	106	99	98	97	97	97	97
Fire (a)										
Firefighters and officers	174	195	207	207	207	207	207	205	205	205
Civilians	13	11	12	12	10	10	10	10	11	11
Highways and streets										
Engineering	13	13	13	12	10	10	9	9	9	9
Maintenance	13	15	13	18	16	16	16	17	16	16
Sanitation	51	53	55	55	53	53	53	52	49	46
Culture and recreation	294	307	296	324	300	290	273	273	281	296
Water/sewer	172	162	148	169	165	165	167	165	166	164
Stormwater	10	8	8	9	9	10	11	11	11	11
Information technology	21	22	23	22	21	22	22	24	25	27
Motor pool	11	13	15	13	13	13	12	12	12	12
Golf course	22	25	23	24	24	24	24	24	23	23
Cemetery	5	5	5	5	5	5	5	5	5	5
TOTAL	1,246	1,297	1,326	1,365	1,298	1,288	1,260	1,257	1,267	1,279

Source: City of Boca Raton Approved Budget Book 2012-2013

(a) Additional police officers and firefighters were hired in 2004 and 2005 due to annexation.

OPERATING INFORMATION

This section is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition.

CITY OF BOCA RATON, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Years</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities:				
General government				
Bond ratings - G.O. bonds				
Moody's	Aaa	Aaa	Aaa	Aaa
Standard & Poor's	AAA	AAA	AAA	AAA
Fitch	AAA	AAA	AAA	AAA
Building permit applications	8,926	10,397	12,674	10,368
Law enforcement				
Physical arrests	1,967	2,092	2,036	2,250
Parking violations	3,340	3,878	2,984	2,046
Traffic violations	18,028	22,995	27,177	21,112
Fire rescue				
Number of calls answered	16,316	16,824	15,762	15,993
Inspections	6,042	5,938	6,001	6,381
Transportation				
Streets resurfacing (miles)	0	0	10	9
Potholes repaired	295	201	0	388
Potholes repaired (tons)	**	**	**	**
Physical environment				
Refuse collection(tons/daily)	248	210	183	134
Recyclables collected (tons/daily)	35	30	22	33
Parks & recreation				
Athletic field permits issued	8,809	9,180	7,977	9,078
Community center admissions	353,042	364,582	362,908	391,928
Tennis participation	230,997	225,603	212,422	237,553
Camp programs	2,173	2,264	2,505	2,489
Aquatics participation programs	46,142	40,606	47,191	51,176
Business-type activities:				
Water				
New connections (excl Iris)	61	182	384	292
Water mains breaks	183	132	76	25
Average daily consumption (thousands of gallons)	41,050	40,080	41,854	35,480
Active accounts	34,874	35,110	35,499	35,804
Sewer				
Average daily sewage treatment (thousands of gallons)	14,350	14,960	14,744	13,350
Active accounts	31,501	31,776	32,082	32,338
Golf courses				
Annual golf permits	187	180	170	146
Golf participation	112,436	111,712	119,462	130,687

Source: Various City Departments

** The unit quantity for potholes repaired is now tracked in tons instead of each as a unit of production

2008	2009	2010	2011	2012	2013
Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
AAA	AAA	AAA	AAA	AAA	AAA
AAA	AAA	AAA	AAA	AAA	AAA
8,329	7,270	6,957	6,738	7,542	8,150
3,165	3,049	3,324	2,948	2,939	2,992
4,516	2,323	2,574	1,624	958	639
25,190	23,620	27,354	26,393	25,985	31,481
15,548	15,013	15,550	15,762	16,192	15,737
6,912	6,538	7,090	7,202	5,855	7,131
7	4	10	0	18	20
112	175	**	**	**	260
**	**	10	14	11	10
125	121	143	123	112	132
19	19	34	19	25	18
9,267	8,446	8,269	8,381	8,698	9,185
413,855	435,265	431,894	456,238	456,802	450,381
210,794	191,245	193,444	191,877	188,231	189,477
2,177	2,156	2,238	3,667	3,093	3,097
53,556	53,152	54,791	62,374	57,749	59,024
97	128	62	86	147	80
23	23	20	33	130	85
36,870	39,500	34,427	34,700	31,630	30,490
35,921	36,040	36,081	36,200	36,375	34,522
13,174	12,523	13,130	12,520	13,656	12,345
32,512	32,733	32,887	32,973	33,141	33,018
126	120	97	80	72	64
125,933	124,265	96,878	105,055	107,037	108,724

CITY OF BOCA RATON, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	Fiscal Years									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Law enforcement										
Police stations/substations	4	4	4	2	2	2	2	2	2	2
Patrol units	250	258	247	210	227	234	230	230	230	230
Fire rescue										
Fire stations	8	8	8	8	8	8	8	8	8	8
Fire rescue units	31	32	33	33	33	33	33	33	33	33
Physical environment										
Sanitation-collection trucks	35	34	33	35	35	35	35	35	35	35
Transportation										
Street (miles)	252	252	252	225	219	224	219	219	218	220
Street lights	n/a	n/a	384	381	384	384	384	857	857	863
Traffic signals	132	133	135	134	135	136	136	136	136	136
Lane miles	510	510	510	490	484	495	486	486	485	487
Parks and recreation										
Park acreage	551	551	551	551	551	551	551	551	636	636
Parks	31	31	31	31	31	31	31	31	32	32
Swimming pools	2	2	3	2	2	2	2	2	2	2
Tennis centers	3	3	3	3	3	3	3	3	3	3
Community centers	3	3	3	3	3	3	3	3	3	3
Public libraries	1	1	1	1	2	2	2	2	2	2
Public beaches (miles)	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18	2.18
Business-type activities										
Water										
Water mains(miles)	541	545	547	550	535	535	560	546	560	560
Fire hydrants	4,999	4,999	5,035	5,397	5,397	5,419	5,448	5,421	5,503	5,567
Maximum daily capacity (thousands of gallons)	70	70	70	70	70	70	70	70	70	70
Sewer										
Sanitary sewers (miles)	340	342	343	344	480	482	385	512	513	516
Maximum daily treatment capacity (thousands of gallons)	18	18	15	18	18	18	18	18	18	18
Waste water pumping stations	234	234	238	237	233	238	238	236	238	240
Cemetery	1	1	1	1	1	1	1	1	1	1
Golf courses	3	3	3	3	3	3	3	3	3	3
Storm water utilities										
Storm sewer(miles)	50	51	51	63	63	64	99	99	100	100

Sources: Various City departments

Note: No capital asset indicators are available for the general government function.

LAST PAGE